



STATE OF KANSAS

Office of the Attorney General

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Curt T. Schneider
Attorney General

September 12, 1977

ATTORNEY GENERAL OPINION NO. 77- 294

Mr. Lyell D. Ocobock
Special Assistant State Treasurer
Office of the State Treasurer
535 Kansas Avenue
Topeka, Kansas 66603

Re: State Departments--Public Officers, Employers--State
Monies--Written Contracts for Repurchase Agreements

Synopsis: The provisions of K.S.A. 75-4201, as amended, do not require written agreements for repurchase agreement investments made by the Pooled Money Investment Board.

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Dear Mr. Ocobock:

You ask whether the State Moneys Act requires repurchase agreement investments made by the Pooled Money Investment Board pursuant to K.S.A. 1976 Supp. 75-4205 to be reduced to writing.

K.S.A. 75-4217 provides:

"Awards of all state bank accounts shall be made pursuant to written agreements between the board and the banks having such accounts. Separate agreements shall be entered into for each class of account in each bank."
[Emphasis added.]

"State bank accounts" are defined at K.S.A. 1976 Supp. 75-4201(h) thusly:

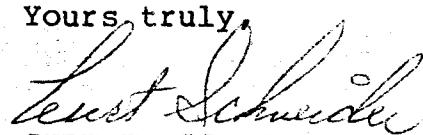
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"'State bank account' means state or special moneys deposited in a designated bank in accordance with the provisions of this act."

"Repurchase agreements" such as are permitted to be invested in per K.S.A. 1976 Supp. 75-4205 are not defined in the State Moneys Act. However, we understand that such investments entail in fact the purchase of securities from a bank, i.e., money is given by the Board to a particular bank in exchange for enforceable negotiable instruments. Such transactions do not involve the "deposit" of state moneys since once this exchange of money and securities takes place at the Federal Reserve Bank such moneys can no longer be considered as belonging to the state any more than the securities can be considered to belong to the bank.

Accordingly it is the opinion of this office that repurchase agreements by their inherent nature do not fall within the definition of state bank accounts and are thus not required to be in writing as per K.S.A. 75-4217.

Yours truly,



CURT T. SCHNEIDER
Attorney General

CTS:JPS:kj