

2402.

BONDS—COUNTY—DISPOSITION OF UNEXPENDED BALANCE—TERM
BONDS—SERIAL BONDS.

SYLLABUS:

The unexpended balance of a bond fund of a county should be immediately paid into the sinking fund of the county in the event that such bonds are term bonds, or into the bond retirement fund of the county in the event that such bonds are serial bonds.

COLUMBUS, OHIO, July 30, 1928.

HON. CHARLES P. TAFT, 2nd., *Prosecuting Attorney, Cincinnati, Ohio.*

DEAR SIR:—This will acknowledge your letter of July 25th, which reads as follows:

“A number of years ago a bond issue was authorized for the construction of the Longview Hospital, at a time when this hospital was owned by the County of Hamilton and under its supervision. The buildings for which the bond issue was made were built, and there is now a balance in the Longview Hospital Building fund of Hamilton County of some \$51,000.00. An amount of the bonds greater than this sum is outstanding.

It is desired to transfer the balance into the sinking fund to assist in retiring this issue. We discover, however, that the specific provision of law for the transfer in similar cases to the sinking fund, Sections 3804 and 5654, seems to have been repealed.

Can such a transfer be made under the new bond law, Sections 2293-1, etc., and the new budget law, Sections 5625-1, etc.?”

The disposition of the unexpended balances of bond funds since the changes in law made by the last Legislature has already received the consideration of this office in Opinion No. 1528, dated January 5, 1928, and addressed to the Bureau of Inspection and Supervision of Public Offices. The syllabus of that opinion is as follows:

“Unexpended balances of bond funds of a municipal corporation should be immediately paid into the sinking fund or the bond retirement fund of the subdivision.”

While the opinion deals specifically with the funds of a municipality, the reasoning is equally applicable to the funds of other subdivisions and, accordingly, that opinion constitutes an answer to your inquiry. I need not, therefore, repeat the reasoning upon which my prior conclusion was based, but a copy of the opinion is herewith enclosed for your use.

In specific answer to your inquiry, I am of the opinion the unexpended balance of a bond fund of a county should be immediately paid into the sinking fund of the county in the event that such bonds are term bonds, or into the bond retirement fund of the county in the event that such bonds are serial bonds.

Respectfully,

EDWARD C. TURNER,
Attorney General.