

No. 369

COUNTY FAIRS—INSURANCE—PROCEEDS FROM INSURANCE ON DESTROYED COUNTY FAIR BUILDINGS

Held: Proceeds from insurance on destroyed county fair buildings should be placed in imprest fund for replacement purposes unless otherwise ordered by board. Fund may not be invested except in county warrants.

March 4, 1942.

Mr. W. A. Brown
State Examiner
State Capitol
Helena, Montana

Dear Mr. Brown:

You inquire:

- (1) Whether proceeds from insurance on county fair buildings may be kept intact and used at some later time for rebuilding the destroyed structures, and
- (2) Whether the fund may be invested in securities other than county warrants in the interim.

You advise the proceeds in the specific case to which you refer are now kept in the County Fair Fund.

First: The only object for insuring the buildings was to provide for their repair or replacement in the event of fire. The insurance money collected is now in the County Treasury and constitutes a trust fund for fair building purposes. (State vs. Board of Trustees, 91 Mont. 300, 7 Pac. (2nd) 543; 15, Opinions of the Attorney General, No. 173.) It

should be kept in an imprest fund and even now should not be kept in the County Fair Fund. For bookkeeping purposes, a transfer should be made so as to maintain its trust character. The money actually represents the fair buildings destroyed and appropriate action by the county board is necessary to dispose of the fund as though the buildings had been sold or otherwise disposed of pursuant to law. Until that is done, however, the fund is unaffected by fiscal period reverter.

Secondly: I find no authority for investment of the fund except the county warrants, as provided by Section 4639.1, Revised Codes of Montana, 1935.

I am of the opinion, therefore, the first portion of your question must be answered in the affirmative and the second portion in the negative.

Sincerely yours,

JOHN W. BONNER
Attorney General