TEACHERS' RETIREMENT FUND BOARD: Investment of funds in Sewer Works Revenue Bonds "lawfully issued" by Town of Corydon.

March 27, 1939.

Hon. Robert B. Hougham,
Executive Secretary,
Teachers' Retirement Fund Board,
Indianapolis, Indiana.

Dear Sir:

Your letter of March 23, 1939, to the Attorney General, with respect to the Sewer Works Revenue Bonds of the Town of Corydon, has been referred to me for reply.

I have read carefully the opinion of Messrs. Matson, Ross, McCord and Clifford approving this issue. The question which you submit is whether these bonds are eligible for purchase by the Indiana State Teachers' Retirement Fund.

Section 28-4508 of Indiana Burns Statutes Annotated (1933), provides that all investments by the Indiana State Teachers' Retirement Fund shall be made in interest bearing securities of the United States, or of any state or territorial possession of the United States, "or in any security lawfully issued by any state or county, township, city or other municipal corporation within the United States of America." (Our italics.) These bonds, upon the basis of the opinion, are "lawfully issued" by the Town of Corydon, although your attention is called to the fact that they are not obligations of the town, being payable out of revenues from the sewage works.

The language of the statute is "lawfully issued by any state or county, township, city or other municipal corporation within the United States of America," and, in my opinion, these bonds comply with that requirement.