



**THE ATTORNEY GENERAL
OF TEXAS**

GERALD C. MANN

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ATTORNEY GENERAL

AUSTIN 11, TEXAS

Mr. Graham P. Stewart
Graham, Texas

Dear Mr. Stewart:

Opinion No. 0-4324

Re: Should a \$6000 deposit in the First National Bank, Graham, be returned to the Brazos River Conservation & Reclamation District because the President of said Bank has been selected and qualified as one of the Directors of said District?

You state in your letter of January 14, 1942, that you have been appointed and have qualified as one of the Directors of the Brazos River Conservation & Reclamation District.

You state that you are the President of the First National Bank in Graham, and that said District is carrying an account in said Bank of \$5000. Under the above facts you ask:

"I would like to be further advised by you as to whether this balance should be returned to the proper authorities of the District to avoid any possible criticism or violation of the law due to the fact that I wish to serve as a Director."

The Brazos River Conservation & Reclamation District was created by a Special Act of the Legislature in 1929, and has been amended in some respects at different times. Section 6 of said Act provides:

"The Board of Directors shall elect one of their number President, one Vice-President, one Secretary, and appoint a Treasurer, who shall furnish a bond in the sum of seventy-five per cent of the amount of money estimated to be on hand during the year, in no event to be more than \$100,000."

There is nothing in the Act creating said District that requires the Treasurer to be a member of the Board, or

places any limitation on where he shall keep the funds on deposit. The Board of Directors has general authority and control over the entire business of the District, and it (the Board of Directors) could, if it desired, make recommendations to the Treasurer. His bond, however, requires him as Treasurer to keep the funds and pay same out as and when directed by the Board.

It is our opinion that it is not a violation of law for the Treasurer to leave the \$5000 on deposit in the First National Bank at Graham. Whether this action would create criticism is a question about which we do not have and could not therefore express any opinion.

Very truly yours

ATTORNEY GENERAL OF TEXAS

By s/Geo. W. Barcus
Geo. W. Barcus
Assistant

GWB:MR:wc

APPROVED JAN 27, 1942
s/Grover Sellers
FIRST ASSISTANT
ATTORNEY GENERAL

Approved Opinion Committee By s/BWB Chairman