

Mr. Lloyd Thomas,
Superintendent of Banks,
Phoenix, Arizona.

February 12, 1940.
LAW LIBRARY
ARIZONA ATTORNEY GENERAL

Dear Mr. Thomas:

We have your letter of February 9th wherein you state that a question has now arisen as to whether or not Arizona public officials can legally accept a joint safekeeping receipt issued by the Federal Reserve Bank to the public officials and the depository bank to secure public funds on deposit.

In this State public monies may only be deposited in those banks designated by the proper officers to be depositories of state, county, town or city funds. Section 2633, R. C. A. 1928. Before any bank so designated may receive a deposit of public monies it must execute and deliver a bond issued by a surety company approved by the Treasury Department of the United States and authorized to do business in this State in an amount not less than the amount the bank may receive on deposit, or in lieu thereof, the bank may deposit with the state treasurer, county treasurer, or the town or city treasurer, as the case may be, legally issued and interest bearing bonds of the United States, state, county, municipal and school district improvement bonds and certain other enumerated securities. Section 2634, supra. Under the provisions of these sections, when a depository elects to give securities in lieu of the surety bond, such securities must be deposited with the treasurer of the governmental body making the deposit. The law is clear on this matter and we do not see how it can be complied with in any other manner than by depositing the securities with the treasurer.

The method outlined in your letter, that is, to issue a joint receipt to the depository bank and the treasurer, would require the joint signatures of both to remove the securities from the Federal Reserve Bank. This method of handling the securities might cause a situation to arise, should it be necessary to resort to the securities, wherein the treasurer would be unable to exercise that control over them contemplated by the statute. We find nothing in the law which would prevent a treasurer from depositing the securities in a Federal Reserve Bank for safekeeping after they had been actually delivered and deposited with him.

Yours very truly,

JOE CONWAY,
Attorney General.

EDWARD P. CLINE,
Assistant Attorney General.

EARL ANDERSON,
Special Assistant
Attorney General.