

Banks and Banking—Deposits—Fire Department Relief Association Funds—Pledge of Securities.

State banks may not pledge their assets as security for the deposit of fire department relief association funds.

Mr. G. M. Robertson,
Superintendent of Banks,
Helena, Montana.

September 7, 1932.

My dear Mr. Robertson:

You request my opinion whether a state bank may pledge securities to secure deposits of funds belonging to fire department relief associations when the deposits are made by the treasurer of such associations.

Section 112, laws of 1927 forbids state banks pledging securities for deposits except for deposits of moneys of the United States and public funds deposited in accordance with the provisions of any depository act of the state of Montana or of the United States.

There is no law of this state relating to the deposits of fire department relief association funds in banks and the depository act relating to the deposit of city funds does not apply for that act relates only to de-

posits by the city treasurer of funds in his hands as such. These relief funds are not in the hands of the city treasurer but they are in the custody of the treasurer of the relief association.

It being apparent that there is no depository act covering the deposit of these relief funds in state banks, it follows that they do not come within the exception mentioned in said section 112, and therefore a state bank is without authority to pledge, mortgage or hypothecate to the association, or its officers, any of its real or personal property as security for any deposit of the relief funds.

Very truly yours,

L. A. FOOT,

Attorney General.