

DEPARTMENT OF AGRICULTURE -- No authority to borrow money
from the R.F.C.

August 16, 1938

Mr. Charles W. Green, Sec.
Missouri State Fair
Sedalia, Missouri



Dear Mr. Green:

We have your request of August 12, 1938 for an opinion,
which is as follows:

"We have a plan under consideration for re-
habilitating some of the buildings on the
Missouri State Fair Grounds. The con-
templated plan is a PWA project.

"I wish you would give me a written opinion
if it would be legal to set up this project
whereby the Government would make the grant
to us, and whereby the State Fair could bor-
row from the R.F.C. the amount of money we
would have to put up and pay this amount
of money back over a period of years.

"If this would be legal, it would be a
great help to us in our plans, for the reason
that we would not have to ask the Legislature
for money for this work.

"I would like your opinion, so that, when I
present the proposed plan to the Governor,
he would have information in full concern-
ing the proposed plan."

The power of the State Fair Board, as set out in Section
12470, R. S. Mo. 1929, vests in the Board, on behalf of the
State of Missouri, to acquire title to property for the purpose
of the State Fair. These powers were, by the State Legislature,
in 1933, (Laws Mo. 1933, page 167) transferred to the State De-
partment of Agriculture. Nowhere do we find any authority for

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the State Department of Agriculture to borrow money or pledge the credit of the State or the fees of the Department of Agriculture as security for a loan.

It is to be noted that the State Fair receives fees from its activities. All of these fees are required to be placed in the State Treasury, to the credit of a particular purpose or fund for which they are collected. Laws Mo. 1933, page 415.

Article X, Section 19, Constitution of Missouri, provides that no money shall ever be paid out of the Treasury of the State or any of the funds under its management except in pursuance of an appropriation by law.

Answering your request, it is therefore clear that the Department of Agriculture has no authority to borrow money from the R.F.C.

Respectfully submitted

FRANKLIN E. REAGAN
Assistant Attorney General

APPROVED:

J. E. TAYLOR
(Acting) Attorney General

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