

provement can be obtained, is by submitting to them the question as to whether or not a tax shall be levied on all the property subject to taxation in such township and village for such improvement.

3. Upon the approval of the electors by the vote required by section 3402 of the General Code, the cost of said improvement may, if it is not necessary to levy an additional tax therefor, be paid out of the general funds of said subdivisions.

Respectfully,
 JOHN W. BRICKER,
Attorney General.

1830.

FEDERAL HOME LOAN BONDS—GUARDIAN MAY NOT INVEST FUNDS OF WARD THEREIN.

SYLLABUS:

A guardian may not legally invest the funds of his ward in Federal Home Loan Bonds, since his investments are specifically limited to those mentioned in Section 10506-41, General Code.

COLUMBUS, OHIO, November 4, 1933.

HON. HOWARD S. LUTZ, *Prosecuting Attorney, Ashland, Ohio.*

DEAR SIR:—I am in receipt of your request for my opinion concerning the following matter:

“Can a guardian use funds of his ward to purchase Federal Home Loan Bonds as an investment for his ward?”

Section 10506-41, General Code, as amended by House Bill No. 437, enacted by the 90th General Assembly, specifies the type of investments that may be made of fiduciary funds. From an examination of such section as so amended it would appear that “Federal Home Loan Bonds” could not be included in any classification of such section unless it be clause (a) or clause (d) thereof, which read:

“(a) Bonds or other obligations of the United States or of the state of Ohio.

* * * * *

(d) Any bonds issued by any bank, organized under the provisions of the act of congress, known as the federal farm loan act, approved July 17, 1916, and amendments thereto.”

“Federal Home Loan Bonds” are issued pursuant to the provisions of an act of congress approved July 22, 1932, popularly known as the “Federal Home Loan Bank Act” (H. R. 12280). An examination of such act discloses that the act merely authorizes a corporation with certain powers to be incorporated under federal laws rather than state laws. The bonds issued thereby are the obligations

of the corporation and not of the United States. Section 15 of such act makes the obligations of such corporation legal investments for certain fiduciaries functioning under federal laws, but does not purport to make such securities legal investments for fiduciaries controlled by state laws. Such section reads:

“Obligations of the Federal Home Loan Banks issued with the approval of the board under this Act shall be lawful investments, and may be accepted as security, for all fiduciary, trust, and public funds the investment or deposit of which shall be under the authority or control of the United States or any officer or officers thereof. The Federal reserve banks are authorized to act as depositories, custodians, and/or fiscal agents for Federal Home Loan Banks in the general performance of their powers under this Act. All obligations of Federal Home Loan Banks shall plainly state that such obligations are not obligations of the United States and are not guaranteed by the United States.”

Since such bonds are not the bonds or obligations of the United States it is evident that no authority is granted in clause (a) of Section 10506-41, General Code, to a fiduciary to purchase such bonds. It is also apparent that since such bonds are not issued pursuant to the provisions of the federal farm loan act no authority to make such investment can be gained from clause (d) of Section 10506-41, General Code.

Specifically answering your inquiry it is my opinion that a guardian may not legally invest the funds of his ward in Federal Home Loan Bonds, since his investments are specifically limited to those mentioned in Section 10506-41, General Code.

Respectfully,

JOHN W. BRICKER,
Attorney General.

1831.

LIBRARY—ESTABLISHMENT OF RENTAL COLLECTION FOR BOOKS
AND CHARGE OF FEE FOR USE THEREOF UNAUTHORIZED BY
SCHOOL DISTRICT LIBRARY.

SYLLABUS:

A school district library cannot, by virtue of Section 7635, General Code, establish a rental collection for books and charge a fee to the persons to whom such books are issued.

COLUMBUS, OHIO, November 6, 1933.

Bureau of Inspection and Supervision of Public Offices, Columbus, Ohio.

GENTLEMEN:—I am in receipt of your communication which reads as follows:

“You are respectfully requested to furnish this department your written opinion upon the following:

May a school district library establish what they call a rental collection of books—that is, purchase extra copies of certain books which are