

2150.

## DISAPPROVAL, NOTES OF SUGAR CREEK TOWNSHIP RURAL SCHOOL DISTRICT, ALLEN COUNTY, OHIO—\$1,513.00.

COLUMBUS, OHIO, January 9, 1934.

*Retirement Board, State Teachers Retirement System, Columbus, Ohio.*Re: Notes of Sugar Creek Township Rural District,  
Allen County, Ohio—\$1,513.00.

GENTLEMEN:—I have examined the transcript of the proceedings relating to the above note issue. It contains the following certificate of the Director of Education:

November 29, 1933.

“To the Board of Education of  
Sugar Creek Rural School District,  
Allen County, Ohio:

Pursuant to the provisions of Section 1 of Senate Bill No. 412, enacted by the 90th General Assembly, effective July 13, 1933, I hereby certify to you that the calculated amount which your school district, as a state aid district, is entitled to receive under the law from the state educational equalization fund and which amount has accrued to July 1, 1933, and is owing to your school district for personal service and maintenance items under the laws, regulations, formulae, and schedules provided in the General Code of Ohio for state aid districts, is Twenty-one Hun. Forty-two Dollars (\$2142.00).

AND WHEREAS, the actual amount your district is entitled to receive under said law is \$3655.00

NOW, THEREFORE, as Director of Education, I hereby certify that pursuant to section I of Senate Bill 412, as aforesaid calculated amount which your district is entitled to receive under said law for the aforesaid purpose, is, Three thousand six hundred fifty five Dollars (\$3655.00).

B. O. Skinner  
Director of Education”

The first paragraph of the above certificate is a copy of the certificate which the director issued on July 18, 1933, which was based on his calculation as to the amount which the above school district is entitled to receive as a state aid district from the state equalization fund accruing to July 1, 1933. This amount was \$2142.00, and a note was issued and sold in that amount.

The above certificate now states that the amount which the district is actually entitled to receive is \$3655.00, and it is sought to issue a note for the difference of \$1513.00. Amended Senate Bill No. 412 of the 90th General Assembly, under which these notes are authorized, provides that the Director of Education shall, within five days after the Act goes into effect, calculate the amount which each school district is entitled to receive under the law from the state educational equalization fund, and which amount has accrued to June 30, 1933, and is owing to such school district for personal service and maintenance items under the laws, regulations, formulae and schedules provided in the General Code of Ohio for state aid districts. From this provision, it is seen that the basis of de-

termining the amount which a school district may borrow under this act is based on the calculation which the Director must make within five days after the act went into effect. This calculation was made in this case, the amount certified being \$2142 00. This was the extent of the amount which this school district could borrow under said Amended Senate Bill No. 412, and this district having already borrowed that amount, it is my opinion that it is not entitled to borrow any more, by reason of the fact that it has been later found that the amount which it is actually entitled to receive is greater than the amount which had been calculated pursuant to the provisions of this act.

It is therefore my advice that you do not purchase this note issue.

Respectfully,

JOHN W. BRICKER,  
*Attorney General.*

2151.

PUBLIC FUNDS—UNDER SECTION 7506, G. C., INTEREST MUST BE  
PAID BY DEPOSITORY BANK.

*SYLLABUS:*

*A state statute, such as Section 7605, General Code, requiring that a contract for the deposit of public funds be awarded to the bank or banks offering the highest rate of interest, implies the payment of interest in some amount, although no minimum rate is stated, and such statute is a state law requiring the payment of interest within the meaning of the proviso contained in Section 11b of the Banking Act of 1933.*

COLUMBUS, OHIO, January 11, 1934.

HON. GEORGE W. SECREST, *Prosecuting Attorney, Warren, Ohio.*

DEAR SIR:—I have your letter of recent date, which reads as follows:

“In Opinion No. 1208, rendered by your office on July 2, 1933, it was held that depositaries of county, township and school district funds might pay interest on such funds without violating Section 19 of the Federal Reserve Act as amended by the Glass-Steagall Act. In the opinion you quoted the act as amended, as follows:

‘This paragraph shall not apply \* \* \* to any deposit of public funds made by or on behalf with any state, county, school district, or other subdivision or municipality, with respect to which payment of interest is required under state law.’

Since the opinion was rendered, Section 7605, General Code, has been amended by the Ohio Legislature to read in part as follows:

‘In school districts containing two or more banks, such deposits shall be made in the bank or banks, situated therein, that at competitive bidding offer the highest rate of interest for the full time the funds or any part thereof are on deposit.’

Prior to the amendment, the above sentence contained a provision for a minimum rate of interest in the words, ‘which must be at least two per cent.’