

3065.

APPROVAL, CONTRACT BETWEEN STATE OF OHIO AND FAIRFIELD ENGINEERING COMPANY OF MARION, OHIO, COVERING CONSTRUCTION AND COMPLETION OF CONCRETE FOUNDATION FOR COAL AND ASH HANDLING EQUIPMENT FOR OHIO HOSPITAL FOR EPILEPTICS, GALLIPOLIS, OHIO, AT EXPENDITURE OF \$3,480.00. CONTRACT BOND COVERED BY H. B. WALKER, C. O. BROWN AND E. L. BUSH.

COLUMBUS, OHIO, January 12, 1926.

HON. JOHN E. HARPER, *Director, Department of Public Welfare, Columbus, Ohio.*

DEAR SIR:—You have submitted for my approval a contract between the State of Ohio, acting by the Department of Public Welfare, and the Fairfield Engineering Company, of Marion, Ohio. This contract covers the construction and completion of concrete foundation for coal and ash handling equipment for the Ohio Hospital for Epileptics, Gallipolis, Ohio, and calls for an expenditure of \$3,480.00.

You have submitted the certificate of the Director of Finance to the effect that there are unencumbered balances legally appropriated in a sum sufficient to cover the obligations of the contract. There has further been submitted a contract bond upon which H. B. Walker, C. O. Brown and E. L. Bush appear as sureties, sufficient to cover the amount of the contract.

You have further submitted evidence indicating that plans were properly prepared and approved, informal bids were taken and contract entered into as authorized by the board of control, bids tabulated as required by law and the contract duly awarded. Also it appears that the laws relating to the workmen's compensation have been complied with.

Finding said contract and bond in proper legal form, I have this day noted my approval thereon and return the same herewith to you, together with all other data submitted in this connection.

Respectfully,  
C. C. CRABBE,  
*Attorney General.*

3066.

DISAPPROVAL, BONDS OF ALLEN TOWNSHIP RURAL SCHOOL DISTRICT, DARKE COUNTY, \$2,650.00.

COLUMBUS, OHIO, January 12, 1926,

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

Re: Bonds of Allen township rural school district, Darke county, \$2,650.00.

GENTLEMEN:—An examination of the transcript submitted for the above issue of bonds discloses that the bonds are issued by authority of a resolution which provides for an issue of bonds to fund an existing indebtedness.

The resolution also provides that the issue is made in compliance with the provisions of House Bill No. 599 passed April 6, 1923, effective July 26, 1923, and then finds that the floating indebtedness on July 1, 1925, is \$2,650.00, and that the bonds

to be issued shall mature on March 1, 1927, and September 1, 1927.

Section 5655-2 of the General Code, which was part of House Bill No. 599, provides:

"The auditor of state shall examine and compile said statements and shall certify to each board of education the amount of its net floating indebtedness on July 1, 1923. The floating indebtedness shall be deemed to include all legally incurred indebtedness of the school district except bonds or notes falling due on or after January 1, 1924, and except payments not yet due on July 1, 1923, upon current contracts. The net floating indebtedness shall be the floating indebtedness less (1) all sums due and owing to the school district on July 1, 1923, (2) all cash balances on July 1, 1923, (3) all sums in any sinking fund applicable to the retirement of bonds or notes falling due prior to January 1, 1924, and (4) all sums to be received from the last half of the 1922 taxes levied specifically for the retirement of bonds or notes falling due prior to January 1, 1924."

It is therefore observed that the basis for such an issue of bonds must necessarily have been to fund existing indebtedness as found and compiled by the state auditor on July 1, 1923, and not that of any subsequent or prior date.

Section 5655-3, General Code, provided that such bonds should be issued in sixteen semi-annual installments, the first maturing on February 1, 1924. The form of the bond resolution is not in conformity with this law and the basis of the issue is contrary thereto.

The financial statement recites outstanding bonds in the sum of \$3,575.00, issued under the provisions of House Bill No. 599, which indicates that compliance with this law has already been made and that the bonds as contemplated therein have been issued heretofore.

The certificate of the prosecuting attorney is to the effect that the bonds are issued for the purpose of funding existing indebtedness under and by authority of section 7629 of the General Code. This section provides for the issuance of bonds for the purpose of obtaining or improving school property, but does not provide for the issuance for the purpose of funding indebtedness.

I am therefore compelled to disapprove the issue for the reason that said bonds are not legal and valid obligations of the school district, and you are therefore advised not to accept said bonds.

Respectfully,

C. C. CRABBE,

*Attorney General.*

3067.

APPROVAL CONTRACT BETWEEN STATE OF OHIO AND V. W. SURBER, AKRON, OHIO, COVERING CONSTRUCTION AND COMPLETION OF GENERAL CONTRACT FOR REPAIR OF CONNECTING CORRIDORS, KENT STATE NORMAL SCHOOL, KENT, OHIO, AT AN EXPENDITURE OF \$4,600.00—SURETY BOND EXECUTED BY HARTFORD ACCIDENT AND INDEMNITY CO.

COLUMBUS, OHIO, January 13, 1926.

HON. GEORGE F. SCHLESINGER, *Department of Highways and Public Works, Columbus, Ohio.*

DEAR SIR:—You have submitted for my approval a contract between the State