

Opinion No. 526.**Banks and Banking—Deposit of Funds
—County Commissioners—County
Funds, Security for—Insured
Deposits—Cities and Towns
—Counties.**

HELD: County Commissioners may not require a state bank to deposit assets to secure funds of county, city or town where such deposit is guaranteed or insured according to law.

May 3, 1934.

You have submitted the following question:

"State banks who have qualified under the U. S. Federal Banking Act of 1933, (known as the Federal Deposit Insurance Act or Federal Guarantee Deposit Act) in which State banks I understand that deposits up to the extent of \$2500.00 are now insured or guaranteed by the Federal Government, to what extent, if any, are these banks exempt from furnishing security for county deposits, or are they required to furnish security for county deposits the same as they have done in the past."

Section 4767 as amended by Chapter 89, Laws of 1923, Chapter 137, Laws of 1925, Chapter 134, Laws of 1927, Chapter 49, Laws of 1929, Chapter 23, Laws of 1933-34 Extraordinary Session, provides for the pledging of assets of state banks as security for county and city funds. The only limitation being in the last named chapter which recites: "* * * Provided, however, that said board of county commissioners, city or town council may require security for only such portion of deposits as is not guaranteed or insured according to law."

It is my opinion that this limitation does not give the board of county commissioners authority to require security for county, city or town funds which are guaranteed or insured according to law. It is a well-known rule of law that banks have only such powers as are conferred by statute expressly or by implication. (*Marion v. Sneed*, 291 U. S. 262, 78 L. ed. 787). No further citation of authorities on this proposition is necessary.