



OFFICE OF THE ATTORNEY GENERAL OF TEXAS
AUSTIN

GROVER SELLERS
ATTORNEY GENERAL

Honorable C. H. Cavness
State Auditor
Austin, Texas

Dear Sir:

Opinion No. 0-6475

Re: Under the provisions of
Article 2909a, Section 7,
Revised Civil Statutes, is
the State Auditor required
to approve all revenue bonds
issued by the Board of Regents
of the State Teachers' Colleges?
And other related questions.

We are in receipt of your letter of recent date,
reading as follows:

"Section 7, Article 2909a, Vernon's Re-
vised Civil Statutes of 1925, as amended, provides
'All revenue bonds shall be examined and approved
by the Attorney General of the State of Texas; and
the State Auditor shall approve such revenue bonds
or revenue notes after an examination of revenues
which show a reasonable prospect of adequate rents,
income, fees or charges to pay principal and inter-
est, and all approved bonds shall be registered in
the office of the Comptroller of Public Accounts of
the State of Texas.'

"Please advise me whether or not the above
provision of the statute requires my approval of all
revenue bonds issued by the Board of Regents of the
State Teachers' Colleges under the authority of Arti-
cle 2603c, or any other statute authorizing the is-
suanace of revenue bonds other than Article 2909a.

"If the above quoted statute requires my
approval of revenue bonds under any or all of the
statutes authorizing the issuance of revenue bonds,
please advise me upon what information I shall rely
in determining whether the revenues 'show a reasonable
prospect of adequate rents, income, fees or charges'

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to pay principal and interest on the bonds. Where revenue bonds are issued for the construction of a new dormitory or other facility, there is no record of revenues for me to examine and the only examination that I can make is prospective revenues. Under the statute, please advise me if I may legally approve the issuance of revenue bonds based upon my examination of estimates furnished by the Business Manager of the college involved and of the architect in charge of the project."

Replying to the above, you are advised that it is our opinion that the quoted language from Section 7 of Article 2909a applies only to the bonds issued pursuant to the provisions of that Article, otherwise we should have to hold that it applied to bonds issued by the several River Authorities, to revenue bonds issued by cities and towns and to revenue bonds issued by any political subdivision authorized to issue revenue bonds. Article 2909a is the only article which authorizes Boards of Regents to supplement the pledged income from local funds of the College in cases of emergency, and it evidently was for the purpose of protecting such local funds that the provision requiring the State Auditor to approve same "after an examination of revenues which show a reasonable prospect of adequate rents, income, fees or charges to pay principal and interest" was inserted in the law.

We think you may legally approve revenue bonds based upon your examination of estimates furnished by the Business Manager of the college involved and of the architect in charge of the project in the absence of any reasonable doubt as to the correctness of such estimates.

Yours very truly

ATTORNEY GENERAL OF TEXAS

By *C. F. Gibson*
C. F. Gibson
Assistant

APPROVED MAY 18, 1945

W. S. Bell
FIRST ASSISTANT
ATTORNEY GENERAL

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