

Opinion No. 34

**Board of Trustees—County High
Schools—Insurance—Premiums—
Appropriations, Insurance
Premiums.**

Held: The board of trustees of a county high school is not authorized to pay insurance premiums in an amount in excess of the amount appropriated for such item unless a transfer of funds may be made in an amount sufficient to pay the premium charge.

May 14, 1947

Mr. W. G. Gilbert, Jr.
County Attorney
Beaverhead County
Dillon, Montana

Dear Mr. Gilbert:

You have requested my opinion as

to whether the board of trustees of a county high school may pay insurance premiums for insurance on the county high school buildings in excess of the appropriations for the same contained in the budget.

You advised me that the county commissioners of your county had renegotiated the county insurance policies and the amount of the premiums exceeds the appropriation for insurance in the current budget by \$600.00.

Under sub-section 16 of Section 1262.83, Revised Codes of Montana, 1935, as amended by Chapter 207, Laws of 1939, the board of trustees of a county high school is given the power, and it is its duty to transact all business and to make and execute all contracts in the name of the county. This section gives to the trustees the power to make all insurance contracts.

If we assume that the trustees of the high school should ratify the contract for additional insurance and make the contract that of the board of trustees, the prohibition of Section 1263.14, Revised Codes of Montana, 1935, must still be considered. This latter section limits expenditures or incurring of liabilities to the amount of detailed appropriations as contained in the budget. However, Section 1263.15, Revised Codes of Montana, 1935, authorizes excess moneys in one item of the budget to be transferred to an item for which the appropriation is deficient, if these two items are payable from the same fund. This means that transfers may be made to the insurance item from other items contained in Section 6 of part 1 of the high school budget.

The payment of the increase in insurance premiums does not constitute an emergency within the meaning of Section 1019.16, Revised Codes of Montana, 1935, as amended by Chapter 193, Laws of 1943, and Chapter 134, Laws of 1945, as certain emergencies are enumerated therein, and an increase in insurance rates is not designated as justifying an emergency expenditure.

It is, therefore, my opinion that the

board of trustees of a county high school is not authorized to pay insurance premiums in an amount in excess of the amount appropriated for such item unless a transfer of funds may be made in an amount sufficient to pay the premium charge.

Sincerely yours,
R. V. BOTTOMLY,
Attorney General