

IN RE:County Court--What may be accepted as collateral to secure county funds.

April 8th, 1933



Hon. John B. Owen,
Prosecuting Attorney,
Henry County,
Clinton, Missouri.

Dear Sir:-

I acknowledge your request for an opinion dated April 5th, reading as follows:

" Where a County depository does not give bond, but in lieu thereof deposits bonds as collateral security, would the bonds issued by an incorporated City School District in such county, be such security as authorized by law?

Could such school district in selecting its depository, accept as collateral security or pledge, its own bonds? "

In reply to your first question, I beg to advise that it is the opinion of this office that the bonds of an incorporated City School District would not be proper collateral for your county deposits. Section 12187 Revised Statutes of Missouri B29, particularly provides for the bond to be supplied by the depository, or the security that may be placed as collateral in lieu of the bond. The part of the statute applicable reads as follows:

"SECTION 12187. BOND OF DEPOSITORY--* * * provided, that the court may accept in lieu of real estate as security, bonds of the United States or of the State of Missouri, which said bonds shall be deposited as the court may direct; * * *."

The statute is plain and unambiguous, naming the bonds which are acceptable as collateral. No other bonds would comply with the statute.

In reply to the question contained in the second paragraph, of your letter of April 5th, I beg to advise that the same rule governs the depositing of school district funds. Section 9362 is the authority for this procedure. This section reads as follows:

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"SECTION 9362. DEPOSITORIES OF SCHOOL MONEYS.--
The board of education of City School Dis-
tricts in this state shall select depositories
for the funds of such school districts in the
same manner as is provided by law for the selec-
tion of county depositories; * * *."

Accordingly, United States bonds and State of Missouri bonds are
the only collateral that could legally be approved and accepted
by the school districts or school board to secure its funds in
the approved depository.

Respectfully submitted,

HARRY G. WALTNER, Jr.,
Assistant Attorney General

APPROVED:

ROY McKITTRICK
Attorney General

HGW/mh