

3910.

APPROVAL, ARTICLES OF INCORPORATION OF "THE ARDELEAN SOCIETY OF WOMEN."

COLUMBUS, OHIO, December 22, 1926.

HON. THAD H. BROWN, *Secretary of State, Columbus, Ohio.*

DEAR SIR:—I am returning to you herewith the articles of incorporation of "THE ARDELEAN SOCIETY OF WOMEN" with my approval endorsed thereon. Postal Money Order for \$2.00 is also enclosed.

Respectfully,
C. C. CRABBE,
Attorney-General.

3911.

RATE OF INTEREST ON NOTES ISSUED UNDER SECTION 3914 OF THE GENERAL CODE IS NOT RESTRICTED TO SIX PER CENT.

SYLLABUS:

Under section 3914 of the General Code the rate of interest which may be fixed by the council for notes issued under this section is not restricted to six per cent.

COLUMBUS, OHIO, December 22, 1926.

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

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

"Section 3914 G. C. provides that certificates of indebtedness may be issued in anticipation of the levy of special assessments or the issuance of special assessment bonds. This section does not specify the rate of interest that may be paid for the use of money borrowed on such certificates.

Question: May a municipal corporation pay seven or eight per cent interest for the use of money borrowed on certificates issued in anticipation of the levy of special assessments or the issuance of special assessment bonds?"

Section 3914 of the General Code, as amended in 110 Ohio Laws, page 456, provides as follows:

"Municipal corporations may issue bonds in anticipation of the collection of special assessments. Such bonds may be in sufficient amount to pay that portion of the estimated cost of the improvement or service for which the assessments are levied. In the issuance and sale of such bonds the municipality shall be governed by all restrictions and limitations with respect to the issuance and sale of other bonds, and the assessments as paid shall be applied to the liquidation of such bonds. Municipal corporations may borrow money and issue notes, due and payable not later than two years from the date of issue, in anticipation of the levy of special assessments or of the issuance of bonds as provided in this section. The notes shall not exceed in amount that portion of the estimated cost of the improvement or service for which the assessment is levied. The proceeds of bonds issued in antici-

pation of the collection of assessments and all of the assessments collected for the improvement shall be applied to the payment of the notes and interest thereon until both are fully paid; and thereafter said assessments shall be applied to the payment of said bonds and interest thereon. Council ordinances and proceedings relating to the issuance of such bonds or notes shall not require publication."

It will be noted that in governing the issue and sale of bonds under this section that such bonds are issued with all the restrictions and limitations with respect to the issuance and sale of other bonds. This would restrict the amount of interest on such bonds to six per cent.

However, in referring to the notes issued in anticipation of the levy of special assessments or the issuance of bonds under this section no restriction is made as to the rate of interest.

Other similar sections relating to the issuing of notes or of certificates of indebtedness limit the amount of the interest which may be charged to six per cent and this is the only exception which I have been able to find.

Section 3914 of the General Code, prior to the amendment in 110 Ohio Laws, page 456, was amended in 109 Ohio Laws, page 340, and with reference to the bonds and notes provided as follows:

"In the issuance and sale of such bonds or notes, the municipality shall be governed by all the restrictions and limitations with respect to the issuance and sale of other bonds or notes, and the assessments as paid shall be applied to the liquidation of such bonds or notes."

The fact that this section prior to the last amendment did restrict the interest on such notes to six per cent and in the last amendment restricts only the interest on the bond, and is silent with reference to the interest rate for the notes, would lead to the conclusion that the legislature thereby intended to remove the restriction as to notes issued under this section.

Further, the fact that in all other instances notes or certificates of indebtedness are restricted in their rates of interest, would lead to the conclusion that by not restricting in this section the restriction was removed by the legislature.

You are therefore advised that under section 3914 of the General Code that the rate of interest which may be fixed by the council for notes issued under this section is not restricted to six per cent.

Respectfully,
C. C. CRABBE,
Attorney-General.

3912.

LAND TRUST CERTIFICATES—MAY NOT BE INCLUDED IN DEDUCTION FOR REAL ESTATE UNDER SECTION 5412 G. C.

SYLLABUS:

In assessing the shares of a bank for taxation, county auditors may not include in the deduction for real estate under section 5412, General Code, land trust certificates.

COLUMBUS, OHIO, December 24, 1926.

The Tax Commission of Ohio, Columbus, Ohio.

DEAR SIRS:—This will acknowledge receipt of the commission's recent communication inclosing a request from Mr. John A. Zangerle, Auditor of Cuyahoga county, which reads: