

February 1, 1945

Mr. E. J. Hilkert, Comptroller
Arizona State Teachers' College
Tempe, Arizona

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ARIZONA ATTORNEY GENERAL

Dear Sir:

As set forth in your letter of January 30, 1945, your inquiry and request therein contained for an opinion which would bear upon the custody and deposit of war bonds which have been recently purchased from sinking funds, which is required by the bond indenture in connection with the building and improvement bonds issued by your college, to-wit: Arizona State Teachers' College at Tempe, Arizona, we would beg to submit to your attention the following, which we find, as an opinion, formed after examination into this matter and the law bearing thereon.

We note that you have carefully set forth the entire state of facts which covers, in common effect, the investment of various monies from sinking funds, as will mature from the years 1950-51 to the final period of 1969-70, and we further accept that the moneys from which such investments were made would be held in the hands of the Treasurer of the State of Arizona pursuant to your board's action, and it would appear that the logical place of deposit of such war bonds, as so purchased, would be the State Treasurer and that these bonds would, in fact, be treated in the same manner as the funds with which they were purchased. Therefore, it would be our opinion that these bonds be placed with said State Treasurer, by the same authority that would have control if such were represented by money, and as a matter of precaution, public policy and practical business, we would submit that we believe it the practical thing to deliver therewith and attached thereto a copy of the authority or resolution justifying the investment in such bonds and that, as well, should be attached a statement or synopsis of the entire matter showing the investment and whence such was made and the call upon such bonds as and when they would mature. We would suggest further that, if necessary, a separate letter be made part of such record to the end that, through the period eighteen to twenty-four years, any of the then Treasurers of the State of Arizona would find attached to said bonds a full record and history of the handling of same and their purpose in meeting the

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final closing of the bonds for which the sinking fund was created and in the years in which they are definitely to mature. It would further appear to us that the same authority, who would have the right to direct the payment of such bonds at their maturity dates from monies or funds in the hands of the State Treasurer would have the same right to take all necessary business action to use these bonds for the same said purpose whether that be to deliver sufficient of said bonds (if they are acceptable to the payee) or whether they be reduced to cash and then used in payment of the bonds maturing.

We see no need for a sinking fund trustee and fail to find provision for such and it would appear from what has been said hereinbefore that there is no need of such being used or contemplated.

We fail to find any provision to justify an acceptance of any different handling of these bonds than were the bonds in cash form or being held as funds and therefore we are of mind as herein set forth.

In view of the facts herein stated and as heretofore submitted such is our opinion and the same is respectfully submitted.

JOHN L. SULLIVAN
Attorney General for Arizona

By _____
J. Hubert Smith, Assistant