

April 11, 1934.

Mr. A. Dumbauld,
State Examiner,
State Building,
Phoenix, Arizona.

Dear Sir:

This is in response to your letter of March 31, 1934, in which you make the following request;

"Kindly furnish this office with your opinion as to whether or not the sinking and building fund of the respective counties are entitled to their proportionate share of the interest earned, when monies deposited in the various county depositories."

Section 836, R. C. A., 1928, provides a method of levying taxes to pay interest and principal of outstanding bonds. This section also provides that

"The money arising from such levy shall be known as the building and bond fund and shall be used only for the payment of bonds and interest coupons and the treasurer shall keep in his books a separate account thereof, which shall at all times show the exact condition of said building fund."

In Section 837, R. C. A., 1928, is provided the rate of interest and the method of crediting the same upon any county fund on deposit. This section provides, in part;

"the interest shall be calculated on daily balances and credited monthly."

From an examination of these two sections, it is my opinion that a sinking or building fund on deposit should be credited with the interest it earns.

Very truly yours,

Attorney General,

GL/en

34-119

By Assistant Attorney General.