



**THE ATTORNEY GENERAL  
OF TEXAS**

AUSTIN 11, TEXAS

**WILL WILSON  
ATTORNEY GENERAL**

March 29, 1957

Honorable Dawson Bryant  
County Attorney  
Kent County  
Jayton, Texas

Opinion No. WW-81

Re: The issuance and legal  
obligation of time-war-  
rants by Jayton Rural  
High School District  
under Art. 2786(e),  
V.C.S.

Dear Mr. Bryant:

You request the opinion of this office upon the questions presented in your letter, as follows:

"At the beginning of the current school year beginning on September 1, 1956, or shortly thereafter, the Jayton Rural High School District had just completed a new school plant consisting of a new grade school, high school, auditorium and gymnasium. The school district was in need of equipment for the various schoolrooms, band and lunchroom in order that classes could be properly conducted during the present school year. The school had enough funds or would receive enough available funds from all sources during the year to pay all teachers' salaries, maintenance and operation, with a small surplus left over; however, the school district did not have enough funds out of current available funds to purchase the necessary equipment and to equip school property. The Board of Trustees ordered the necessary equipment during the present school year with the intention of borrowing money by issuing time-warrants to pay for same. Such equipment cost well over the sum of \$25,000.00. Upon receiving the equipment in September and October of 1956, instead of issuing time-warrants to obtain the funds necessary for such purpose which warrants would have been drawing interest, the Board of Trustees paid for such equipment out of available

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funds with the intention of issuing the time-warrants later in the school year when the need arose for the money. Now the school is in need of funds to replace that which was spent on the equipment and they now desire to issue interest-bearing time warrants in the amount of \$25,000.00.

"1. Can the Jayton Rural High School District issue interest-bearing time warrants under Article 2786e Texas Revised Civil Statutes under the above circumstances?

"2. Would such time warrants be a legal obligation of such School District?"

The term "interest-bearing time warrant" is defined in Section 8 of Article 2786(e), V.C.S., as being a "promissory note, interest-bearing time warrant, obligation or other evidence of indebtedness issued under this Act," and the statute authorizes payment of the warrants with tax moneys to be levied and collected in future years.

It is clear that neither bonds nor warrants may be issued for any purpose not authorized by statutory or constitutional provisions, the leading case on the subject being Lasater v. Lopez, 110 Tex. 179, 217 S.W. 373.

In effect, it is proposed to replenish the "current available funds" of the district by the issuance of time warrants. Such a purpose is clearly not one of those enumerated in Article 2786(e), V.C.S., which are as follows:

". . . to repair and renovate school buildings; purchase school buildings and school equipment; to equip school properties with necessary heating, water, sanitary, lunchroom and electric facilities; . . ."

Issuance of time warrants for the purpose stated is not authorized by Article 2786(e), V.C.S., and if they were issued they would be void.

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SUMMARY

Under Article 2786(e), V.C.S., time warrants may not be legally issued by a school district for the purpose of replenishing the "current available funds" of the district, and, if issued, would not be legal obligations of the district.

Very truly yours,

WILL WILSON  
Attorney General

By

*Howard W. Mays*

Howard W. Mays  
Assistant

HWM-s

APPROVED:

OPINION COMMITTEE

By: H. Grady Chandler, Chairman