

## Opinion No. 21-3171

October 28, 1921

**BY:** A. M. EDWARDS, Assistant Attorney General

**TO:** Mr. N. C. Frenger, Secretary, Board of Regents of the New Mexico College of Agriculture and Mechanic Arts. Las Cruces, New Mexico.

### **Liberty Bonds as Security for Deposits Public Funds.**

#### **OPINION**

{\*93} This office has your letter of October 27th, asking whether your Board may accept U.S. Liberty Bonds in lieu of the depository bond required of the bank by Section 10, of Chapter 57 of the Laws of 1915.

This section provides that bonds of the United States may be accepted as security for public moneys, but before such acceptance, the Board of Finance, to which such bonds are tendered as security, shall determine the validity and **value** of the bonds so tendered, but that no such bonds shall be accepted as such security unless their actual market value shall be at least equal to their par value. It is further provided that the deposit of public moneys shall never exceed 90 per cent of the actual cash value of the bonds so deposited.

Under this wording, if the Board finds that the market value of the Liberty Bonds tendered by the proposed depository bank are worth less than par, such bonds cannot be accepted as security in lieu of the bond required of depositories of public money by Section 9 of the same Chapter.