

Opinion No. 22-3492

June 23, 1922

BY: HARRY S. BOWMAN, Attorney General

TO: Mr. William G. Johnson, Secretary, Board of Education, Roy, New Mexico.

Sale of School Bonds Harding County.

OPINION

{*163} In reply to your letter of the 19th instant, requesting advice regarding the matter of the sale of the high school bonds issued by the Village of Roy, and stating that the bonds were sold for 82 cents on the dollar, and that certain officials of the E.P. & S.W. Railroad contend that the sale is illegal, since they were sold for less than 95 cents on the dollar, I wish to say:

Section 22, Chapter 105, Laws 1917, prescribes a method for the issuance and sale of school bonds and prohibits the sale of such bonds for less than 90 per cent of par with accrued interest.

In my opinion, the sale of the bonds at a figure which produces less than 90 per cent of the par value of such securities is invalid and proper steps should be taken by the Board of Education to secure the difference between the price for which the bonds were actually sold and what they would have produced if they had been sold at the minimum figure prescribed by law.

I cannot take the necessary steps to obtain the said amount, since officially, I am not authorized by law to represent school districts in litigation. I would suggest, therefore, that you employ an attorney to represent your Board in filing the suit to secure the balance of the amount due. I cannot undertake to advise what method he should follow nor what steps he should pursue in correcting the condition of which you speak in your letter.