



OFFICE OF THE ATTORNEY GENERAL OF TEXAS

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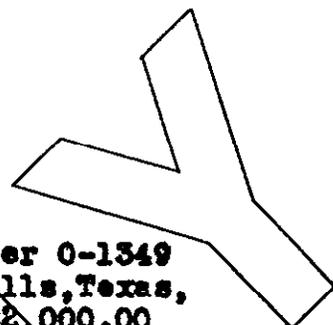
GERALD C. MANN  
ATTORNEY GENERAL

*Hunt Co,*

Honorable Joseph F. Nichols  
City Attorney for Caddo Mills  
Medical Arts Building  
Greenville, Texas

Dear Sir:

Opinion Number 0-1349  
Re: Caddo Mills, Texas,  
Warrants - \$2,000.00



We acknowledge receipt of your letter of recent date and quote from your letter as follows:

"Must the City of Caddo Mills fund the indebtedness incurred by its purchase of fire fighting equipment in the sum of \$2,000 by issuing funding bonds in accordance with subsection (d), Sec. 7, Art. 2368a, R. C. S. 1925?"

"If the city is not required to issue such bonds, are the time warrants issued by the city as shown in the data submitted not in conflict with the Bond & Warrant Law of 1931 so as to require the issuance of bonds for the purpose of funding such indebtedness?"

We are not sure that we understand your questions with certainty, but we do believe that we understand them sufficiently well to answer them with reference to the points involved as we understand them.

The total amount of warrants involved is only \$2,000 and for that reason no formalities were required preliminary to their issuance. There appears to have been a sufficient tax levy at the time the warrants were issued.

Honorable Joseph F. Nichols, October 19, 1939, page #2

If they were issued in payment of a valid debt, and it appears that they were, then with this tax levy, they were evidently valid, because items of indebtedness of \$2,000 and less are exempt from the other formalities required by the Bond and Warrant Law of 1931.

The Bond and Warrant Law of 1931, Section 7, Subsection (d), authorizes such warrants to be funded into bonds; but authority to fund such warrants into funding warrants seems to be absent from the law.

Therefore, it appears that these warrants should either remain in their original form or be funded by the issuance of funding bonds. (Not funding warrants). If such funding bonds are to be issued, then they must be issued under Article 2368a, Revised Civil Statutes of 1925, and your attention is called to the three weeks publication of a 30-day notice as provided by subsection (d) of Section 7 of the above mentioned law.

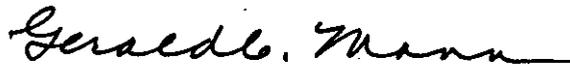
Very truly yours

ATTORNEY GENERAL OF TEXAS

By   
 Claud C. Boothman  
 Assistant

COB-s

APPROVED OCT 24, 1939



ATTORNEY GENERAL OF TEXAS

