

gage lands," acquired by the state through its farm loan mortgages, to be reappraised even though such reappraisals place a lower value on any tract of such lands than the amount of the State's investment thereon plus the accrued and unpaid interest.

2. If all receipts from such lands are credited upon the amount loaned with no deductions for interest and a reappraisal is not less than the balance of the principal remaining unpaid on the loan, the public school fund would show no loss and the reappraisal would not violate Section 3 of Article XI of the Constitution.

June 27, 1935.

Hon. I. M. Brandjord
Commissioner of State Lands
The Capitol

You inquire as to the authority of the State Board of Land Commissioners to reappraise "mortgage lands" acquired by the State through its farm loan mortgages in cases where such reappraisals place a lower value on any tract of such lands than the amount of the State's investment thereon plus the accrued and unpaid interest.

In Chapter 60, of the Laws of 1927, Section 2 thereof, the term "mortgaged land" or "mortgaged lands" is defined as land or lands to which the State has become the owner through a mortgage thereon either by foreclosure or otherwise.

Section 17 of the same chapter in relation to appraisals was amended by Chapter 42 of the Laws of 1933, which authorizes reappraisals and contains the following statement: "* * * and provided, further, that the board may cause mortgaged land to be reappraised without reappraising other state lands in the county or counties in which they are located. * * *"

There being no constitutional inhibition to prevent such reappraisals, the plain language contained in this statement authorizes a reappraisal.

The next question is: May such reappraisal be for an amount less than the State's investment in said land plus the accrued and unpaid interest?

A prior statute, Chapter 168, Laws

Opinion No. 126.

**State Lands—Farm Loan Mortgage
Lands—Appraisal—Reappraisal
—Public School Fund.**

HELD: 1. Section 17 of Chapter 42, Laws of 1933, authorizes the State Board of Land Commissioners "mort-

of 1925, forbids a sale for less than the State has invested in the loan, including all costs and interest to date of the sale. This provision was omitted in the Laws of 1927, and has not since that time been a requirement for reappraisalment for sale.

Section 3 of Article XI of the Constitution of Montana provides: "Such public school fund shall forever remain inviolate, guaranteed by the state against loss or diversion, to be invested so far as possible in public securities within the state, * * * under the restrictions to be provided by law."

If all receipts from said lands are credited upon the amount loaned with no deductions for interest and a reappraisalment is not less than the balance of the principal remaining unpaid on said loan, certainly the public school fund would show no loss or diversion by such transaction, and a reappraisalment within such limits would certainly be authorized.