

**Opinion No. 103****Taxation—School Bonds—Exemption.**

HELD: School bonds held by residents of the county are not exempt from taxation.

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March 8, 1933.

You have requested my opinion as to whether or not school bonds, held by residents of the county, are exempt from taxation under Section 1998, R. C. M. 1921, as amended, or should be taxed and classified as provided for in Section 1999, R. C. M. 1921.

Section 1998, as amended by Chapter 98, Laws of 1931, does not alter the

original section in regard to the matter you submit. *Cruse, et al., v. Fischl, County Treasurer*, 55 Mont. 258.

In Section 1999, covering the classification of taxable property, the paragraph covering property in Class 5, is as follows: "All moneys and credits, secured or unsecured, including all state, county, school district and other municipal bonds, warrants and securities without any deduction or offset; provided, however, that the terms, moneys, and credits as herein used shall not embrace the moneyed capital employed in the banking business by any banking corporation or individual in this state."

It is therefore my opinion that school bonds held by residents of the county are not exempt from taxation.