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The State of South Carolina



Office of the Attorney General

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ATTORNEY GENERAL

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Opinion No. 85-19

February 27, 1985

Ronald W. McKinney, Esquire
Edwards, Duggan, Reese and McKinney, P.A.
Post Office Box 569
Greer, South Carolina 29652

Dear Mr. McKinney:

By your letter of February 13, 1985, you advised that the Greer Commission of Public Works has in the past invested its funds in certificates of deposit issued by banks. You state that the Commission is interested in investing in certificates of deposit issued by savings and loan associations. You have asked the opinion of this Office on the following question:

Is a political subdivision of the State, such as a municipal commission of public works, permitted to invest public funds in certificates of deposit issued by a savings and loan association provided those certificates of deposit are collaterally insured in the manner prescribed by S.C. Code 6-5-10(a)(4), 1976 as amended?

You have concluded that such funds may be so invested. This Office concurs with your conclusion.

The applicable statute, Section 6-5-10 of the Code, provides in relevant part:

REQUEST LETTER

Ronald W. McKinney, Esquire
Page Two
February 27, 1985

(a) The governing body of any municipality, county, school district, or other local government unit or political subdivision and county treasurers may invest money subject to their control and jurisdiction in:

(1) Obligations of the United States and agencies thereof;

(2) General obligations of the State of South Carolina or any of its political units;

(3) Savings and Loan Associations to the extent that the same are insured by an agency of the federal government;

(4) Certificates of deposit where the certificates are collaterally secured by securities of the type described in (1) and (2) above held by a third party as escrow agent or custodian, of a market value not less than the amount of the certificates of deposit so secured, including interest; provided, however, such collateral shall not be required to the extent the same are insured by an agency of the federal government.

* * *

In construing statutes, the primary obligation of the courts and this Office is to ascertain and give effect to legislative intent. Bankers Trust of South Carolina v. Bruce, 275 S.C. 35, 267 S.E.2d 424 (1980). Words of a statute are to be given their plain and ordinary meaning, Worthington v. Belcher, 274 S.C. 366, 264 S.E.2d 148 (1980), and where such words are clear and unambiguous and leave no room for construction, such words must be applied according to their literal meaning. Green v. Zimmerman, 269 S.C. 535, 238 S.E.2d 323 (1977). In applying these rules of statutory construction, it must be observed that the General Assembly has placed no restriction at all on the sources from which certificates of deposit may be obtained; the statutory restrictions refer only to the manner in which such funds must be secured. Because the language is clear and unambiguous, a literal interpretation of the statute is required; thus, certificates of deposit may be obtained from any source so long as the funds are secured as required by Section 6-5-10(a)(4) of the Code.

Ronald W. McKinney, Esquire
Page Three
February 27, 1985

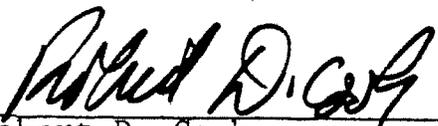
In conclusion, this Office concurs with your opinion that the Greer Commission of Public Works may invest public funds in certificates of deposit issued by savings and loan associations as long as the requirements of Section 6-5-10(a)(4), concerning collateral security of such funds, are met.

Sincerely,

Patricia D. Petway
Patricia D. Petway
Assistant Attorney General

PDP:ymk

REVIEWED AND APPROVED BY:



Robert D. Cook
Executive Assistant for Opinions