

**OPINION  
61-264**

November 28, 1961            (OPINION)

WATER CONSERVATION COMMISSION

RE: Water Conservation District - Special Assessment Warrants

This is in reply to your letter under date of November 12, 1961, in which you request the opinion of this office as to whether the State water Conservation Commission may accept special assessment warrants of a water conservation and flood control district in lieu of cash as payment of the cost of improvements constructed for the district on a cost-sharing basis.

The act creating the State Water Conservation Commission, and prescribing its powers and duties, does not authorize the commission to share in paying the cost of a project constructed by it for a municipal corporation or other political subdivision of the state. But the Legislature, in appropriating money to the commission to enable it to carry on its functions, has appropriated money into a fund known as "the multiple purpose fund", and the act providing the appropriation authorizes the commission to participate with a municipal corporation, or other political entity of the state, in meeting the cost of construction of a water project.

The 1961 act, for example, in appropriating money into the multiple purpose fund of the commission definitely authorizes it to participate in paying the cost of a project constructed for a political subdivision of the state.

The 1961 act making an appropriation into the multiple purpose fund of the commission provides that the money in the fund "shall be available until expended" (Chapter 22, Session Laws 1961). In other words, any money remaining unexpended in the multiple purpose fund does not revert into the general fund at the end of the biennial fiscal period but remains available to the commission until expended for its share of the cost of a project constructed on a cost-sharing basis. The multiple purpose fund is not, however, a revolving fund, but, as stated, any unexpended balance in the fund at the end of the biennial period remains available to the commission until expended.

If special assessment warrants cannot immediately be exchanged, or conveniently exchanged, for cash, acceptance of such warrants constitutes an investment of public funds. The State Water Conservation Commission is not authorized to invest moneys in its multiple purpose fund in special assessment warrants or in any other security. It is therefore our opinion that special assessment warrants may not be accepted in place of lawful money of the United States.

A water conservation district or other political subdivision of the state must arrange to sell its special assessment warrants, and for its share of the cost of a project constructed by the commission, makes settlement on a cash basis.

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