

Drainage District—Funds—Interest—County Treasurer.

A drainage district is not entitled to 2½% interest on any of its funds deposited by the County Treasurer.

Louis E. Haven, Esq.,
County Attorney,
Hardin, Montana.

My dear Mr. Haven:

You have submitted to this office the question of whether drainage districts are entitled to the 2½% interest allowed on funds deposited by the County Treasurer in local banks.

Section 7286, Revised Codes of 1921, provides:

“The County Treasurer of the county wherein the court having jurisdiction of such district (drainage district) is located, shall be the custodian of all funds belonging to the district, and he shall pay out such funds upon warrants drawn by the Board of Commissioners of such district, except that the bonds of said district and the interest coupons thereon shall be payable as they mature, on presentation to such Treasurer.”

While Section 4767 provides, in part, as follows:

“It shall be the duty of the County Treasurer to deposit all public moneys in his possession and under his control, excepting such as may be required for current business, in any solvent bank or banks located in his county subject to national supervision or state examination, as the Board of County Commissioners shall designate, and no other, and the sums so deposited shall bear interest at the rate of two and one-half per centum per annum, payable quarter-annually. * * * All interest paid and collected on such deposits shall be credited to the general fund of the county.” * * *

Funds of a drainage district in the hands of the County Treasurer, under the provisions of Section 4767, are “public moneys in his possession and under his control,” and the statute is clear that the interest on such fund is to be credited to the general fund of the county. Had the Legislature intended that interest on funds of public corporations should be credited to the several public corporations in proportion to the amount of funds belonging to them in the hands of the County Treasurer, it could easily have said so and directed that the interest be credited to the accounts of the various public corporations instead of directing that it be credited to the general fund of the county.

It is, therefore, my opinion that a drainage district is not entitled to the 2½% interest on any of its funds deposited in local banks by the County Treasurer and that the County Commissioners have no authority to remit any interest so earned to the drainage district.

Very truly yours,

WELLINGTON D. RANKIN,
Attorney General.