

**State Depositories, Security Furnished for Deposits in. Banks.
Security Furnished by Banks Receiving State Funds.**

Under Chapter 129, Laws of 1909, only bonds of the United States, or of the State of Montana, or of counties, school districts or municipalities of this state can be received as security for such deposits.

Helena, Montana, June 19, 1909.

Hon. E. E. Esselstyne,
State Treasurer,
Helena, Montana.

Dear Sir:

I am in receipt of your communication requesting an opinion upon the following question:

"I have been handed a communication from one of the banks designated as a state depository, inquiring as to whether the state board of examiners would accept county, school or muni-

cipal bonds of any state as security for the deposit of state funds, and will thank you to advise me in the matter at your earliest convenience."

Chapter 129, laws of 1909, creating a state depository board, and providing for state depositories, vests in the depository board the discretion of approving of bonds submitted, and, therefore, the question as to whether such board would accept county, school and municipal bonds is a matter more properly for the board to determine, as a board. However, the law expressly states that banks may deliver as security for deposits bonds of the United States, or of the state of Montana, and does not provide for the deposit of bonds of any other state. Therefore, under a strict construction of this law, the board would have no right to accept bonds of any state other than Montana, and it would be an unreasonable construction to hold that the legislature limited the board to approval of bonds of the state of Montana and at the same time permit them to accept bonds of counties, school districts and municipalities of other states, when the bonds of such other states could not be accepted.

In our opinion the phrase "or county, school or municipal bonds," mean only bonds of counties, school districts and municipalities of this state.

Very truly yours,
ALBERT J. GALEN,
Attorney General.