

Opinion No. 23-3725

August 1, 1923

BY: JOHN W. ARMSTRONG, Assistant Attorney General

TO: Requested by: Hon. J. E. Owens, Educational Budget Auditor, Santa Fe, New Mexico.

Certificates of Indebtedness May be Issued and Delivered to Teachers in Payment of Salaries.

OPINION

{*77} Section 810 Chap. 148, S. L. 1923, when read in connection with Section 906 of said Chapter, authorizes the governing authorities of rural and municipal districts, with your consent, to borrow money and issue and deliver certificates of indebtedness, --

First. For the actual amount of money necessary for school maintenance;

Second. Such maintenance must be limited to a period of 90 days;

Third. Interest, not exceeding 6 per cent per annum, may be paid on such certificates from date of delivery;

Fourth. Such certificates, after delivery, must be discharged by the first money thereafter credited to the school maintenance fund.

We find no legal objection in issuing and delivering such certificates directly to creditors of a district falling within the 90-day maintenance period. We think the certificates may be sold to creditors in satisfaction of any such maintenance obligation.

Any certificate might be made payable on or before a definite time. The holder thereof might be required to give a specific address where notice might be served on him by mail. When funds were available for the discharge of such certificate, the authorities, then, might notify the holder of that fact. The certificate might provide that no payment of further interest would be made after date of notice.