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ATTORNEY GENERAL OPINION NO. 87- 144

Harold T. Walker
City Attorney
Ninth Floor, Municipal Office Building
One Civic Center Plaza
Kansas City, Kansas 66101

Re: Cities and Municipalities--Miscellaneous
Provisions--Investment of Public Moneys by
Governmental Subdivisions, Units and Entities

Synopsis: Under the provisions of K.S.A. 1986 Supp. 12-1675
and K.S.A. 1986 Supp. 17-5002, a municipal
corporation may not invest its idle funds in time
certificates of deposit or repurchase agreements
with a federally chartered savings and loan
association which has its home office outside the
state of Kansas. Cited herein: K.S.A. 1986 Supp.
12-1675; K.S.A. 1986 Supp. 17-5002.

* * *

Dear Mr. Walker:

You request our interpretation of K.S.A. 1986 Supp. 12-1675. Specifically, you ask whether a federally chartered savings and loan association, with branch offices located within the city of Kansas City, but with a home office located outside the state of Kansas, may receive city deposits of idle funds.

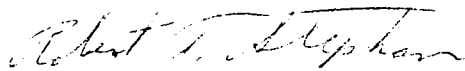
K.S.A. 1986 Supp. 12-1675 restricts the investment of idle funds by municipalities. Subsections (b)(3) and (b)(4) provide for the investment of idle funds in time certificates of deposit and repurchase agreements of state or federally

chartered savings and loan associations which have offices located in the investing governmental unit (or the county in which all or part of the investing governmental unit is located, or adjacent counties thereto, depending upon the circumstances). Although no requirement relating to a home office is prescribed therein, K.S.A. 1986 Supp. 17-5002(b) provides as follows:

"The governing body of any municipal corporation . . . having authority to receive, hold and expend public moneys or funds may invest the same in state or federally chartered savings and loan associations or federally chartered savings banks with home offices in the state of Kansas subject to and as provided by K.S.A. 9-1401, 9-1402, 9-1405, 9-1407, 12-1675 and 12-1676 and amendments to such sections." (Emphasis added.)

K.S.A. 1986 Supp. 12-1675 and K.S.A. 1986 Supp. 17-5002(b) are statutes in pari materia and, in our judgment, must be construed together in determining restrictions upon investment of idle funds by municipalities. Accordingly, in our opinion, under the provisions of K.S.A. 1986 Supp. 12-1675 and subsection (b) of K.S.A. 1986 Supp. 17-5002, a municipal corporation may not invest its idle funds in time certificates of deposit or repurchase agreements with a federally chartered savings and loan association which has its home office outside the state of Kansas.

Very truly yours,



ROBERT T. STEPHAN
Attorney General of Kansas



Terrence R. Hearshman
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