

**OPINION**  
**42-96**

September 17, 1942           (OPINION)

SCHOOL DISTRICTS

RE: Levies - Budget

Your letter of September 16th addressed to the Attorney General has been referred to the undersigned for attention.

You state that in August, 1941, Arrowwood School District voted to increase the levy to twenty-four mills on the basis of the valuation for the last year, which would be approximately the same for this year. A levy of twenty-four mills will produce \$6,015.00, whereas the budget of the district as presented only calls for \$3,290.31.

I have examined the copy of the school district budget and tax levy enclosed in your letter, where it appears that your unencumbered cash is in the sum of \$7,940.88. Said sum, together with county apportionment, teacher unit payment and estimated collections from previous tax money, amount to \$10,113.87. After deducting allowance for permanent delinquency the amount of levy required is \$3,290.31.

I wish to call your attention to section 11 of chapter 235 of the Session Laws of 1929, which prescribes the method of determination of levy for political subdivisions of the state. It provides that:

"The amount to be levied by any county, city village, township, school district, park district or other municipality authorized to levy taxes shall be: (1) The amount of estimated expenditures for the current fiscal year as finally determined plus, (2) the required reserve fund determined upon by the governing board from the past experience of the district; less the total of, (3) the available surplus (free and unencumbered cash balance), (4) estimated revenues from sources other than direct property taxes, (5) The total of estimated collections from previous years tax levies, (6) such expenditures as are to be made from bond sources. The governing body of the municipality, however, may make allowance for a permanent delinquency or loss in tax collections not to exceed five percent of the amount of the levy".

It is not necessary to discuss the quoted statute in detail, since it is clear and specific in its provisions. In view of the facts as stated in your letter, the proposed budget and tax levy and the statute quoted, I am satisfied that the amount which legally can be levied is the sum of \$3,290.31.

ALVIN C. STRUTZ  
Attorney General