



**THE ATTORNEY GENERAL
OF TEXAS**

AUSTIN 11, TEXAS

**WILL WILSON
ATTORNEY GENERAL**

March 7, 1961

Honorable Robert S. Calvert
Comptroller of Public Accounts
Capitol Station
Austin, Texas

Opinion No. WW-1006

Re: Whether transfers of permanent reserve fund stock certificates of building and loan associations chartered by State of Texas are exempt from the Texas Stock Transfer Act.

Dear Mr. Calvert:

You ask whether transfers of permanent reserve fund stock certificates of building and loan associations chartered by the State of Texas are exempt from the Texas Stock Transfer Act.

We answer, "Yes, they are exempt."

The law making this exemption is Article 16.09 of Title 122A, Taxation-General, V.A.T.S., which reads as follows:

"The tax imposed by this Chapter shall not be construed as being applicable to shares, share accounts, certificates or passbooks issued by any building and loan association chartered under the laws of this State, nor to credit unions defined in Article 2461, Revised Civil Statutes, 1925."

The principal statutes governing building and loan associations are covered by Title 24, V.A.T.S. Article 881a-36 therein specifically authorizes issuance of several different classes of shares, stock, share accounts and investment certificates. Reserve fund or permanent stock is one of the classes authorized.

We believe the exemption stated in Article 16.09, supra, is clear and unambiguous and that it must be applied in accordance with its plain terms. Gilmore v. Waples, 108 Tex. 167, 188 S.W.2d 1037 (1916), and authorities cited in 39 Tex. Jur. 160-162, Statutes, Sec. 88.

S U M M A R Y

Transfers of permanent reserve fund stock certificates of building and loan

associations chartered by the State of Texas are exempt from the Texas Stock Transfer Act.

Yours very truly,

WILL WILSON
Attorney General of Texas

By:


W. E. Allen
Assistant

WEA:cm

APPROVED:

OPINION COMMITTEE:
W. V. Geppert, Chairman

W. Ray Scruggs
Robert T. Lewis
Dudley McCalla
Sam Wilson

REVIEWED FOR THE ATTORNEY GENERAL
By: Morgan Nesbitt