



OFFICE OF THE ATTORNEY GENERAL OF TEXAS  
AUSTIN

GROVER SELLERS  
ATTORNEY GENERAL

Honorable George M. Sheppard  
Comptroller of Public Accounts  
Austin, Texas

Dear Sir:

Opinion No. 0-7276

Re: Payment of claim for seven and one-half months rent (as per Lease Contract) against the appropriation for the present fiscal year when a portion of the seven and one-half months extends into the next fiscal year.

We have received your letter of recent date requesting an opinion of this department on the above subject matter. We quote your letter of request as follows:

"I am attaching hereto a claim of Cochran-Kinser-Moyer, 307 Nalle Building, Austin, Texas, for 7½ months rent as per lease contract. This 7½ months rent as the claim indicates is to be paid out of the appropriation for the present fiscal year, whereas a portion of the 7½ months extends into the next fiscal year.

"May such payment be made against the appropriation for the present fiscal year?"

The basis of the claim submitted is found in a lease and rental contract entered into May 9, 1946 between Cochran-Kinser-Moyer as Lessor and the Texas Aeronautics Commission acting for and on behalf of the State of Texas as Lessee whereby the Lessee agreed to pay the Lessor a total of \$1,875.00 for the first seven and one-half months from June 1, 1946, and the sum of \$1,875.00 for the remaining seven and one-half months as rent for the premises leased under said contract.

H. B. No. 309, Acts of the 49th Legislature, 1945, p. 580, creates the Texas Aeronautics Commission. The following appropriation was made in said Act:

1945-46    1946-47

"Office equipment, rent,  
stamps, stationery, tele-  
phone and telegraph and  
contingent fund . . . . . \$3,600.00 \$3,600.00"

In Opinion No. 0-6246, this department held that a current appropriation for a particular fiscal year could be used to pay the entire premium on a five year insurance policy on a certain building. We quote from said opinion as follows:

"It is a matter of common knowledge that a five-year fire insurance policy is far more economical than insuring for a year or two years at a time. It is a matter of common knowledge that it is customary practice on the part of those charged with the responsibility for a sizeable investment in buildings to take out fire insurance for a term longer than two years; in fact, a five year policy is quite common, and it is recognized as a good business practice.

"\* \* \*

"Appropriations have never been limited to those items where the benefits created by the appropriation would be exhausted by the end of the term of the two-year appropriation period.

"\* \* \*

"It is the opinion of this department that the Board of Regents of the University of Texas was authorized to enter into a five year contract for fire insurance on the Law Building of the University of Texas, together with its contents, and to pay all of the premium from the current appropriation, provided there is an appropriation for that purpose."

In Opinion No. 0-6883, this department held that the Comptroller should issue warrants against the appropriation for the fiscal year ending August 31, 1946, for the special park fund in payment for the supplies ordered and contracted for during said year on the basis of said appropriation, when said supplies were delivered subsequent to September 1, 1945.

Hon. George E. Sheppard - Page 3

In view of the holdings of the hereinabove mentioned opinions, and in view of the facts stated, it is the opinion of this department that you are authorized to approve claim referred to above if the money is available.

Yours very truly

ATTORNEY GENERAL OF TEXAS

By /Signed/  
J. C. Davis, Jr.  
Assistant

By /Signed/  
John Reeves

JR:djm:bw

APPROVED JUNE 20, 1946  
/s/ Charles C. Ashley  
FIRST ASSISTANT  
ATTORNEY GENERAL

APPROVED  
OPINION COMMITTEE  
BY /s/ W. W. B.  
Chairman