

SCHOOLS - City, Town and consolidated school districts must advertise and secure depositories for their funds under Section 9362 and take bond to secure same as provided for under Section 12187.

May 18, 1933. ⁵³²

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Hon. Ray E. Watson
Prosecuting Attorney
Jasper County
Webb City, Missouri

Dear Mr. Watson:

Your letter of May 3, 1933, received, in which you asked,

"The question which I desire to ask is this:

Does the law authorize the Board of Education of a city or town school district to award moneys of such district to a bank that is the successful bidder for depository and deposit such moneys in such bank without first requiring such bank to give security to the school district in accordance with Section 12187, and if the provisions of said Section 12187 are not binding upon such Board of Education, then what security, if any, is such Board required to take from the bank that is to become such depository?"

In reply to your question will state that Section 9362 R. S. 1929, says,

"The board of education of city, town and consolidated school in this state shall select depositories for the funds of such school district IN THE SAME MANNER as is provided by law for the selection of COUNTY DEPOSITORIES; * * * * *"

Now turning to Section 12184, R. S. 1929, it is provided that,

* * * proposals from banking corporations, associations or individual bankers in such county as may be desired to be selected as the depositories of the funds of said county * * * * * (may) divide said funds into not less than two nor more than ten equal parts,

and the bids herein provided for may be for one or more of such parts. * * * * *

Then the law provides for advertising for these bids to secure bidders who will give the largest amount for the use of the funds or for their being deposited with the bank.

Section 12186, R. S. 1929, provides for the manner of opening the bids etc.

Section 12187, R. S. 1929, provides that,

"Within ten days after the selection of depositaries, it shall be the duty of each successful bidder to execute a bond * * * * *, with not less than five solvent sureties, who shall own unencumbered real estate in this state as of as great value as the amount of said bond, OR with a surety or trust company authorized by the laws of this state to execute bonds as surety: * * * * *"

Then follows the manner of preparing and executing the bonds.

Henry Co. v. Salmon 201 MD 136 26. 165-

With the statutes in mind (extracts of which are above quoted), it is our opinion that the city or town school district may award the deposits of such district to a bank that is the successful bidder for depository, but that the money of such school district must not be deposited in such depository bank without FIRST requiring such bank to give security to the school district in accordance with the provisions of Section 12187, R. S. 1929, and the board must comply with the provisions of the law above referred to before making such deposits. As the law is plain and unequivocal that bond is required, it must be taken before the deposits are made with the depository.

Very respectfully,

GEO. B. STROTHER

GEO. B. STROTHER
Assistant Attorney-General.

APPROVED: _____
ROY McKITTRICK
Attorney-General.

GBS:RG