

November 25, 1975

OPINION LETTER NO. 223
Answer by letter-Rothschild

Honorable George W. Lehr
State Auditor
State Capitol Building
Jefferson City, Missouri 65101

Dear Mr. Lehr:

This opinion is in response to your question as follows:

"Does the board of trustees of a county hospital (Sections 205.160 to 205.340, RSMo) have the authority to deposit idle funds in accounts which offer the best security and rate of interest?"

This office, in Opinion No. 478, Baker, December 22, 1966 (copy enclosed), concluded that a county hospital board was not authorized to invest surplus funds unless expressly authorized to do so by statute. The opinion found no statute authorizing such investment. Our review of the statutory changes to Sections 205.160 to 205.340, RSMo, since Opinion No. 478, 1966, reveals no additional statutory authorization. Therefore, it is our view that Opinion No. 478, 1966, remains valid.

We do note, however, that pursuant to Section 205.190, RSMo, the county treasurer (or county collector for counties without a county treasurer) is the treasurer of the board of trustees of the county hospital and serves as treasurer for all funds collected to the credit of the hospital fund.

In Opinion No. 164, Lehr, July 23, 1975 (copy enclosed), this office expressed its opinion that counties, among others, were authorized to invest their funds in time deposits, including certificates of deposit. In this situation, the county court is authorized to invest the funds collected to the credit of the hospital

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fund, in the same manner as other county funds are invested, pursuant to the provisions of Chapter 110, RSMo. All interest earned from county hospital funds shall be credited to those funds. Section 110.150, RSMo Supp. 1973. (Prior to 1971, all interest for these funds was credited to the road and bridge fund.) This authority (to invest county hospital funds) rests solely with the county court but, as a practical matter, consultation with the county hospital board would be advisable because the board has ". . . exclusive control of the expenditures of all moneys collected to the credit of the hospital fund, . . ." (Section 205.190.4, RSMo).

Yours very truly,

JOHN C. DANFORTH
Attorney General

Enclosures: Op. No. 478
Baker, 12-22-66

Op. No. 164
Lehr, 7-23-75