

**Banks—Private, Value of Property to Be Owned By.**

Under the provisions of Section 2, Chapter 111, Session Laws of 1911, every individual, co-partnership or association conducting a private bank in this state must actually own and possess within the state of Montana, approved property or assets not exempt from execution, of the minimum value as specified in the section, which financial condition must appear and be actually on the books of the bank, and which amount must at all times be over and above the liabilities of the bank other than those to the individual members, co-partnership or association.

Helena, Mont., July 24, 1911.

Hon. C. E. Kumpe,  
State Examiner,  
Helena, Mont.

Dear Sir:

I am in receipt of your letter of July 24th, requesting me to advise you whether or not Sec. 2 of Chapter 111, Session Laws of 1911, requires every individual, co-partnership or association conducting a banking business in this state to at all times maintain and carry on their books, over and above all liabilities other than those to the individual or several members of the co-partnership or association conducting such banking business the minimum amount of paid-up capital or property worth provided for by said section.

In reply I will say Section 2 of said chapter provides as follows:

"Every such individual, co-partnership, or association intending to conduct such a bank or banking business within the state of Montana shall, before the receipt of any money whatsoever on deposit, actually own and possess, within the

state of Montana, approved property or assets not exempt from execution of the minimum value of not less than twenty thousand (\$20,000.00) dollars in cities and towns having a population of 2,000 or less; in cities having a population of over 2,000 and less than 5,000 the sum of thirty thousand (\$30,000.00) dollars; in cities having a population of 5,000 and less than 10,000, the sum of fifty thousand (\$50,000.00) dollars; in cities having 10,000 population and less than 25,000 the sum of seventy five thousand (\$75,000.00) dollars; in all cities having a population of 25,000 or over, the sum of one hundred thousand (\$100,000.00) dollars which financial condition must appear and be carried on the books of any such bank or banks. Such requirement shall extend and be applicable separately to each and every private bank conducted by any person, co-partnership or association, and no asset or assets shall appear on the books of more than one bank."

The purpose of this section is to protect the creditors of the bank and to give them some tangible asset for their protection. It is my opinion that every individual, co-partnership or association conducting a private bank in this state must, under the section above quoted, actually own and possess within the state of Montana approved property or assets not exempt from execution of the minimum value specified in the section, which financial condition must appear and be carried on the books of the bank which amount must at all times be over and above all liabilities of the bank other than those to the individual members of the co-partnership or association.

Yours very truly,

ALBERT J. GALEN,

Attorney General.