

3525.

DISAPPROVAL, BONDS OF WEST LIBERTY VILLAGE SCHOOL DISTRICT,
LOGAN COUNTY, \$4,000, FOR FUNDING CERTAIN INDEBTEDNESS.

COLUMBUS, OHIO, August 19, 1922.

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

Re: Bonds of West Liberty Village School District, Logan County, \$4,000, for the purpose of funding certain indebtedness of said school district, which from its limits of taxation it is unable to pay at maturity.

GENTLEMEN:—I have examined the transcript submitted to me of the proceedings of the board of education of said school district relating to the above issue of bonds and find that I am required to disapprove the same for the following reasons:

1. The first bond of the series of four bonds covering said issue matures March 1, 1927. The provision of the bond resolution fixing this maturity date for said first bond is in violation of section 14 of the Griswold Act, which has been carried into the General Code as section 2295-12. This section requires that said first bond shall mature at a date not later than eleven months after the final tax settlement between the county treasurer and the school district with respect to the first annual tax which goes into the budget of said school district for interest and sinking fund purposes with respect to said bond issue.

The constitution and statutes of the state as well as the bond resolution itself require an individual levy of taxes for this purpose. If a tax for interest and sinking fund purposes with respect to these bonds has been included in the 1922 budget of said school district, it is obvious that a maturity date of said first bond should be fixed as of a date not later than eleven months after, on or about September 1, 1923. In any event, there is no legal justification for fixing the maturity date of said first bond as of March 1, 1927.

2. It appears from the transcript that exclusive of this bond issue under consideration, the existing and outstanding bonded indebtedness of said school district is \$170,000. The tax duplicate valuation of the taxable real and personal property in said school district is \$2,300,000. It appears, therefore, that the bonded indebtedness of said school district is in excess of the six per cent limitation provided by section 13 of the Griswold Act which has been carried into the General Code as section 7630-2. Inasmuch as the issue under consideration is not one under the authority of either sections 7625 or 7629 G. C., I do not see how this issue can be sustained unless so much of the existing outstanding bonded indebtedness of said school district has been authorized under section 7630-1 G. C. or other exempted statutes so as to bring the remaining bonded indebtedness within said six per cent limitation. The transcript affords no information upon this point.

3. The transcript does not show that a copy of the bond resolution was certified to the county auditor as required by section 5649-1b G. C., as enacted in section 15 of the Griswold Act.

4. The financial statement contained in said transcript with respect to the tax rate for all purposes on the taxable property of said school district is not sufficient.

For the above reasons this issue of bonds is disapproved and you are advised not to purchase same.

Respectfully,
JOHN G. PRICE,
Attorney-General.