

1953 O. A. G.

OFFICIAL OPINION NO. 81

September 30, 1953.

Honorable John Peters,  
Treasurer of State,  
242 State House,  
Indianapolis, Indiana.

Dear Mr. Peters:

This is in reply to your letter of September 24th in which you desire an opinion as to the legality of accepting government bonds purchased by Allen County which mature in 1967 in lieu of cash which constitute the school fund of Allen County.

The Acts of the General Assembly of 1943, Chapter 181, as found in Burns' Indiana Statutes Annotated (1948 Repl.), Section 28-150, allowed the several counties of Indiana to retain the custody of the common school funds for the purpose of loaning the same to school corporations. This right was withdrawn by Chapter 75 of the Acts of the General Assembly of 1953, as found in Burns' Indiana Statutes Annotated (1948 Repl., 1953 Supp.), Section 28-273.

The Acts of the General Assembly of 1943, Chapter 251, as found in Burns' Indiana Statutes Annotated (1948 Repl.), Section 28-209, permitted the counties to invest moneys which had not been loaned within the period of four months since receiving them in valid obligations of the United States.

Since the 1943 and the 1953 General Assemblies did not require the school funds to be liquidated prior to being surrendered to the Treasurer of State, it is my opinion that this is not necessary and that the Treasurer of State may accept government bonds in lieu of cash. However, if at the time of maturity these bonds are not redeemable at par or at the value taken in by the Treasurer, Allen County would have to reimburse the Treasurer for any deficit.

I trust this is the information you desire.