

3343.

DISAPPROVAL, BONDS OF McDONALD VILLAGE SCHOOL DISTRICT,
TRUMBULL COUNTY, \$20,000.

COLUMBUS, OHIO, July 12, 1922.

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

3344.

DISAPPROVAL, BONDS OF CANAAN TOWNSHIP RURAL SCHOOL DIS-
TRICT, WAYNE COUNTY, \$10,000.

COLUMBUS, OHIO, July 12, 1922.

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

Re: Bonds of Canaan Township Rural School District, Wayne County, in the sum of \$10,000, for the stated purpose of liquidating certain items of indebtedness against said school district.

GENTLEMEN:—This is an issue of bonds under the assumed authority of section 5656 G. C. for the purpose above noted. The resolution providing for this issue is fatally defective for the reason that nowhere therein is the indebtedness to be funded by this issue of bonds determined to be an existing, valid and binding obligation of said school district as required by the provisions of section 5658 G. C., nor does it appear from said resolution or otherwise that said indebtedness is one that the school district was not able to pay at maturity by reason of the limits of taxation applicable to said school district.

In addition to the objections just noted, which are fatal to the validity of the issue of bonds provided for by said resolution, I note the following objections:

(1) The first bond of the series of bonds covering this issue, according to the terms of the bond resolution, matures October 1, 1927. The provision of the bond resolution with respect to the maturity of this bond is in conflict with the requirements of section 2295-12, 109 O. L., 344, which provides that said first bond should not mature later than eleven months after 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. According to the requirements of this section of the General Code the date fixed for the maturity of said first bond should not, practically speaking, be later than eleven months after September 1, 1923, to-wit, August 1, 1924.

(2) The transcript shows an existing bonded indebtedness of said school district in the amount of \$30,000. Said transcript however does not show that a

board of sinking fund commissioners has been appointed for said school district, as required by section 7614 G. C., nor does it show that this proposed issue of bonds was offered to and rejected by the board of sinking fund commissioners of said school district before the same was offered to the Industrial Commission, as required by section 7619 G. C. and section 1465-58 G. C. .

For the reasons above noted I am of the opinion that the issue of bonds provided for by this resolution is invalid and that you should not purchase the same.

Respectfully,

JOHN G. PRICE,

Attorney-General.

3345.

DISAPPROVAL, BONDS OF CITY OF HAMILTON, \$40,000, FOR EXTENDING AND IMPROVING ELECTRIC LIGHT WORKS.

COLUMBUS, OHIO, July 12, 1922.

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

Re: Bonds of the city of Hamilton, \$40,000, for the purpose of paying the cost and expense of extending and improving the electric light works distribution system in said city.

GENTLEMEN:—An examination of the transcript submitted of the proceedings of the council and other officers of the city of Hamilton, relating to the above issue of bonds discloses certain defects in said proceedings which require my disapproval of this issue.

This is an issue of bonds under authority of section 3939 General Code for the purpose above stated and though the ordinance does not in terms directly provide for the denomination of the bonds covering this issue, it does provide that they shall be dated not later than March 1, 1922, and that one-fifteenth of the total amount of said bond issue shall become due and payable September 1, 1924, and one-fifteenth thereof shall mature on the first day of September of each succeeding year thereafter up to and including September 1, 1938. The city auditor, as the fiscal officer, made his certificate to council, as required by section 2295-10 G. C., in which certificate he stated the maximum maturity of the bonds covering this issue to be fifteen years. From the above it appears that the provision in the bond ordinance with respect to the maturity of the first bond of the series covering this issue is in conflict with the requirements of section 2295-12 G. C., 109 O. L. 344. Under the provisions of this section the maturity date of said first bond is required to be not later than eleven months after the final tax settlement between the county treasurer and the city following the inclusion of a tax for this issue of bonds. As the date of this final tax settlement cannot, practically speaking, be fixed later than September 1, 1923, it follows that the maturity date of said first bond should not have been fixed later than August 1, 1924.

In this connection I note that the bond ordinance providing for this issue was passed April 20, 1922, and my conclusions with respect to the maturity date of said first bond under the requirements of section 2295-12 G. C. is of course based on the assumption that provision has been made for a tax levy for said bond issue in the 1922 budget.