



**THE ATTORNEY GENERAL
OF TEXAS**

AUSTIN 11, TEXAS

GERALD C. MANN
~~XXXXXXXXXX~~
ATTORNEY GENERAL

Honorable Foster Davis
County Attorney
Foard County
Crowell, Texas

Dear Sir:

Opinion Number 0-2755

Re: May a county invest its permanent
school fund in time warrants?

This acknowledges receipt of your opinion request of recent date, and we quote from your letter as follows:

"I would like to have an opinion on the following matter:

"Foard County's Permanent School Fund now has on hand approximately \$4,000.00 to invest and the Commissioners' Court of Foard County would like to invest the same in time warrants. They would appreciate an opinion advising whether or not a county can invest their permanent school fund in time warrants."

The Permanent School Fund is a trust fund for educational purposes. The counties are mere trustees for the funds and the public schools are the beneficiaries. The Commissioners' Court has the responsibility of investing and safeguarding this fund. 37 Texas Jurisprudence, pages 860-861, and cases cited therein.

The Permanent School Fund must be invested as directed by the Constitution and the Statutes of Texas.

Article 7, Section 6, of the Constitution of Texas, provides, in part --

"* * * * be invested in bonds of the United States, the State of Texas, or counties in said State, or in such other securities, and under such restrictions as may be prescribed by law; and the counties shall be responsible for all investments."
(Underscoring ours)

Article 2824, of the Revised Civil Statutes, provides for the investment of said fund as follows:

" * * * shall be invested in bonds of the United States, the State of Texas, the bonds of the counties of the State, and the independent or common school districts, road precinct, drainage, irrigation, navigation and levee districts in this State, and the bonds of incorporated cities and towns, and held by such county alone as a trust for the benefit of the schools therein * * *". (Under-scoring ours)

We note that the above quoted section of the Constitution and Statutes of this State specifically name the type of bonds in which the Commissioners' Court may invest the County Permanent School Fund, and time warrants are not included.

Therefore, it is the opinion of this department that a county cannot invest its Permanent School Fund in time warrants. Said fund must be invested in the securities specifically named in Article 7, Section 6, of the Constitution of Texas, and Article 2824, Revised Civil Statutes of Texas.

Trusting that this answers your question, we are

Yours very truly

ATTORNEY GENERAL OF TEXAS

By s/ Claud O. Boothman
Assistant

COB-s-wc

APPROVED OCT 17, 1940
s/Gerald C. Mann
ATTORNEY GENERAL OF TEXAS

Approved Opinion Committee By s/BWB Chairman