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DISAPPROVAL, BONDS OF DEFIANCE TOWNSHIP RURAL SCHOOL DISTRICT, DEFIANCE COUNTY, \$4,500.

COLUMBUS, OHIO, July 12, 1922.

Department of Industrial Relations, Industrial Commission of Ohio, Columbus, Ohio.

Re: Bonds of Defiance Township Rural School District, Defiance County, \$4,500.00, for the purpose of funding certain indebtedness which from its limits of taxation said district is unable to pay at maturity.

GENTLEMEN:—I have made a careful examination of the transcript submitted of the proceedings of the board of education and of other officers of Defiance Township Rural School District, relating to the above issue of bonds, and find that I am required to disapprove said issue specifically for the reason that the same covers certain items of indebtedness which, by reason of the mandatory provisions of section 5660 G. C., cannot be considered legal indebtedness such as may be funded under section 5656 General Code. From the transcript it appears that the following items of indebtedness are included in the list of those covered by this proposed issue of bonds, to wit:

Farmers Co-operative Co., for coal.....	\$150 02
C. P. Harley, for coal.....	427 97
Accounts payable, printing, books, crayons, grade cards and janitor service	544 74

Aside from the item of janitor service, the amount of which is not stated, and which is exempted from the provisions of section 5660 G. C. by those of section 5661 G. C., all of the items of indebtedness above mentioned appear to be contract obligations within the operation of said section 5660 G. C. and as to which the money to pay said contract obligations was required to be in the treasury and so certified before the respective contracts were entered into, and the provisions of said section 5660 G. C. not having been complied with respect to said contract obligations, the same by the provisions of section 5661 G. C. are declared to be void. It follows from this that said items of indebtedness cannot be considered legal obligations which the board of education is authorized to fund under section 5656 G. C.

In addition to the above objection fatal to the validity of this issue of bonds, I note that the resolution providing for this issue of bonds fixes July 15, 1923, as the maturity date of the first bond of the series covering this issue. This provision in the bond resolution is in obvious conflict with the requirements of section 2295-12 G. C. (109 O. L., 344) which provides that the maturity date of said first bond shall not be earlier than the date fixed by law for the final tax settlement between the county treasurer and the political subdivision or taxing district next following the inclusion of a tax for such issue in the annual budget by the county auditor. As a practical proposition following the requirements of this statute, the first bond of said series should not have been made payable earlier than September 1, 1923.

By reason of the objection first above noted, I am of the opinion that this issue of bonds is not valid and that you should not purchase the same.

Very respectfully,

JOHN G. PRICE,
Attorney-General.