

**Bonds—Federal Land Bank Bonds—Security—Deposits—
State—Funds.**

Federal land bank bonds may not be taken as security for state deposits.

W. E. Harmon, Esq.,
State Treasurer,
Helena, Montana.

April 9, 1927.

My dear Mr. Harmon:

You have requested my opinion whether you may accept federal land bank bonds of the United States as security for state funds.

The class of security required by chapter 85, laws of 1923, are

“bonds of the United States, or of the State of Montana, or county, school or municipal bonds, or registered warrants of the State of Montana, or of counties of the State of Montana * * * or the bond of some good surety company authorized to do business in the State of Montana.”

Federal land bank bonds are not bonds of the United States. The land banks themselves are the only agencies liable on the bonds. See generally the provisions applicable to such bonds:

Fed. St. Ann. 1918 Supp. p. 32, et seq.;

Fed. St. Ann. 1920 Supp. p. 4;

Fed. St. Ann. 1921 Supp. p. 3, 4;

Fed. St. Ann. 1923' Supp. p. 33;

Fed. St. Ann. 1925 Supp. p. 7.

Since the federal government as such is not liable on the bonds in question, they may not be regarded as bonds of the United States. Neither do they come within any other of the class of securities authorized by chapter 85, supra, as acceptable to secure state deposits.

It is therefore my opinion that the state depository board is without authority to accept federal land bank bonds as security for state deposits. The class of securities that may be accepted, you will observe, must, under chapter 85, be approved by the depository board before the state treasurer is authorized to make the deposits.

Very truly yours,

L. A. FOOT,
Attorney General.