

Opinion No. 14-1180

April 2, 1914

BY: FRANK W. CLANCY, Attorney General

TO: Honorable Howell Earnest, Traveling Auditor and Bank Examiner, Santa Fe, New Mexico.

BONDS.

As to cancellation of surety company bonds given by county treasurers for 1913 and 1914.

OPINION

{*37} Referring to the opinion of this office given to you on March 18, on the subject of bonds given by county treasurers, as to which you have consulted with me today, at the same time showing me a letter from Jacobs & Edmondson, Managers of the Mountain Department of the United States Fidelity and Guaranty Company, setting out a proposed method of procedure to bring the treasurers' bonds into harmony with the decision of Judge Medler and the said opinion of this office, I have to say that, if I understand correctly that letter, the procedure proposed therein would be substantially correct. I will not undertake to express any opinion as to the mathematical calculations, as they are merely matters of detail.

As I understand what the company proposes to do is to take back the bonds which it gave in 1913 and 1914, allowing the bonds given in 1912 to remain in full force, charging the counties with the annual premiums for 1913 and 1914 in accordance with the requirements of the 1912 bonds, of course, at the same time giving the counties credit for what they have paid to the company for premiums on the later bonds. This will result, as I understand, in some cases in requiring a return of money from the company to the counties and in others will require the counties to pay some additional money for the premiums of 1913 and 1914. While this is a hardship upon those counties required to make additional payments, yet in no case will it be to any very large amount of money, and it seems the only way of adjusting things so as to conform to the decision of Judge Medler. By this arrangement the 1912 bonds will be continued to the end of the present official terms.