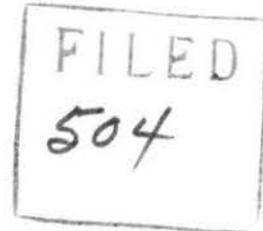


Answer by letter-Wieler

November 5, 1969

OPINION LETTER NO. 504

Honorable Haskell Holman
State Auditor
Capitol Building
Jefferson City, Missouri 65101



Dear Mr. Holman:

This is in response to your request for an opinion concerning the problem of bond registration with respect to school bonds in the amount of \$200,000 bearing 6 1/4 percent interest and issued by Reorganized School District R-10 of Lafayette and Saline Counties, Missouri, dated November 1, 1969, said bonds having been presented to your office for registration. It is our understanding based on further inquiry that these bonds had been sold at private sale. Specifically, you asked whether these bonds are eligible for registration at this time and whether they should be registered by your office.

In response to your request, we are sending the following enclosed opinions: Opinion No. 436 issued to the Honorable Haskell Holman on October 9, 1969, and Opinion No. 454 issued to the Honorable William C. Phelps on November 4, 1969. It is our feeling that these opinions cover the questions raised.

House Bill No. 2 as passed by the First Extraordinary Session of the 75th General Assembly and signed by the Governor on October 10, 1969, provides that all bonds issued after the effective date of this bill by any school district may not bear interest at a rate exceeding 6 percent with the exception that such bonds may bear interest at a rate not exceeding 8 percent if sold at public sale after giving reasonable notice of such sale. In Opinion No. 454 we held that the emergency clause in House Bill No. 2 was invalid. Therefore, it was our opinion that House Bill No. 2 does not become effective until 90 days after the adjournment of the General Assembly, i.e., December 29, 1969.

Honorable Haskell Holman

Since, in our opinion, House Bill No. 2 has not yet become effective, the validity of the bond issue presented for registration must be governed by prior law. In Opinion No. 436 we held that the highest rate of interest payable on general obligation school bonds issued by common, six-director, urban or metropolitan school districts in this state was 8 percent per annum.

Therefore, it is our opinion that school bonds in the amount of \$200,000 bearing 6 1/4 percent interest as issued by the Reorganized School District R-10 of Lafayette and Saline Counties before the effective date of House Bill No. 2 are eligible for registration in the Auditor's Office pursuant to Section 108.240, RSMo 1959, even though said bonds were sold at private sale.

Yours very truly,

JOHN C. DANFORTH
Attorney General

Enclosures: Op. No. 436
10-9-69, Holman

Op. No. 454
11-4-69, Phelps