

High Schools—Limitation—Warrant Issue—Warrants—Budget—Sections 92 and 93, Chapter 148, 1931.

Outstanding warrants issued by a high school to be included in the budget estimate.

A district or county high school is limited in issuing warrants to one-half of the anticipated receipts before apportionment.

Mr. H. O. Vralsted,
County Attorney,
Stanford, Montana.

March 22, 1932.

My dear Mr. Vralsted:

I have your request for an opinion relative to the following questions:

1. What is the proper way of computing the amount of warrants that may be issued by a district or county high school prior to its apportionment?

2. May warrants be issued in the aggregate equal to the total anticipated revenue from the taxes, provided that delinquencies and tax payments make it impossible to collect the full amount for which the high school is budgeted?

3. Under the budget law for high schools is it necessary to include outstanding registered warrants?

Answering your first question, chapter 148, laws of 1931, relating to high school budgets provides in section 86 as follows:

"Each high school shall share in the amount collected in the proportion that its budget bears to the total high school budget of the county for said tax, * * *."

"The proceeds of said special tax shall be apportioned in December and June of each year by the county superintendent of schools amongst the county high school and/or district high schools, * * *."

Section 92 provides:

"The moneys apportioned to any school district or county high school under this chapter shall be held by the county treasurer of the county to the credit of the school district or county high school as its high school fund, and distinct from all other public moneys; disbursements therefrom shall be made for high school purposes only by warrant specifying on its face the consideration for which it is issued."

Section 93 provides:

"But the board of trustees of any county high school or school district maintaining a high school may draw warrants against the high school fund before apportionment provided that the aggregate of all such warrants does not exceed one-half of the anticipated share of the high school in the tax, * * *."

This provision of chapter 148 was inserted in the law for the purpose of preventing high school districts or county high schools from depleting the county high school fund by issuing warrants before their proportion of the tax had been collected.

You have submitted the following illustration: School district "A" prepares a budget for its district high school for the school year of 1931-2 in the total sum of \$10,000. The district has no funds on hand at the commencement of the school year and issues warrants aggregating \$5,000, being one-half of its share of the anticipated tax, for the purpose of maintaining its school prior to the first apportionment to be made in December by the county superintendent.

Because taxes have not been fully paid when the apportionment is made it is found that only \$4,000 is the amount apportioned and received for said school district at this time, leaving outstanding warrants in the sum of \$1,000 in excess of the amount actually received. The school district has no funds on hand for the maintenance of its school for the period from December to June; the gross balance of said anticipated tax is \$6,000. Against this amount \$1,000 of warrants have been issued, leaving a balance of \$5,000. If warrants are issued against one-half thereof the aggregate amount that could be issued would be \$2,500. When the apportionment of taxes is made in June, due to uncollected taxes, said district's share is \$2,000; the said \$2,000 was applied in payment of the registered and outstanding warrants but is not sufficient to redeem all of them, and \$1,500 worth of registered warrants remain unpaid.

In my opinion the limitation for issuing warrants in the amount of one-half of the anticipated receipts before apportionment requires that in the first instance the warrant issue be limited to \$5,000; in the second instance that it be limited to \$2,500. I can see no other meaning that can be given to this limitation. If warrants could be issued up to the total amount anticipated the limitation of one-half contained in section 93 would mean nothing at all.

Answering your third question, you are advised that in my opinion the board is required to include in its budget for the succeeding year all unpaid outstanding warrants. The high school does not levy a tax upon the county; it merely makes out a budget for its anticipated requirements along with all other district and county high schools. A levy is then made for the benefit of all and is apportioned as prescribed in this chapter. It apparently was the intention of the legislature to limit the expenditure to the amount received on the apportionment of the taxes plus whatever other revenue the high school may receive from other sources.

Very truly yours,
L. A. FOOT,
Attorney General.