



Attorney General  
STATE CAPITOL  
Phoenix, Arizona 85007

Robert H. Corbin

June 15, 1979

Mrs. Carolyn Warner  
Superintendent of Public Instruction  
Department of Education  
1535 W. Jefferson  
Phoenix, AZ 85007

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**ARIZONA ATTORNEY GENERAL**

Re: I79-163 (R79-168)

Dear Mrs. Warner:

You asked on June 7, 1979, whether the "Building of our American Communities" (BOAC) Program is authorized by Arizona law. The BOAC Program is proposed to be funded from interest accumulated in connection with the Arizona Youth Farm Loan Fund established pursuant to A.R.S. §§ 15-1061 et seq. and passed by the Legislature in 1960. The 1979 legislative session resulted in an amendment to A.R.S. § 15-1063, which governs the use of the Arizona Youth Farm Loan Fund. That amendment provided in part:

"A. . . . monies in the Arizona Youth Farm Loan Fund may be used only for such of the rural rehabilitation purposes as are permissible under the Arizona Rural Rehabilitation Corporation's charter as it appeared during the calendar year 1960-1970 . . ." (added language emphasized) Laws 1979, Chap. 218 (Senate Bill 1064)

1. The corporation was formed in October of 1934 and its existence renewed in October of 1959. The charter was revoked in December of 1964 without any amendments having been made in its provisions between its 1934 incorporation date and its revocation.

The charter of the Arizona Rural Rehabilitation Corporation as it appeared during the calendar year 1960<sup>1</sup> provided in part:

"THIRD: The nature of the business to be transacted and the objects and purposes for which this incorporation empowers it to perform are:

\* \* \*

- D. To assist in the organization of subsidiary and related corporations, cooperative organizations and other agencies in local communities and to grant and lend money and render advice and supervision to them and otherwise assist them . . .
- E. . . . dispose of . . . personal property and chattels of every class and description;

\* \* \*

- H. To enter into, make and perform contracts of every kind and description and to cooperate with any person, partnership, association, corporation, municipality, county, state, body, politic, government, colony or dependency thereof;
- I. To engage and assist in any kind of charitable, educational, relief and health activities whatsoever;"

The BOAC Program would make grants to local Future Farmers of America Chapters for community improvement projects. Based upon the broad powers stated in the charter of the Arizona Rural Rehabilitation Corporation allowing grants to local organizations and communities and the precise statutory language added in the 1979 legislative session allowing the use

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of the accumulated interest monies in the Arizona Youth Farm Loan Fund for the purposes permissible under the corporation's charter during the 1960 calendar year, we conclude the BOAC Program is permissible under Arizona law.<sup>2</sup>

Sincerely,



BOB CORBIN  
Attorney General

BC/mm

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2. The amendment allowing the use of the Fund for those purposes stated in the corporate charter of the Arizona Rural Rehabilitation Corporation as it appeared during the 1960 calendar year does not become effective until July 20, 1979, and therefore, no program should be approved and no grants made prior to that date.