

CONSTITUTIONAL LAW:
SCHOOLS:

The amount of indebtedness which may be incurred by a school district is determined on the basis of a calendar year rather than a fiscal year.

OPINION NO. 516

October 9, 1970

Honorable Ralph Breidenstein
Prosecuting Attorney
Clark County Court House
Kahoka, Missouri 63445



Dear Mr. Breidenstein:

This is in response to your request for an opinion of this office with respect to the following inquiry:

"Can a consolidated six-director school district legally borrow funds for the payment of currently operating expenses if the total amount of any such loan does not exceed the amount of anticipated revenues for the fiscal year in which the loans are made?" (Emphasis added)

Borrowing of funds by a school district must conform with the limitations as stated in Article VI, Section 26(a), Constitution of Missouri, 1945, which provides:

"No county, city, incorporated town or village, school district or other political corporation or subdivision of the state shall become indebted in an amount exceeding in any year the income and revenue provided for such year plus any unencumbered balances from previous years, except as otherwise provided in this Constitution." (Emphasis added)

Answer to your question is dependent upon whether the phrase "for such year" as found in the Constitution refers to a calendar year or a fiscal year. The Supreme Court of Missouri has consistently interpreted the constitutional phrase "for such year" to mean a

Honorable Ralph Breidenstein

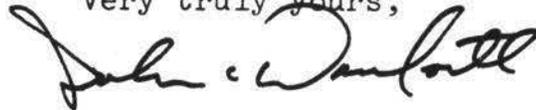
calendar year and not a fiscal year. First Nat. Bank of Stoutland v. Stoutland Sch. Dist., 319 S.W.2d 570 (Mo. 1958); Clarence Special School Dist. v. School Dist. No. 67, 107 S.W.2d 5, 7 (Mo. 1937); Linn Consol. H. Sch. Dist. v. Pointer's Creek Pub. Sch. Dist., 203 S.W.2d 721 (Mo. 1947).

CONCLUSION

Therefore, it is the opinion of this office that the amount of indebtedness which may be incurred by a school district is determined on the basis of a calendar year rather than a fiscal year.

The foregoing opinion, which I hereby approve, was prepared by my Assistant, Gene E. Voigts.

Very truly yours,



JOHN C. DANFORTH
Attorney General