

The Industrial Commission of Ohio, Columbus, Ohio.

GENTLEMEN :—I have examined the transcript of the proceedings of council and other officers of the village of Beachwood, Cuyahoga County, pertaining to an issue of special assessment bonds in the sum of \$113,344.00, of which your Commission desires to purchase \$82,000.00 of bonds.

The bond ordinance was passed on August 30, 1927, and provides for the issuing of bonds, in the sum of \$113,344.00, to pay the property owners' portion of certain street improvements, said bonds to bear interest at the rate of 5% per annum, payable semi-annually. Said bonds were advertised for sale in two newspapers, the advertisements providing that the bonds should bear interest at the rate of 5% per annum. The tabulation of bids received pursuant to the bond sale advertisement indicates that there were five bidders, all of whom submitted bids based upon a 5% interest rate, and one of whom, The Guardian Trust Company, presented an additional bid based upon a 4¾% interest rate.

The transcript further shows that the bonds were awarded to The Guardian Trust Company at its bid, based upon a 4¾% interest rate.

Section 2293-28, General Code, prescribes what the bond sale advertisement shall contain and provides:

“Such advertisement may also state that any one desiring to do so may present a bid or bids for such bonds based upon their bearing a different rate of interest than specified in the advertisement, provided however, that where a fractional interest rate is bid such fraction shall be one-quarter of 1 per cent or multiples thereof.”

The bond sale advertisement did not contain a provision such as the one referred to in the above quoted portion of Section 2293-28, General Code. It is my opinion, therefore, that there was no authority for making an award of the bonds to a bidder who bid at an interest rate different from the one stated in the bond sale advertisement.

For the above reasons I am compelled to advise you not to purchase the above issue of bonds.

Respectfully,
EDWARD C. TURNER,
Attorney General.

1523.

APPROVAL, BONDS OF SALEM CITY SCHOOL DISTRICT, COLUMBIANA
COUNTY—\$24,000.00.

COLUMBUS, OHIO, January 5, 1928.

Retirement Board, State Teachers Retirement System, Columbus, Ohio.