

Opinion No. 38-1988

July 5, 1938

BY: FRANK H. PATTON, Attorney General

TO: Mr. Allan D. Walker Attorney at Law Alamogordo, New Mexico

{*245} This is in response to your letter of June 29 requesting an opinion as to whether or not school bonds issued pursuant to the provisions of Chapter 6 of the Special Session Law of 1934 may be sold to the Reconstruction Finance Corporation.

Section 3 of the Act above cited provides that the issuing authorities may sell such bonds to the Federal Government. In my opinion this would necessarily include the power to sell the same to any agency or instrumentality of the Federal Government. Although I can find no cases in which the question has been finally passed upon, I direct your attention to the case of Baltimore National Bank vs. State Tax Commission, 297 U.S. 209, 80 L. ed. 586, in which the Supreme Court of the United States strongly indicated that the Reconstruction Finance Corporation was an instrumentality of the Federal Government.

In view of the strong language used in this case, I think that it can be safely assumed that the Reconstruction Finance Corporation is an agency of the Federal Government, and that any sale of bonds to it pursuant to the provisions of Chapter 6, Special Session Laws of 1934, would be valid and within the intent and meaning of that Act.

Trusting that this answers your questions, I am,

By: RICHARD E. MANSON,

Asst. Atty. Gen.