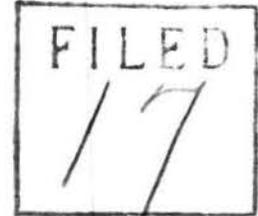


WARRANTS: COUNTY: Manner of reducing rate of interest.

January 25, 1939



Mr. Paul J. Clay
Clerk of the County Court
St. Francois County
Farmington, Missouri

Dear Mr. Clay:

We wish to acknowledge your letter of January 19th,
as follows:

"For a number of years it has been customary for this county to pay 6% interest on all protested warrants. Inasmuch as all warrants are paid promptly, and at this time there are no outstanding registered warrants, the County Court is of the opinion, that this interest rate could be reduced, thereby affecting a savings of considerable proportion to this County. They have made inquiry and do not believe that the demand for warrants would be lessened if the interest rate was reduced to 4%.

"Can this court legally reduce the rate of interest on protested warrants?"

You state that for a number of years your county has been paying 6% on all protested warrants and would like to know if this rate of interest could be reduced.

In the case of Isenhauer vs. Barton County 88 S. W.

759, 190 Mo. 163, l.c. 170 the court in holding that when no rate of interest is prescribed on the face of the warrant they bear six per cent interest, said:

"County warrants are creatures of the statute, and can only be issued in accordance therewith, but when no rate of interest is prescribed upon their face, they bear interest at the rate of six per cent per annum, as provided by section 3705, Revised Statutes 1899, after presentation to the treasurer of the county by which issued, and failure to pay because of there being no money in the treasury for their payment. (Robbins v. Lincoln County Court, 3 Mo. 57; Skinner v. Platte County, 22 Mo. 438, State ex rel v. Trustees, 61 Mo. 155)."

There is no statute which requires the county court to pay any specified sum of interest on protested warrants other than the above general statute, now Section 2839 R. S. Mo. 1929 which states that the legal rate of interest for creditors is six per cent when no other rate of interest is agreed upon.

We are, therefore, of the opinion that the county court can legally reduce the rate of interest on protested warrants provided they prescribe on the face of the warrant the amount of interest that will be paid.

Respectfully submitted,

MAX WASSERMAN
Assistant Attorney General

APPROVED:

COVELL R. HEWITT
(Acting) Attorney General
MW:RT