

Answer by Letter (Craft)

October 5, 1970

OPINION LETTER NO. 321

Honorable Don W. Kennedy
Representative, District 112
127 West Austin Boulevard
Nevada, Missouri 64772



Dear Mr. Kennedy:

Your opinion request was sufficiently concise as to warrant repeating your letter in full:

"Do you have an opinion on the question whether a six director school district of the State of Missouri can invest school district funds in a savings and loan association chartered by the State of Kansas and doing business only in Kansas?"

"It appears to me from Section 369.325 RSMo 1959 that a savings and loan association would have to be doing business in Missouri in order to be qualified as a depository of public funds."

Our holding in this opinion is also governed by our opinion, issued simultaneously herewith, discussing the constitutionality of Section 369.325, RSMo 1969 (3), which permits municipalities or political subdivisions of the State of Missouri to invest in savings and loan institutions. I enclose a copy of Opinion No. 148, 1970, addressed to the Honorable Zane White, which resolves this question.

Honorable Don W. Kennedy

With regard to the specific question that you ask, it is my opinion that this section permits a legal investment only in savings and loan associations which are doing business in Missouri.

Section 369.325, RSMo 1969, provides, in part, as follows:

"1. Accounts of any association doing business in Missouri, whether chartered by the state of Missouri or another state or the United States of America, and which holds certificate of insurance from the Federal Savings and Loan Insurance Corporation:

* * *

"(3) Shall be legal investments for funds of any municipality or political subdivision of the state of Missouri; . . ."

An association which is not doing business in Missouri would obviously not qualify as a depository of funds in those circumstances.

Therefore, a school district of the State of Missouri may not invest its public funds in a savings and loan association chartered by the State of Kansas which is not doing business in the State of Missouri.

Yours very truly,

JOHN C. DANFORTH
Attorney General

Enclosure

Opinion No. 148,
1970, White