

**Opinion No. 47-5098**

November 12, 1947

**BY:** C. C. McCULLOH, Attorney General

**TO:** C. R. Sebastian State Comptroller Santa Fe. New Mexico

{\*106} We are in receipt of your letter of November 10, 1947, in which you ask whether a municipal board of finance could accept as collateral for a bank deposit revenue bonds issued by a municipality. Section 7-216 of the 1941 Compilation, setting forth the type of securities acceptable for collateral, after listing certain types of securities, contains the following clause:

"Deposits of public moneys may be secured by \* \* \* bonds of any county of this state or any legal subdivision thereof \* \* \*."

This section also provides that:

"Bonds of the other classes above mentioned may be accepted by the board of finance only at their actual market value at the time they are accepted and only after the validity of such bonds and their actual market value shall have been determined by the state board of finance and the determination of the state board of finance on these matters shall be binding on all boards of finance in this state \* \* \*."

This clause relates to bonds of political subdivision. In view of the foregoing, it is my opinion that revenue bonds issued by a municipality {\*107} may be accepted as collateral for the deposit of public moneys if the state board of finance approves their validity and establishes their market value.

By ROBERT W. WARD,

Asst. Atty. General