



**THE ATTORNEY GENERAL
OF TEXAS**

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**CRAWFORD C. MARTIN
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September 8, 1970

Hon. J. H. Kultgen
Chairman, Board of Regents
Texas State Technical Institute
Waco, Texas 76705

Opinion No. M-681

Re: Construction of a rider
to the appropriation to
the Texas State Technical
Institute concerning in-
come derived from the
sale, lease or other use
of the Amarillo Air Force
Base facilities.

Dear Mr. Kultgen:

Your request for an opinion on the above subject matter asks the following question:

"Should the term 'all income' in the second full paragraph on page 73 of Article IV of H.B. 2, Acts of the 61st Legislature, Second Called Session, 1969, be interpreted as 'net income' after reasonable and necessary expenditures are made?"

House Bill 2, Acts 61st Legislature, 2nd C.S. 1969, p. 957, Ch. 50, (General Appropriation Act for the biennium ending August 31, 1971), contains the following rider to the appropriation to Texas State Technical Institute on page IV-74:

"All income derived from the sale, lease or other use of the Amarillo Air Force Base facilities shall be deposited to the General Revenue Fund until the amount of such deposits shall total Three Million Dollars (\$3,000,000). Appropriations to the Institute

are hereby made contingent upon adherence to such procedure. Provided however, that this shall not in any preclude or prevent the use of Texas State Technical Institute facilities or equipment for in-kind matching for participation in any Federal Vocational Programs permitting or recognizing in-kind matching by or on behalf of Texas State Technical Institute."

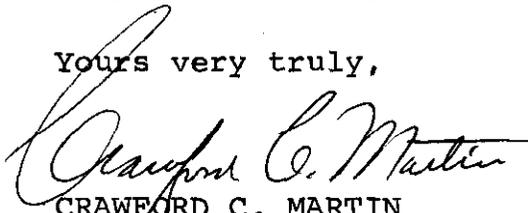
The term "income" means gain derived from labor, from capital, or from both combined, including profit gained through sale or conversion of capital. See cases cited in Words and Phrases, Permanent Edition, Income - Gain or Profit, pages 218-231.

With reference to the income realized from the sale, lease or other use of the Amarillo Air Force Base properties, we are of the opinion that the legislative requirement for the return of "all income" refers to all funds received over and above the direct, reasonable and necessary costs attributable to the production of such income.

S U M M A R Y

As used in the appropriation rider for the Texas State Technical Institute, the term "all income" refers to all funds received over and above the direct, reasonable and necessary costs attributable to the production of such income.

Yours very truly,


CRAWFORD C. MARTIN
Attorney General of Texas

Prepared by Malcolm L. Quick
Assistant Attorney General

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APPROVED:
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