

1716.

REGISTERED UNITED STATES GOVERNMENT BONDS—ACCEPTABLE  
AS COLLATERAL SECURITY FOR DEPOSIT OF TOWNSHIP FUNDS.

*Opinion No. 1246 modified by holding that registered U. S. bonds are receivable as collateral security for the deposit of township funds, subject to the rules governing the deposit of such bonds for a like purpose with respect to municipal deposits, as laid down in said opinion.*

COLUMBUS, OHIO, December 16, 1920.

*Bureau of Inspection and Supervision of Public Offices, Columbus, Ohio.*

GENTLEMEN:—You have called the attention of this department to an error in Opinion No. 1246, addressed to your department under date of May 15, 1920.

The question submitted in that opinion was a general one as to whether or not the proper public officers "may accept registered Liberty or other bonds of the United States as surety for the deposit of public funds." In answering this question, in so far as it relates to township depositories, the statement was made that:

"The township depository law does not authorize the deposit of bonds as security."

This statement is true of the township depository law itself (sections 3320 to 3326, inclusive, of the General Code). However, by recent amendment of section 4295 of the General Code (103 O. L. 113), fully quoted in the former opinion, it is provided that:

"Whenever any of the funds of any of the political subdivisions of the state shall be deposited under any of the depository laws of the state, the securities herein mentioned, in addition to such other securities as are prescribed by law, may be accepted to secure such deposits."

Section 4295, as was stated in the former opinion, relates primarily to municipal depositories, but the sentence last quoted relates to all other depositories as well.

The general framework of the township depository law is similar to that of the municipal depository law, in that the trustees, like the council, have the authority to provide for the details "for carrying into effect the authority herein given." (Section 3321 G. C.).

Accordingly, the conclusion reached in the former opinion with respect to the deposit of municipal funds applies to the deposit of township funds. That is to say, unless the township trustees in their resolution provide for the receipt and handling of the registered bonds and the taking of legal title thereto in the name of some officer of the township, the execution of the trust agreement, etc., registered bonds would not be receivable for mere lack of authority on the part of any township officer to accept the trust relation necessary to work out a proper use of registered bonds for this purpose. But if such details are provided for by the resolution of the trustees, then, subject to the qualifications laid down in Opinion No. 1246, such registered bonds may be used as security for the deposit of public funds of the township. Opinion No. 1246 is to be regarded as supplemented accordingly.

Respectfully,  
JOHN G. PRICE,  
*Attorney-General.*