



OFFICE OF THE ATTORNEY GENERAL OF TEXAS
AUSTIN

0-5278
GERALD C. MANN
ATTORNEY GENERAL

Honorable George G. Roane
County Attorney
Fort Bend County
Richmond, Texas

Dear Sir:

Opinion No. 0-5278

Re: Is the commissioners' court
of Fort Bend County author-
ized to invest moneys from
the general fund of the coun-
ty in United States Treasury
Securities?

Your letter of April 27, 1943, requesting the opin-
ion of this department on the above stated question reads as
follows:

"Is the Commissioner's Court of Fort Bend
County, Texas, authorized to invest monies from
the general fund in UNITED STATES TREASURY SECURI-
TIES?

"Now Mr. Mann, the situation that we have in
mind is that our County Commissioner's Court has
just received a letter from Judson S. James, Jr.,
executive officer of the U. S. Treasury War Finance
Committee, which advises us that under Senate Bill
No. 199, signed by the Governor on April 12, 1943,
our Commissioner's Court is authorized to invest
funds in U. S. Treasury Securities.

"I attach hereto the letter that we received
from Mr. Judson S. James, and we hope that you
give us an early reply, because our Commissioner's
Court, if permitted by law, wants to immediately
invest some monies out of the general fund in de-
fense bonds.

" "

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Section 2 of Senate Bill No. 199, Acts of the 48th Legislature, Regular Session, 1943, reads as follows:

"That any political subdivision of the State of Texas which heretofore has issued and sold bonds and is unable to obtain labor and materials to carry out the purpose for which the bonds were issued may invest the proceeds of such bonds now on hand in defense bonds or other obligations of the United States of America; provided, however, that whenever war time or any other regulations shall permit such political subdivision to acquire the necessary labor and materials, the obligations of the United States in which said proceeds are invested shall be sold or redeemed and the proceeds of said obligations shall be used for the purpose for which the bonds of any such political subdivision were authorized."

It will be noted that Section 2 of the foregoing Act is limited in scope to the proceeds of bonds which have heretofore been issued but which proceeds cannot be used to carry out the purpose for which the bonds were issued because of lack of materials and labor. The authority to invest certain funds has been expressly conferred upon the commissioners' court in certain instances by the Legislature, and in conferring this authority the Legislature has named the character of the securities in which such money may be invested. The foregoing Act confers no authority upon the commissioners' court to invest money in the general fund of the county in defense bonds.

Section 1 of House Bill No. 746, Acts of the 48th Legislature, Regular Session, 1943, reads as follows:

"All political subdivisions of the State of Texas which have balances remaining in their accounts at the end of any fiscal year may invest such balances in defense bonds or other obligations of the United States of America; provided, however, that when such funds are needed the obligations of the United States in which such balances are invested shall be sold or redeemed and the proceeds of said obligations shall be deposited in the accounts from which they were originally drawn."

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The foregoing Act authorizes all political subdivisions of the State (which includes counties) that have balances remaining in their accounts at the end of any fiscal year to invest such balances in defense bonds or other obligations of the United States of America. However, when such funds are needed the obligations of the United States in which such balances are invested shall be sold or redeemed and the proceeds of said obligations shall be deposited in the accounts from which they were originally drawn.

In view of the foregoing Act it is our opinion that counties having balances remaining in their accounts at the end of any fiscal year may invest such balances in defense bonds or other obligations of the United States of America.

Yours very truly

ATTORNEY GENERAL OF TEXAS

APPROVED SEP 24 1943
George G. Roane
DEPUTY ASSISTANT
ATTORNEY GENERAL

By *Ardell Williams*
Ardell Williams
Assistant

AW:db

