

July 12, 1937

Mr. Harry M. Moore
State Treasurer
Capitol Building
Phoenix, Arizona

Dear Mr. Moore:

Your letter of July 8th in which you ask as to your right to withhold from Apache County, its portion of the sales tax collection until the amount of State money due the State from Apache County has been repaid, has come to my desk for attention.

In the Sales Tax Act which apportions certain parts of the sales tax revenue to the counties, such revenue is earmarked for specific purposes, first, for the payment of principal and interest due on bonds, second, for outstanding warrants of previous years, and after those two purposes are satisfied, the balance goes into the general fund.

It is my opinion that you would not have authority to withhold the sales tax collections as set out in your letter so long as the county had unpaid bond interest, or principal, or any outstanding unpaid warrants for previous years. It is my opinion that this money being earmarked, if you attempted to withhold it from the county, you would be liable on your bond for whatever amount was withheld.

Very truly yours,

JOE CONWAY
Attorney General

E. G. FRAZIER
Special Assistant
Attorney General