

OPINION
46-42

November 9, 1946 (OPINION)

CITIES

RE: Use of Surplus in Road Fund for Purchase of Snow Plow

Your letter of November 7 addressed to the Attorney General has been received and contents noted.

You state that your city is considering the purchase of a new street grade and snow plow and you would like information as to whether you can finance the purchase in the following manner:

"There was no appropriation made for this amount (about \$8,000), but we understand that we can legally transfer enough to make an initial payment from the amounts appropriated for street supervising and road work, since we feel that these amounts have been more than necessary for these purposes since materials have not been available for much street work."

You have no appropriation for this purpose and inquire whether you may legally transfer from the fund appropriated for street supervision and road work an amount sufficient for the initial payment and further whether the governing body would have the authority to borrow enough money to pay the remainder of the purchase price. You state that a certain company selling this kind of equipment has informed you that the balance can be paid for in yearly payments.

Answering your first question, I beg to advise that if you have any surplus in your street supervision and road work fund, you may use the same to apply on the purchase price of a street grader and snow plow. However, with reference to the balance of the purchase price, your city could issue certificates of indebtedness if it has sufficient outstanding unencumbered taxes for the current year and the taxes it would probably be necessary to float a bond issue. As to the details of such matters, you should consult with your city attorney as to the various legal steps to be taken as details cannot very well be supervised from this office.

NELS G. JOHNSON

Attorney General