Mr. Thomas W. Stockwell  
City Attorney  
United Kansas Bank & Trust Building  
Suite 302  
Highway 50 at Antioch  
Merriam, Kansas 66202

Re: Banks and Banking Code--Deposit of Public Moneys--Designation of Depositories for Municipal and Quasi-Municipal Funds

Synopsis: A city of the second class may designate a state or national bank or trust company located outside said city, but within a county in which all or part of such city is located, as an official depository of its funds.

Dear Mr. Stockwell:

You request our opinion as to whether the City of Merriam may go outside its city boundaries, but still within Johnson County, Kansas, in naming an official depository or co-depository.

K.S.A. 9-1401 provides, in part, as follows:

"The state and national banks and trust companies of the county or counties in which all or part of such municipal or quasi-municipal corporation is located shall be designated as official depositories if the municipal or quasi-municipal corporation can obtain satisfactory security therefor."
In accordance with the above statute, it is our opinion that the City of Merriam may designate a state or national bank or trust company located outside said city, but within Johnson County (the county in which the City of Merriam is located), Kansas, as an official depository for its funds.

This opinion should not be interpreted as permitting a city to invest "idle funds" in banks or trust companies located outside said city, except under those circumstances set forth in K.S.A. 1978 Supp. 12-1675.

Very truly yours,

Robert T. Stephan
Attorney General of Kansas

Terrence R. Hearshman
Assistant Attorney General

RTS:BJS:TRH:gk