

1973 WL 26967 (S.C.A.G.)

Office of the Attorney General

State of South Carolina

November 13, 1973

\*1 Mr. Judson F. Ayers, Jr.  
Messrs. Watson and Ayers  
Attorneys at Law  
The Grier Building  
Post Office Drawer 799  
Greenwood, South Carolina 29646

Dear Mr. Ayers:

Thank you for your letter of November 6, 1973, requesting the opinion of this Office as to whether or not the Town of Ware Shoals may borrow money from the Farmers Home Administration for a period of approximately forty years without the issuance of bonds.

I think that the advice which you state you have given to the Town is precisely correct. Article VIII, Section 7, as noted by you, prohibits a town from borrowing monies, except by the issuance of tax anticipation notes which must be repaid from currently due taxes. There is no other authority, in my opinion, for a town to borrow for a period of in excess of the one-year interval permitted by the State Constitution. It is possible that the information which they state they obtained from a recently held municipal meeting arose from a reference by me that towns are authorized by a recently enacted statute to borrow funds when a Federal Grant has been finally approved and funds are needed for the purposes of the Grant prior to its receipt. This does not provide a means of borrowing money in the manner you have indicated.

I am therefore in agreement with your conclusion that the Town does not have the authority to borrow money from any source for a period of forty years.

With best wishes,  
Very truly yours,

Daniel R. McLeod  
Attorney General

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