



STATE OF KANSAS

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June 13, 1983

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ATTORNEY GENERAL OPINION NO. 83-55A

James R. Cobler, Director  
Division of Accounts and Reports  
Department of Administration  
State Office Building  
Topeka, Kansas 66612-1574

Re: Banks and Banking -- Banking Code; Deposit of  
Public Moneys -- Security for Deposits of Public  
Funds; Exception for Insured Portion

Synopsis: Attorney General Opinion No. 83-55 concluded that K.S.A. 9-1403(a) reduced the amount of security required by K.S.A. 9-1402 for deposits of public moneys in certain financial institutions during periods of peak deposits occurring at tax paying time and tax distributing time. The reduction allowed by K.S.A. 9-1403(a) decreases the amount of security from 100% to 50% of the deposit. Both of these percentages, however, need not include deposits which are insured by the federal deposit insurance corporation or the federal savings and loan insurance corporation. Cited herein: K.S.A. 9-1402, 9-1403, 9-1407.

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Dear Mr. Cobler:

As Director of the Division of Accounts and Reports of the Department of Administration, you requested the opinion of this office as to the effect of K.S.A. 9-1403 upon the requirements imposed by K.S.A. 9-1402 on financial institutions wishing to accept deposits of public funds. That opinion, No. 83-55, concluded that the former statute authorized a reduction to 50% of the requirement contained in K.S.A. 9-1402 that 100% of the value of the deposit be secured in the prescribed manner. Such a reduction applies during "the periods of peak deposits occurring at tax paying time and tax distributing time." K.S.A. 9-1403(a).

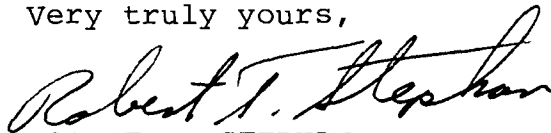
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The question asked by you and answered in the opinion did not directly involve another statute in the same act, K.S.A. 9-1407. That statute states:

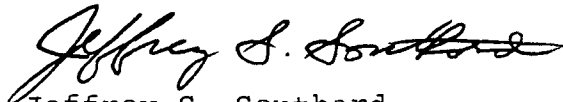
"That portion of any deposit of public moneys or funds which is insured by the federal deposit insurance corporation, or its successor, or the federal savings and loan insurance corporation, or its successor, need not be secured as provided in this act."

However, to avoid any possible confusion, Attorney General Opinion No. 83-55 should be read in light of this statute as well as the two which were cited therein. As a result, the amount of any deposit which is covered by federal deposit insurance or by federal savings and loan insurance need not be included in the computations made to determine whether the 100% figure under K.S.A. 9-1402 or the 50% figure under K.S.A. 9-1403.

Very truly yours,



ROBERT T. STEPHAN  
Attorney General of Kansas



Jeffrey S. Southard  
Assistant Attorney General

RTS:BJs:JSS:hle