

Opinion No. 20-2696

September 23, 1920

BY: HARRY S. BOWMAN, Assistant Attorney General

TO: Charles L. Yount, Clerk, School District 28, Tatum, N.M.

Interest From Deposit Proceeds Bond Sales Should Be Credited to District School Fund.

OPINION

We are just now in receipt of your letter of the 15th instant asking if the interest derived upon a deposit of monies from the sale of bonds issued by school district 28, the payment for which is provided for in a special levy by that district, should not be placed to the credit of the school district rather than the general county school fund. Chapter 79, Laws 1915, and Chapter 105, Laws 1917, known as the county unit school law, practically obliterate the old school districts insofar as finances of such districts is concerned, and place the matter of the financing of the schools in the rural school districts entirely within the jurisdiction of the county school boards.

There is no provision in any of these laws as to the manner of the handling of interest derived from proceeds from the sale of bonds issued by various districts for the purpose of building school houses.

It is our opinion, however, that any interest paid upon deposits of monies solely derived from the sale of bonds issued by your district and the levy of the tax for the payment of which bonds is limited to that district, should be credited to the school fund of that district, and not to the general county school fund unless, of course, the general county school fund should be liable for the payment of the bonds or the interest thereon at some future time. Of course, this condition could not be anticipated but if there is any such prospect then the interest should be credited to the general county school fund.