



STATE OF KANSAS

Office of the Attorney General

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Curt T. Schneider
Attorney General

October 17, 1977

ATTORNEY GENERAL OPINION NO. 77-338

Mr. Jon J. Robison
Administrator
Grisell Memorial Hospital
Post Office Box 268
Ransom, Kansas 67572

Re: Public Funds--Bonds--Investment

Synopsis: Bond proceeds subject to investment pursuant to K.S.A. 1976 Supp. 10-131, as amended by ch. 54, L. 1977, may be invested in shares or savings deposits of state or federally chartered savings and loan associations which are located in the investing municipality, so long as the amount invested does not exceed the insurance provided therefor by the Federal Savings and Loan Insurance Corporation.

* * *

Dear Mr. Robison:

We have your letter of October 10, 1977, concerning the investment of the proceeds of bonds issued by the Ness County Hospital District No. 1, Ness County, Kansas. K.S.A. 1976 Supp. 10-131, as amended by ch. 54, § 2, L. 1977, provides in pertinent part thus:

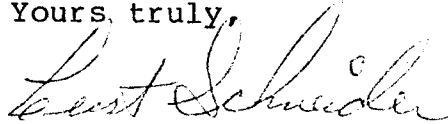
"The governing body of any municipality, as defined in K.S.A. 10-101 which has heretofore issued or may hereafter issue bonds for any purpose, is hereby authorized and empowered to invest any portion of the proceeds of said bonds, which is not currently needed,

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in investments authorized by K.S.A. 12-1675, and amendments thereto, in the manner prescribed therein or in direct obligations of the United States government or any agency thereof or in the municipality's temporary notes issued pursuant to K.S.A. 10-123 or in interest-bearing time deposits in commercial banks or trust companies located in the county or counties in which the municipality is located. All interest received on any such investment shall upon receipt thereof be set aside and used for the purpose of paying interest on the bonds issued." [Emphasis supplied.]

The underscored language was added by the 1977 legislature. The referenced statute, K.S.A. 12-1675 as amended, authorizes the investment of funds in the shares or savings deposits of savings and loan associations as authorized by K.S.A. 17-5002. Under the latter statute, in turn, moneys may be invested with a state or federally chartered savings and loan association which is located in the investing municipality, so long as the amount invested does not exceed the insurance provided therefor by the Federal Savings and Loan Insurance Corporation.

Yours truly,



CURT T. SCHNEIDER
Attorney General

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