

consent to the dissolution of the contract and claim pay for services during the time he rendered service as a volunteer.

2. A contract of a board of education with a teacher to teach a particular school, may be terminated by the board of education by suspending the school in accordance with Section 7730, General Code. A lack of funds to operate the school is a valid cause for the suspension of the school.

3. The distribution of that portion of the county educational equalization fund attributable to teachers and employes is governed by the salary schedule as determined by the county board of education prior to the beginning of the school year and is not based on the amount actually received by the teachers or employes.

4. The annual distribution of the county educational equalization fund attributable to expense of transportation of pupils shall be in accordance with a schedule to be determined by the county board of education. This schedule should be so formulated as to make this distribution as uniform as possible under the circumstances.

5. In the distribution of the county educational equalization fund all the balance of said fund, after the portion attributable to teachers and transportation is distributed, should be distributed according to the ratio which the aggregate days of attendance of pupils in each district bears to the aggregate days of attendance of pupils in the entire county outside of exempted village and city school districts.

6. I am unable to answer this question:

7. The distribution of the county educational equalization fund should be made by a county board of education in the manner provided by Section 7600, General Code. The distribution of the portion of that fund attributable to teachers is not based on the majority of teachers in any district receiving \$800.00 or more for the school year, but upon the number of teachers in each district which, according to the salary schedule adopted by the old county board of education prior to the beginning of the school year are to receive a salary of at least \$800.00 for the school year.

(8) No penalty is provided by law for the failure on the part of a county board of education to distribute the county educational equalization fund according to law.

Respectfully,

JOHN W. BRICKER,
Attorney General.

913.

BONDS—TAXING SUBDIVISIONS UNAUTHORIZED TO ISSUE COMBINED FORM INTEREST AND PRINCIPAL COUPON BONDS—EXCEPT WHEN—BOARD OF EDUCATION UNAUTHORIZED TO REQUIRE TEACHER TO ACCEPT DEFICIENCY BONDS.

SYLLABUS:

1. *In the issuance of bonds, taxing subdivisions are without authority to, issue so-called combined form interest and principal coupon bonds except when required by the Industrial Commission or the Retirement Board of the State Teachers Retirement System, as set forth in Sections 1465-58a and 7896-16a, General Code.*

2. *Boards of education are not authorized to appoint school teachers upon condition that they accept deficiency bonds as part or full payment of salary past due and an appointment subject to such condition accepted by a teacher, while a valid appointment if made otherwise in compliance with law, does not obligate or bind the teacher to accept such bonds.*

COLUMBUS, OHIO, June 2, 1933.

Bureau of Inspection and Supervision of Public Offices, Columbus, Ohio.

GENTLEMEN:—This is to acknowledge receipt of your request for my opinion upon the question of whether or not subdivisions are authorized to issue combined form interest and principal coupon bonds when such bonds are not purchased by the Retirement Board of the State Teachers Retirement System or the Industrial Commission, and also whether or not an attached form of notice of appointment of a school teacher may be lawfully used.

Section 2293-8, General Code, being one of the sections of the Uniform Bond Act, provides for the form in which bonds of Ohio taxing subdivisions shall be issued. This section contains no authority for the issuance of bonds in combined form. It is therein provided, inter alia, as follows:

“Bonds other than registered bonds issued under the provisions of section 2293-33 of the General Code shall, and in the discretion of the taxing authority notes may, have interest coupons attached, which interest coupons shall bear the facsimile signature of the fiscal officer of the subdivision.”

Section 2293-33, General Code, provides as follows:

“On demand of the purchaser of bonds a registered bond or bonds may be issued in lieu of coupon bonds, and on demand of the owner or holder of any coupon bonds, a subdivision may issue in exchange therefor a registered bond or bonds not exceeding the amount of coupon bonds offered in exchange. Such registered bonds shall bear the same rate of interest, be payable at the same time and place as the coupon bonds and shall be of such denominations as the purchaser or the holder of the coupon bonds may elect. No such registered bonds shall be issued in exchange for coupon bonds until the bonds and coupons offered in exchange shall have been cancelled and destroyed.”

The only authority for the issuance of so-called combined form interest and principal coupon bonds is contained in Sections 7896-16a and 1465-58a, General Code. Section 7896-16a, relating to the purchase of bonds of Ohio subdivisions by the Retirement Board of the State Teachers Retirement System, provides in part:

“Such bonds shall be in the denomination required by the retirement board in its resolution of purchase, or the retirement board may by its resolution require that all bonds of any series of bonds purchased by it from any taxing district of Ohio shall be consolidated and issued as one bond, the principal amount of which shall be equal to the aggregate amount of all the bonds of said series, which principal together with the

interest thereon shall be paid in installments evidenced by and payable upon the surrender of combined principal and interest coupons attached thereto, which coupons shall each separately state the amounts of principal and interest and interest included therein."

Section 1465-58a, relating to bonds purchased by the Industrial Commission, provides in so far as pertinent:

"Such bonds shall be of the denomination required by the industrial commission in its resolution to purchase, or the industrial commission may in its resolution to purchase require that all bonds of any series of bonds purchased by it from any taxing district of Ohio shall be consolidated and issued as one bond, the principal amount of which shall be equal to the aggregate amount of all the bonds of said series, which principal together with the interest thereon, shall be payable in installments evidenced by and payable upon the surrender of combined principal and interest coupons attached thereto, which coupons shall each separately state the amounts of principal and interest included therein."

It is my opinion that unless required by the Industrial Commission or the Retirement Board of the State Teachers Retirement System, there is no authority to issue so-called combined form principal and interest coupon bonds. The Industrial Commission and the Retirement Board may obviously require the issuance of bonds in this form only when such bonds are purchased from these state funds.

Coming now to your second question, the form of notice of the appointment of a school teacher which you have submitted is as follows:

"Board of Education _____, Ohio
Office of Clerk

NOTICE OF APPOINTMENT

_____, Ohio, _____1933.

You are hereby notified that the Superintendent of Schools has appointed you a teacher in the _____ Public Schools for the school year 1933-34 subject to the provisions of law and the rules and orders which are or may be in force relative to the employment and conduct of teachers and the government of schools.

Also subject to the acceptance of _____ tax deficiency bonds bearing interest at _____ per cent to apply on the payment of services due you for the school year 1932-33.

(Or) Also, subject to the acceptance of a tax deficiency bond for the balance due you for services for the school year 1932-33.

At a meeting of the Board of Education held _____ your appointment was confirmed.

Your compensation is to be at the rate of \$_____ per month, which is fifty per cent of your basic salary schedule. Provided, however, if it is possible to restore in whole or in part the other half of your normal compensation such additional amount will be paid pro rata.

If you accept this appointment return one copy with acceptance

signed to the Clerk of the Board of Education within ten days. A failure to do so will be considered a declination.

Accepted:

_____ Teacher
 _____ School"

Provision in the foregoing notice as to the increase of the salary of the teachers is not violative of the law. Section 7690-1, General Code, expressly authorizes such increase in the following language:

"Each board of education shall fix the salaries of all teachers which may be increased but not diminished during the term for which the appointment is made. Teachers must be paid for all time lost when the schools in which they are employed are closed owing to an epidemic or other public calamity."

With respect to the proviso that the appointment shall be subject to the acceptance of tax deficiency bonds for a part or all of the balance due the teacher for services in the school year 1932-33, it is my view that this proviso does not invalidate the appointment should it be accepted by the teacher, but since there is no authority to appoint school teachers upon such a condition, this portion of the agreement would be invalid and therefore not binding upon the teacher.

Summarizing and in specific answer to your inquiries, it is my opinion that:

1. In the issuance of bonds, taxing subdivisions are without authority to issue so-called combined form interest and principal coupon bonds except when required by the Industrial Commission or the Retirement Board of the State Teachers Retirement System, as set forth in Sections 1465-58a and 7896-16a, General Code.
2. Boards of education are not authorized to appoint school teachers upon condition that they accept deficiency bonds as part or full payment of salary past due and an appointment subject to such condition accepted by a teacher, while a valid appointment if made otherwise in compliance with law, does not obligate or bind the teacher to accept such bonds.

Respectfully,
 JOHN W. BRICKER,
Attorney General.

914.

APPROVAL, LEASE TO OFFICE ROOMS FOR USE OF THE DEPARTMENT OF INDUSTRIAL RELATIONS, AT LIMA, OHIO.

COLUMBUS, OHIO, June 2, 1933.

HON. T. S. BRINDLE, *Superintendent of Public Works, Columbus, Ohio.*

DEAR SIR:—You have submitted for my examination and opinion a lease between The Colonial Finance Company, of Lima, Ohio, as lessor and the State of Ohio, acting by and through yourself as Superintendent of Public Works for the