

AMBULANCE DISTRICTS:
CONSTITUTION:
CONSTITUTIONAL LAW:
INVESTMENTS:

An ambulance district may not
invest in mutual fund accounts.

June 7, 1988

OPINION NO. 26-88

The Honorable Ron Stivison
Representative, District 20
State Capitol Building, Room 102BA
Jefferson City, Missouri 65101

Dear Representative Stivison:

This opinion is in response to your question asking whether the St. Charles County Ambulance District may invest in mutual fund accounts.

An ambulance district is a "body corporate and a political subdivision of the state" and is statutorily empowered to levy and collect taxes. Section 190.010.2, RSMo 1986. Article VI, Section 23 of the Missouri Constitution (1945), provides:

Section 23. Limitation on ownership of corporate stock, use of credit and grants of public funds by local governments. No county, city or other political corporation or subdivision of the state shall own or subscribe for stock in any corporation or association, or lend its credit or grant public money or thing of value to or in aid of any corporation, association or individual, except as provided in this constitution.

In interpreting this constitutional provision, consideration must be given to its purpose and a reasonable interpretation made of the language used. See Rathjen v. Reorganized School District R-II of Shelby County, 284 S.W.2d 516, 524 (Mo. banc 1955). Unless a contrary intent is shown, the meaning of language used in a constitutional provision is presumed to be its natural and ordinary meaning. Roberts v. McNary, 636 S.W.2d 332, 335 (Mo. banc 1982). Boone County Court v. State, 631 S.W.2d 321, 324 (Mo. banc 1982).

There is no evidence Missouri voters intended the language in Article VI, Section 23 of the Missouri Constitution (1945) to have other than its ordinary and commonly understood meaning. The provision's purposes, according to appellate courts of other states that have construed similar constitutional provisions,

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include keeping government out of private business, Dade County Board of Public Instruction v. Michigan Mutual Liability Company, 174 So.2d 3, 5-6 (Fla. 1965), restricting the activities and functions of political subdivisions to government and prohibiting their direct or indirect engagement in commercial enterprise for profit, Bailey v. City of Tampa, 111 So. 119, 120 (Fla. 1926), or entry into private business, State ex rel. Johnson v. Consumers Public Power Dist., 10 N.W.2d 784, 794 (Neb. 1943); Long v. Mayo, 111 S.W.2d 633, 635 (Ky. App. 1937).

A mutual fund has been defined as an investment company that invests money of its shareholders in a (usually) diversified group of securities of other corporations. Websters New Collegiate Dictionary, 1977. It would be inconsistent with Article VI, Section 23 of the Missouri Constitution to permit an ambulance district to invest in such fund.

Conclusion

It is the opinion of this office that an ambulance district may not invest in mutual fund accounts.

Very truly yours,



WILLIAM L. WEBSTER
Attorney General