

3505.

DISAPPROVAL, BONDS OF EAST PALESTINE CITY SCHOOL DISTRICT,
COLUMBIANA COUNTY, \$30,000.

COLUMBUS, OHIO, August 17, 1922.

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

Re: Bonds of East Palestine City School District, Columbiana County, \$30,000, for purpose of extending time of payment of certain indebtedness which said school district is unable to pay at maturity by reason of its limited taxation.

GENTLEMEN:—I have examined the transcript submitted of the proceedings relating to the above issue of bonds and find I am required to disapprove such issue for the following reasons:

1. The resolution of the board of education of said school district provides that the first bonds of the series of bonds covering this issue shall mature on the first day of March, 1923. This provision of the bond resolution violates section 14 of the Griswold Act which has been carried into the General Code as section 2295-12. This section provides that the maturity of serial bonds 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 issuing the bonds next following the inclusion of a tax for such issue in the annual budget as provided by the county auditor according to law.

Assuming that a tax for the interest and sinking fund requirements with respect to this issue of bonds has been included in the 1922 budget, it is apparent that the final settlement between the county treasurer and the school district with respect to this tax will not be before some time in August, 1923. The maturity of the first bond of this series should not therefore be fixed earlier than on or about September 1, 1923.

2. Some of the indebtedness sought to be funded by this issue of bonds arises out of contractual obligations coming within the provisions of section 5660 G. C., and not authorized by the provisions of section 5661 G. C., or any other provisions of law, and the same are therefore, not legal items of indebtedness under section 5656 G. C. The items of indebtedness referred to are those mentioned in the bond resolution as for fuel, light, insurance premiums, and other operating expenses. In other words, under the provisions of sections 5660 and 5661 G. C., so much of said indebtedness as arise out of officers' salaries, employment of teachers and other employes of the board, the item of \$2,962.52 payable by the school district to the state teachers' retirement fund are legal items of indebtedness that may be funded by a proceeding of this kind.

In view of the provisions of sections 5660 and 5661 G. C., above noted, it is not apparent that any of the other items of indebtedness mentioned in said bond resolution may be so funded.

The amount of said illegal indebtedness sought to be funded by this issue of bonds does not appear, and there is, therefore, no way of determining how much of said bond issue may be sustained as legal so far as this particular objection is concerned.

3. The transcript does not show that a copy of the bond resolution has been certified to the county auditor as required by section 5649-1b of the General Code as amended in the provisions of section 15 of the Griswold Act.

4. The transcript contains no financial statement with respect to the fiscal affairs of said school district as required by section 2295-3 G. C.

For the above reasons, said bond issue is disapproved, and you are advised not to purchase the same.

Respectfully,
JOHN G. PRICE,
Attorney-General.

3506.

APPROVAL, BONDS OF PORTAGE COUNTY, \$16,200, FOR ROAD IMPROVEMENTS.

COLUMBUS, OHIO, August 17, 1922.

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

"Re: Bonds of Portage county, \$16,200, for the improvement of part of I. C. H. 327, consisting of 1 bond payable in 1 installment of \$900, 7 installments of \$1,800 and 1 installment of \$2,700—6 %.

GENTLEMEN:—I have examined the transcript of the proceedings of the county commissioners and other officers of Portage county, relative to the above bond issue, and find the same regular and in conformity with the provisions of the General Code.

I am of the opinion that a bond for said issue with combined principal and interest coupons attached, drawn in accordance with the bond ordinance authorizing the same and in compliance with the resolution of the Industrial Commission adopted under authority of section 1465-58a G. C. will, upon delivery, constitute a valid and binding obligation of said county.

Since the purchase of the above indicated bonds, the county commissioners of Portage county, in order to meet the requirements of the Griswold act, have amended their bond resolution so that the bonds now mature in installments as follows:

" \$900 October 1, 1923,
1,800 October 1 in each of the years 1924 to 1930, inclusive,
2,700 October 1, 1931."

I suggest that your resolution of purchase be amended accordingly.

Respectfully,
JOHN G. PRICE,
Attorney-General.

3507.

APPROVAL, CONTRACT OF STATE OF OHIO WITH THE HIBBARD COMPANY, CLEVELAND, OHIO, FOR ONE ICE MACHINE, OHIO STATE SANATORIUM, AT A COST OF \$2,770.00—SURETY BOND EXECUTED BY ROYAL INDEMNITY COMPANY.

COLUMBUS, OHIO, August 17, 1922.

HON. H. S. MACAYEAL, *Director, Department of Public Welfare, Columbus, Ohio.*

DEAR SIR:—You have submitted to me for approval a contract (five copies) between the State of Ohio, acting by the Department of Public Welfare, and the