

July 12, 1943

Mr. Peter C. Byrne
County Attorney
Yuma, Arizona

**LAW LIBRARY
ARIZONA ATTORNEY GENERAL**

Dear Mr. Byrne:

We have your letter enclosing a communication from R.N. Campbell, addressed to R.E. Lee, County Treasurer of Yuma County, relative to the possibility of redeeming the outstanding Yuma Irrigation District bonds in the approximate amount of \$7,000.00.

In the second paragraph of Mr. Campbell's letter he states that the bonds are dated July, 1912 and in the last paragraph he states that they were issued in 1919. Undoubtedly the 1912 date is incorrect.

Section 16-(f) of Chapter 3, Session Laws, Second Special Session of the 1915 Legislature provides for the establishment of certain funds, one of which is a prepayment fund or account, and another is a bond account or fund. Said section provides that the district treasurer shall pay out of said bond fund the principal of bonds of said district at the time and place specified in the bonds. Said section also further provides that the district treasurer shall use the prepayment fund for the payment of the highest numbered outstanding bond or bonds, paying the highest numbered bond first, and then the next highest numbered bond and so on; whenever there shall be \$1,000.00 or more in said fund the district treasurer shall call in the highest numbered of the outstanding bonds to the amount on hand, the call to designate the numbers of the bonds so called and shall be given by notice published in a newspaper, etc. and the interest on bonds so called shall cease sixty days after the date of the first publication of the notice of call.

This statute specifically sets out certain funds and further specifies what may be paid out of such funds and for what purpose. If the \$7,000.00 Mr. Campbell speaks of is in the prepayment fund, then the same can be used to retire outstanding bonds in that amount. However, if the \$7,000.00 is in the bond fund set up for retiring the principal amount of the bonds as they mature, such fund cannot be used for paying bonds before their maturity date.

In his letter Mr. Campbell speaks of a bond redemption fund. We assume that in using that term he has reference to the bond fund referred to in said Section 16-(f) which is set up for retiring the principal of outstanding bonds at the time and place specified in the bonds. The only authority granted to the district treasurer to call

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bonds before the maturity date is that section which allows him to do so when the prepayment fund reaches an amount of \$1,000.00 or more, and it further requires that any bonds paid before their maturity date should be paid out of said prepayment fund.

Very truly yours,

JOE CONWAY
Attorney General

EDWARD P. CLINE
Assistant Attorney General

EARL ANDERSON
Chief Assistant
Attorney General.