



**THE ATTORNEY GENERAL
OF TEXAS**

GERALD C. MANN

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ATTORNEY GENERAL

AUSTIN 11, TEXAS

March 22, 1939

Honorable Tom C. King
State Auditor
Austin, Texas

Dear Sir:

Opinion No. O-528
Re: Cancellation and release
TN&NO Railway Bonds.

We are in receipt of your letter of March 22 which is as follows:

"During the year 1860 and 1861 the State purchased for its Permanent School Fund serial bonds of the TN&NO railroad in the amount of \$430,500.00. At a later date there was a default in principal and interest and about 1871 a special agreement was made deferring the maturities of the obligation and providing a specific annual payment principal and interest. Final payment of the principal and interest obligation was made July 14, 1936. This office is satisfied that the records reflect that the obligations have been paid in full to the State.

"We are advised that during the year 1936 the office of the Attorney General of Texas rendered an opinion that a joint resolution of the legislative bodies, authorizing the release of the obligations to the TN&NO railroad would be necessary before such release could be made to the State Treasurer and the Governor. There seems to be considerable doubt as to the legal requirement of such a joint resolution or law whichever it may be called, before the administrative officials of the State can release obligations which have been satisfied in full. I will thank you to advise if a legislative act is necessary before the State Treasurer and the Governor can release the paid but uncanceled obligations of the TN&NO railroad referred to above."

If these bonds and accrued interest have been fully paid off, the obligation completely discharged, as stated in your letter, the railroad would undoubtedly be entitled to the surrender and cancellation of the bonds in question.

Assuming that the bonds and interest have been fully paid, it is necessary for the Legislature to pass any Act or Resolution authorizing proper officials to cancel and surrender said bonds, and execute a document evidencing that fact.

CCC:FG:egw
APPROVED
/s/ GERALD C. MANN
ATTORNEY GENERAL OF TEXAS

Yours very truly
ATTORNEY GENERAL OF
By /s/ Cecil C. Carr
Assistant