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ARIZONA ATTORNEY GENERAL

March 5, 1940

Mr. Harry Hill, Director
Arizona Board of Social Security and Public Welfare,
Phoenix, Arizona.

Dear Sir:

We are in receipt of your request of recent date for our opinion on the following questions:

- "1. May your department use relief funds to purchase Orange and Blue Food Stamps issued and sold by Federal Surplus Commodities Corporation. Said stamps to be sold by your department to people on your rolls, either direct or work relief.
- "2. If your department may use the relief funds for the purchase of such stamps may you draw out of your relief fund a sufficient amount of money to create a revolving fund to be used in the purchase of such stamps when and as needed."

You explain the plan as follows: The Federal Surplus Commodities Corporation will issue and sell to your department a book of stamps for say \$8.00. The book contains stamps of the face value of \$12.00. These books may be sold by your department only to persons on relief for \$8.00. The stamps may then be used by persons on relief to buy merchandise from their local merchants. The merchants to accept the stamps at face value. The Federal government in turn will redeem the stamps from the merchants. The plan in short is that a person on relief, either direct or work, may by purchasing a book of stamps for \$8.00 receive \$12.00 worth of merchandise.

Under Chapter 69, Session Laws of 1937, your department is charged with the duty of administering all forms of public relief to the needy. The act does not prescribe how this relief may be granted, but leaves to your department the matter of determining what form of relief shall be given. Your powers under the act are very broad, and it is our opinion that the department may use relief funds to purchase such stamps to be sold to persons on relief. The 50% additional value the person purchasing a book receives would be a form of relief.

We are also of the opinion that you may legally draw from your relief funds a sufficient amount of money to set up a revolving fund for use in purchasing such stamps, the revolving fund to be replenished as the stamps are sold.

Harry Hill

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This of course would have to be done upon such a plan as will meet the approval of the State Auditor and will enable her to keep track of the receipts and disbursements of the funds.

Yours truly,

JOE CONWAY
Attorney General

EARL ANDERSON
Special Assistant
Attorney General.