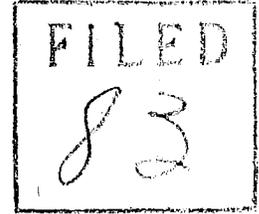


COUNTY SCHOOL FUNDS: Government bonds purchased out of county
COUNTY COURT: capital school funds should be taken in the
name of the county court as trustee of the
particular school fund invested.

January 23, 1947



Honorable Wayne V. Slankard
Prosecuting Attorney
Newton County
Neosho, Missouri

Dear Sir:

This is in reply to your letter of recent date, requesting an official opinion of this department, and reading as follows:

"I would like your opinion on the following.

"The County Court of this county desires to purchase government bonds with the funds in the capital school fund. In what name should these bonds be taken?"

Section 10376 of Senate Bill No. 162 of the 63rd General Assembly provides as follows:

"It is hereby made the duty of the several county courts of this state to collect diligently and, when authorized by law, to invest securely the proceeds of all moneys, stocks, bonds and other property belonging to or accruing to the county school fund. On and after the effective date of this act, all real estate loans and investments now belonging to the county school funds, except those invested as hereinafter provided, shall be liquidated without extension of time upon the maturity thereof, and the proceeds thereof and the money then on hand belonging to said school fund of the county shall be reinvested

in registered bonds of the United States, or in bonds of the state, or in approved bonds of any city or school district thereof, or in bonds or other securities the payment of which is fully guaranteed by the United States Government, and shall be preserved as a county school fund; PROVIDED, that all interest accruing from such reinvestment of the county school fund, the clear proceeds of all penalties, forfeitures and fines collected for any breach of the penal laws of the state, the net proceeds from the sale of estrays, and all other money lawfully coming into said fund, shall hereafter be collected and distributed annually to the schools of the county as hereinafter provided in this article."

Section 10381, R. S. No. 1939, provides as follows:

"The county courts, respectively, shall have the care and management of the school funds of the several townships within their respective jurisdictions, and shall cause accounts thereof to be stated and kept so as to exhibit the funds of each township separately, and the disposition thereof."

Section 10383 of Senate Bill No. 162 provides as follows:

"On and after the effective date of this act, all real estate loans and investments now belonging to the capital of the school fund of any township, except those invested as hereinafter provided, shall be liquidated without extension of time upon the maturity thereof, and the proceeds thereof and the money then on hand belonging to said capital of township funds, shall be reinvested in registered bonds of the United States, or in bonds of the State, or in approved bonds of any city or school district thereof, or in bonds or other securities the payment of which is fully guaranteed by the United States government; Provided, that all interest accruing from such reinvestment of the capital of township school funds and all other moneys lawfully coming into said funds, shall hereafter be collected and distributed annually

for the use of schools in any townships or parts of townships in the county as hereinafter provided in this article."

In defining the relationship of the county court to the county school fund, the Supreme Court of Missouri said in *Butler County v. Campbell*, 182 S. W. (2d) 589, l. c. 592:

" * * * The county courts act for the counties in relation to funds held in trust for public school purposes. Secs. 10376, 10378, and 10384, R. S. 1939, Mo. R.S.A.; *Montgomery County v. Auchley*, 103 Mo. 492, 502, 15 S. W. 626. * * *"

Since the county court is designated to act for the county in the investment of the school funds, the bonds purchased should be taken in the name of the County Court of Newton County as trustees for the particular school fund invested.

CONCLUSION

It is the opinion of this department that when government bonds are purchased out of capital school funds, the bonds should be taken in the name of the county court as trustee of the particular school fund invested.

Respectfully submitted,

C. B. BURNS, Jr.
Assistant Attorney General

APPROVED:

J. E. TAYLOR
Attorney General

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