

2513.

APPROVAL, FINAL RESOLUTIONS FOR ROAD IMPROVEMENTS IN LICKING COUNTY, OHIO.

COLUMBUS, OHIO, October 25, 1921.

Department of Highways and Public Works, Division of Highways, Columbus, Ohio.

2514.

BANKS AND BANKING—BONDS OF JOINT STOCK LAND BANKS NOT ACCEPTABLE AS SECURITY FOR DEPOSIT OF STATE FUNDS, STATE INSURANCE FUNDS OR TEACHERS' RETIREMENT SYSTEM FUNDS.

Bonds of the Joint Stock Land Banks issued under favor of the Federal Farm Loan Act are not acceptable as security for the deposit of state funds, state insurance funds or teachers' retirement system funds.

COLUMBUS, OHIO, October 26, 1921.

HON. R. W. ARCHER, *Treasurer of State, Columbus, Ohio.*

DEAR SIR:—You request the opinion of this department upon the following question:

“Would the state treasurer be permitted to accept the bonds of the Joint Stock Land Banks as security for deposit of state funds, state insurance funds and Teachers' Retirement System funds?”

Section 330-3 of the General Code, governing ordinary state deposits, authorizes the receipt of “United States government bonds” and certain other bonds not necessary to enumerate in this connection as security for such deposits. The securities acceptable under the workmen's compensation law and the teachers' retirement law are the same as those specified in section 330-3, which is adopted by reference in the sections governing the deposits of such moneys. See sections 1465-57 and 7896-13 of the General Code, respectively.

Examination of the circular attached to your communication and of the statutes of the United States discloses that the bonds of the Joint Stock Land Banks are not general obligations of the United States, but are primarily the obligations of the banks issuing them or, at the most, of other land banks. In the opinion of this department, such bonds are not “United States government bonds” as used in section 330-3 of the General Code. That term, to quote the opinion of the attorney-general reported in Volume I of Opinions of the Attorney-General for the year 1918, p. 486,

“means bonds which are the direct and primary obligation of the United States government in pursuance of its constitutional power to borrow money on the credit of the United States and for the payment of which the full faith of the United States is solemnly pledged by act of congress.”