

"2. Where payment of interest is required under a depository contract entered into by a municipal corporation pursuant to an ordinance of council, in conformity with the municipal depository statutes (sections 4295, 4296), the payment of interest is required under State law within the meaning of the proviso contained in section 11 (b) of the Banking Act of 1933.

3. The fact that section 4295 of the General Code does not prescribe a minimum rate of interest which a depository bank must pay upon municipal deposits, does not prevent that section from being a State law requiring the payment of interest within the meaning of the proviso contained in section 11 (b) of the Banking Act of 1933."

Under the 1920 and 1931 opinions, *supra*, it was held that Section 4515, General Code, also requires the payment of interest. It follows that deposits by sinking fund trustees under that section are likewise within the proviso of Section 11 (b), Banking Act of 1933.

Specifically answering your inquiry, it is my opinion that although a separate account for the payment of coupons and redemption of bonds is maintained in a municipal depository, all such deposits are made pursuant to either Sections 4295 or 4515, General Code, both of which are State laws requiring the payment of interest on public funds, and hence not within the inhibition of Section 11 (b), Banking Act of 1933, which forbids member banks of the Federal Reserve System from paying interest upon demand deposits.

Respectfully,

JOHN W. BRICKER,
Attorney General.

3619.

APPROVAL, BONDS OF CITY OF LIMA, ALLEN COUNTY, OHIO—
\$4,200.00.

COLUMBUS, OHIO, December 12, 1934.

Retirement Board, State Teachers Retirement System, Columbus, Ohio.

3620.

APPROVAL, BONDS OF CITY OF CLEVELAND, CUYAHOGA COUNTY,
OHIO—\$68,000.00.

COLUMBUS, OHIO, December 12, 1934.

Retirement Board, State Teachers Retirement System, Columbus, Ohio.