

**School Districts—Sinking Funds—Investment—Warrants.**

There is no authority of law authorizing the investment of the sinking fund of a school district in registered warrants of the district.

May 31, 1928.

J. E. McKenna, Esq.,  
County Attorney,  
Lewistown, Montana:

My dear Mr. McKenna:

You have submitted to this office the inquiry whether cash on hand to the amount of a little more than \$3,000 in the sinking fund of the school district, where no bonds are redeemable until 1931, can be used for the purpose of taking up warrants issued in anticipation of taxes levied, thus saving the district the interest on the warrants from the time issued until the collection of the tax.

Chapter 76 of the session laws of 1927 amended section 1230, R. C. M. 1921, relative to the investment of sinking funds. This section after its amendment was repealed by chapter 147 of the session laws of the same year. The repeal came about by reason of the fact that section 147 originally contained a provision for investment of sinking funds. It also contained a provision repealing section 1230. By reason of the provisions of chapter 76 the section of ch. 147 dealing with the same subject was struck out, but the repealing section was overlooked.

Chapter 147 was approved at a later date than was chapter 76. The legislature did not intend to repeal chapter 76 amending section 1230, but inadvertently repealed section 1230. Chapter 76 did not provide for investment of sinking funds of a district in its own warrants, and while the contemplated plan would no doubt save the district some interest by paying the warrants issued in anticipation of taxes levied, it is without authority of law, and therefore cannot be approved by this office.

Very truly yours,

L. A. FOOT,  
Attorney General.