

MISSOURI RURAL REHABIL-)
ITATION CORPORATION)

) Dissolved corporation may not
) be revived. Act of Legislature
) necessary to permit Missouri
) to apply for return of assets
) held by Secretary of Agriculture.

*formed under provisions
of Article 10, Chapter
32, R. S. Missouri, 1939
of Missouri Rural
Rehabilitation Corp.*

September 6, 1950

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Honorable Forrest Smith
Governor of Missouri
Jefferson City, Missouri

Dear Sir:

We have received your request for an opinion of this department, which request is as follows:

"Attached is a letter from Mr. Dillard B. Lasseter of the Farmers Home Administration concerning certain funds originally provided the State of Missouri for a Rural Rehabilitation Program. I would appreciate very much having an opinion from you as to whether the State of Missouri has the right, without legislative action or authority, to revive the Missouri Rural Rehabilitation Corporation."

The enclosed letter from Mr. Lasseter, to which you refer, states that the Missouri Rural Rehabilitation Corporation was incorporated at the instance of the Federal Government on September 5, 1934, under the provisions of Article 10, Chapter 32, R. S. Missouri, 1939, for the purpose of facilitating the administration of a rural rehabilitation program in the State of Missouri with funds appropriated under the Federal Emergency Relief Act of 1933 and certain other Federal statutes. The letter further states that the original plan called for the administration of the program by the State rural rehabilitation corporations by grants from the Federal

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Government. However, it became necessary by reason of a ruling of the Comptroller General to administer the program as a direct Federal activity, and, therefore, on October 31, 1936, the Missouri Rural Rehabilitation Corporation transferred its assets to the United States in trust for the purpose of carrying on a rural rehabilitation program in the State of Missouri. As of April 30, 1950, the assets now being administered by the government had an approximate face value of \$2,646,212. Congress by the "Rural Rehabilitation Corporation Trust Liquidation Act" (Public Law 499, 81st Congress, approved May 3, 1950) has authorized liquidation of the funds now held by the Secretary of Agriculture.

The letter from Mr. Lasseter further states:

"Briefly, this Act authorizes: (1) upon appropriate application, the outright return of the assets to each state rural rehabilitation corporation, or if a rural rehabilitation corporation of any state has been dissolved and is not revived or reincorporated, to such agency or state official as may be designated by the state legislature; (2) upon appropriate application, return of the title in the assets to the corporation or state agency or official with authority for the Secretary of Agriculture and the corporation or state agency or official to make a new agreement for the administration of the assets by the Secretary; and (3) the covering of the trust assets into miscellaneous receipts of the United States Treasury upon disclaimer or release by the state legislature or if, upon the expiration of three years from the date of the act, appropriate application has not been made for the return of the trust assets.

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"The Missouri Rural Rehabilitation Corporation was dissolved on March 7, 1940, and, therefore, there is at this time no proper legal entity which might make application for the return of the trust asset pursuant to the provisions of Public Law 499. For that reason, I thought it advisable to apprise you of the foregoing facts in order that you may, if you so desire, refer this matter to your Attorney General to solicit his comments with respect to the possibility of reviving the now dissolved Missouri Rural Rehabilitation Corporation, or suggesting appropriate legislation by the state legislature which would enable some agency or state official to make application for return of the trust assets, or to enter into an agreement with the Secretary of Agriculture for future administration of the assets pursuant to section 2(f) of Public Law 499."

The Missouri Rural Rehabilitation Corporation does not appear to have been organized pursuant to any statutory authorization by the Legislature of this state. It was organized under the provisions of Article 10, Chapter 32, R. S. Missouri, 1929 (Article 10, Chapter 33, R. S. Missouri, 1939), which provides for the organization of benevolent, religious, scientific, fraternal-beneficial, educational and miscellaneous associations.

Section 5461, R. S. Missouri, 1939, provides for the dissolution of corporations organized under such article. According to the letter from the Farmers Home Administration, the Missouri corporation was dissolved on March 7, 1940. There is no provision in Article 10 of Chapter 33 authorizing the revival of the corporation organized thereunder once it has been dissolved. Therefore, we are of the opinion that the old Missouri Rural Rehabilitation Corporation may not be revived.

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As for the formation of a new corporation, as pointed out above, there is no statutory authorization for the organization of such corporation to function as an agency of the State of Missouri. Therefore, we fail to see how a new corporation might function on such basis.

Thus, it appears that the only way in which the State of Missouri might take advantage of the offer of the return of the assets to this state is by action of the Legislature to authorize some agency or official of the state to apply for the transfer of such assets, and further authorizing the conduct of a program for the use of such assets in accordance with the Rural Rehabilitation Corporation Trust Liquidation Act. We might point out that it does not appear from the letter of Mr. Lasseter just what the assets held for the benefit of this state now consist of.

Furthermore, examination of appropriation acts of the General Assembly passed subsequent to the formation of the Missouri Rural Rehabilitation Corporation do not indicate that any state funds were ever appropriated by the Legislature of Missouri for the use of such corporation.


CONCLUSION

Therefore, it is the opinion of this department that the Missouri Rural Rehabilitation Corporation may not be revived, and that the only manner by which the State of Missouri might apply for the return of assets now held by the Secretary of Agriculture on transfer from the Missouri Rural Rehabilitation Corporation is by legislation authorizing some state agency or official to apply therefor and to administer such funds, when and if received.

Respectfully submitted,

ROBERT R. WELBORN
Assistant Attorney General

APPROVED:



J. E. TAYLOR
Attorney General

RRW/feh