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**ARIZONA ATTORNEY GENERAL**

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Opinion No. 56-65

REQUESTED BY: Arizona Development Board

OPINION BY: Robert Morrison, The Attorney General  
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QUESTION: Is a travel TV film, which is the property of the  
Arizona Development Board, a capital outlay?

CONCLUSION: Yes.

A. R. S. § 35-101(5) defines "capital outlay" as follows:

"5. 'Capital outlay' means the expenditures which result in the acquisition of fixed properties such as land, buildings, equipment, development or permanent improvements to land or construction of buildings or highways and bridges."

A. R. S. § 35-172(E) requires that the State Auditor shall subdivide for the purposes of accounting the general class "capital outlay" as follows:

"E. 'Capital outlay' shall be subdivided into:

1. Equipment.
2. Buildings and improvements.
3. Land.
4. Livestock.
5. Highways and bridges."

A. R. S. § 35-172(G) reads as follows:

"G. The auditor may further subdivide any allotments into such subclasses as are necessary to effect a proper and comprehensive system of accounting."

A. R. S. § 35-101(6) defines "current expenses" as follows:

"6. 'Current expenses' means expenditures which are authorized for carrying on current activities

of the state, other than fixed charges, and which do not result in acquisition of capital assets or permanent improvements."

"Capital outlay" is defined in Black's Law Dictionary, De Luxe Fourth Edition, as "Money expended in acquiring, equipping, and promoting an enterprise. *Rideout v. Eich*, 105 Cal. A p. 597, 288 P. 450, 454." "Capital expenditures" include such items as "typewriters, desks, chairs, and other equipment." *People ex rel. Schlaeger v. Reilly*, 59 N. E. 2d 843.

The same dictionary defines "current expenses" as follows:

" Ordinary, regular, and continuing expenditures for the maintenance of property, the carrying on of an office, municipal government, etc. *State v. Board of Education*, 68 N. J. Law, 496, 53 A. 236; *Babcock v. Goodrich*, 47 Cal. 510; *St. Louis-San Francisco Ry. Co. v. Forbess*, 111 Okl. 48, 337 P. 596, 597."

It would seem clear that the subject television film must be considered as within one of the above two classifications. Giving the language of the foregoing statutes and definitions its ordinary and reasonable meaning, and due to the fundamentally permanent nature of a film, it is the opinion of the Department of Law that such films come within the classification of a "capital outlay".

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