

INVESTMENT OF SCHOOL MONEYS: Section 165.051, RSMo, as  
INVESTMENTS BY SCHOOL DISTRICTS: amended by House Committee  
SCHOOLS: Substitute for Senate  
SCHOOL FUNDS: Substitute for Senate  
Committee Substitute for  
Senate Bill No. 581, 86th General Assembly, Second Regular  
Session (1992), authorizes a Missouri school district to invest  
certain surplus funds in bank repurchase agreements as described  
in Article IV, Section 15, of the Constitution of Missouri and  
Section 30.260, RSMo Supp. 1991.

June 2, 1992

OPINION NO. 107-92

The Honorable Ted House  
Representative, District 20  
State Capitol Building, Room 233A  
Jefferson City, Missouri 65101

Dear Representative House:

This opinion is in response to your question asking:

Is it permissible for a Missouri  
School District to invest surplus District  
funds in bank repurchase agreements which  
are securitized by securities listed at  
RSMo 30.270?

Section 165.051, RSMo, as amended by House Committee  
Substitute for Senate Substitute for Senate Committee Substitute  
for Senate Bill No. 581, 86th General Assembly, Second Regular  
Session (1992), provides:

165.051. If any school district has  
money in the teachers', incidental,  
building, or debt service fund not needed  
within a reasonable period of time for the  
purpose for which the money was received,  
the school board in the district, if it  
deems it advisable, may invest the funds in  
either open time deposits or certificates  
of deposit secured under the provisions of  
sections 110.010 and 110.020, RSMo; or in  
bonds, redeemable at maturity at par, of  
the state of Missouri, of the United  
States, or of any wholly owned corporation

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of the United States; or in other short term obligations of the United States; including any instrument permitted by law for the investment of state moneys. No open time deposits shall be made or bonds purchased to mature beyond the date that the funds are needed for the purpose for which they were received by the school district. No funds shall be invested by any district which does not provide a school term of nine months. Interest accruing from the investment of the surplus funds in such deposits or bonds shall be credited to the fund from which the money was invested. [Emphasis added.]

In interpreting Section 165.051, the fundamental rule is to ascertain the intent of the General Assembly from the language used and to give effect to that intent. Brown Group, Inc. v. Administrative Hearing Commission, 649 S.W.2d 874, 881 (Mo. banc 1983). The plain meaning of the statutory language is to be given effect wherever possible. State ex rel. D.M. v. Hoester, 681 S.W.2d 449, 450 (Mo. banc 1984).

Section 165.051 provides that the school board of a school district may invest surplus funds in "open time deposits or certificates of deposit . . . or in bonds, redeemable at maturity at par, of the state of Missouri, of the United States, or of any wholly owned corporation of the United States; or in other short term obligations of the United States; including any instrument permitted by law for the investment of state moneys."

Article IV, Section 15, of the Constitution of Missouri, provides in part ". . . the [state] treasurer may enter into repurchase agreements maturing and becoming payable within ninety days secured by United States Treasury obligations or obligations of United States government agencies or instrumentalities of any maturity, as provided by law. . . ." Section 30.260.4, RSMo Supp. 1991, provides in part:

30.260. Time and demand deposits--  
investments--interest rates.--

\* \* \*

2. The state treasurer shall place the state moneys which he has determined are not needed for current operations of the state government on time deposit drawing

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interest in banking institutions in this state selected by him and approved by the governor and the state auditor, or place them outright or by repurchase agreement in obligations described in section 15, article IV, Constitution of Missouri, as he in the exercise of his best judgment determines to be in the best overall interest of the people of the state of Missouri, . . .

\* \* \*

4. The state treasurer may subscribe for or purchase outright or by repurchase agreement obligations of the United States government of the character described in subsection 2 of this section which he, in the exercise of his best judgment, believes to be the best for investment of state moneys at the time. . . . [Emphasis added.]

\* \* \*

Because Section 165.051, as amended, authorizes school districts to invest certain surplus funds in "any instrument permitted by law for the investment of state moneys", and state moneys may be invested in repurchase agreements as described in Article IV, Section 15, of the Constitution of Missouri and Section 30.260, RSMo Supp. 1991, we conclude school districts may invest in such repurchase agreements.

CONCLUSION

It is the opinion of this office that Section 165.051, RSMo, as amended by House Committee Substitute for Senate Substitute for Senate Committee Substitute for Senate Bill No. 581, 86th General Assembly, Second Regular Session (1992), authorizes a Missouri school district to invest certain surplus funds in bank repurchase agreements as described in Article IV, Section 15, of the Constitution of Missouri and Section 30.260, RSMo Supp. 1991.

Very truly yours,

  
WILLIAM L. WEBSTER  
Attorney General