

Opinion No. 15-1521

May 11, 1915

BY: FRANK W. CLANCY, Attorney General

TO: O. N. Marron, State Treasurer, Santa Fe, New Mexico.

As to validity of state bonds issued in satisfaction of claims of Grant and Luna counties.

OPINION

{*107} I have before me your letter of the 7th inst. and also the transcript of the proceedings of the Board of Loan Commissioners with regard to the bonds about to be issued in satisfaction of the claims of Grant and Luna counties which were favorably passed upon by the Board of Loan Commissioners on the second day of March, 1915, which abstract you sent to me from Albuquerque after I had received your letter.

In your letter you say that you have ordered the bonds lithographed and that they will be delivered sometime the latter part of this month, and you wish to submit to me the proposition as to the legality of this issue, and whether the bonds will be a valid and binding obligation of the state and an investment that would be safe for the permanent school fund if such investment is approved by the Governor, Secretary of State and myself.

I am unable to discover anything in the proceedings of the Board of Loan Commissioners, or in the legislation of congress and of the state, or in the Constitution which would cast any doubt upon the validity and legality of these bonds, especially in view of the fact that the question of the allowance of these claims of Grant and Luna counties have been submitted to judicial decision and the district court of Santa Fe county has held that the claims should be allowed and their payment provided for.

In your letter you say that when the bonds are lithographed they would be ready for execution and delivery and sale. These particular bonds are not to be sold like the other bonds provided for in Chapter 16 of the Laws of 1912, but are to be delivered to the respective treasurers of Grant and Luna counties in the proportion {*108} which the Board of Loan Commissioners has determined each of said counties to be entitled. I notice in the abstract of proceedings that the amounts to which the counties are respectively entitled are left in blank, and these blanks must be filled up in accordance with the determination as to the amount to go to each county. I believe, however, that that has already been done.

I return herewith the abstract which you sent.