



**THE ATTORNEY GENERAL
OF TEXAS**

Gerald C. Mann
~~REISS-DANIEL~~
ATTORNEY GENERAL

AUSTIN, TEXAS

Hon. A. D. Sutton
County Auditor
Anderson County
Palestine, Texas

Opinion No. O-3836
Re: Consolidation or annexation of
school districts which have bonded
indebtedness

Dear Sir:

We have received your letter of recent date which we quote in part as follows:

"Please advise me whether or not the fact that a school district has a bonded indebtedness against it would prevent its consolidation with or annexation to another school district."

We assume from your question that you are interested in the situation where an entire school district is to be consolidated with another school district. You wish to know whether the fact that the school district has a bonded indebtedness would prevent such consolidation. Your question is general in nature, and it will be answered accordingly.

Article 2806, Vernon's Annotated Civil Statutes, is a general law which authorizes the consolidation of school districts and set out the procedure to be followed. Article 2807 provides for the assumption of outstanding bonds. Article 2807 reads as follows:

"If at the time of such proposed consolidation there are outstanding bonds of any of such districts, then at an election held for that purpose on some future day, there shall be, or at the election held for the purposes of consolidation, there may be, submitted to the qualified tax paying voters of such proposed consolidated district the question as to whether or not the said consolidated district shall assume and pay off said outstanding bonds and whether or not a tax shall be levied therefor. If said election on the question of assuming said outstanding bonds is held on the day upon which the election on the question of consolidation is held, there shall be separate notices, ballots, and ballot boxes and tally sheets for the two separate elections. If a majority of said voters should vote at either of said elections to assume and pay off

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said bonded indebtedness, then said bonded indebtedness shall become valid and subsisting obligations of said consolidated district, and the proper officers thereof shall annually thereafter levy sufficient taxes to pay the interest thereon as it accrues and to create a sinking fund which in addition to the sinking funds already accumulated in the original bonded district will pay off and retire the said outstanding bonds when they shall become due."

In view of Articles 2806 and 2807 you are respectfully advised that the fact that a school district has outstanding a bonded indebtedness would not in itself prevent the district from being consolidated with another school district.

With respect to the grouping of districts into or consolidation of rural high school districts we refer you to Title 49, Chapter Nineteen A, and especially Articles 2922a, 2922h, and 2922aa, Vernon's Annotated Civil Statutes.

APPROVED APR 9, 1942

/s/ Grover Sellers

FIRST ASSISTANT ATTORNEY
GENERAL

APPROVED: OPINION COMMITTEE
BY: BWB, CHAIRMAN

GWS:db:wb

Very truly yours

ATTORNEY GENERAL OF TEXAS

By /s/ George W. Sparks

George W. Sparks, Assistant