

**Opinion No. 21-3163**

October 25, 1921

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

**TO:** C. A. Bishop & Company, General Agents, United States Fidelity and Guaranty Company, Santa Fe, New Mexico.

**Certificates of Indebtedness as Security for Public Deposits.**

**OPINION**

{\*92} This office has your inquiry of October 22nd as to whether state certificates of indebtedness are acceptable security to be held by a county official under the provisions of Section 10 of Chapter 57 of the Laws of 1915.

This section provides that in lieu of a depository bond, any bank designated as a depository of public moneys may deliver to the proper official of the state, county, city, town or board in control, any bonds of the State of New Mexico of an aggregate value equal to the amount of the depository bond, such lieu bonds to be accepted at 90 per cent of their par value.

The evident intention of this act of the legislature is to permit valid state obligations to be substituted for a depository bond. We believe that the term "bond" as used in this connection is equivalent to the term "certificate of indebtedness," especially because the statute provides that the validity and value of any bonds so tendered must be determined by the Board of Finance to which the bonds are presented.

It is the opinion of this office, therefore, that a state certificate of indebtedness may be accepted as security from a bank for deposits of public funds provided all other requirements of Section 10 of Chapter 57 of the Laws of 1915 are complied with.

Christie vs. City of Duluth, 84 N.W. 754.