

3386.

APPROVAL, BONDS OF VILLAGE OF SHAKER HEIGHTS, CUYAHOGA COUNTY, \$8,600, FOR ROAD IMPROVEMENTS.

COLUMBUS, OHIO, July 21, 1922.

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

---

3387.

APPROVAL, BONDS OF HOCKING COUNTY, \$26,500, FOR ROAD IMPROVEMENTS.

COLUMBUS, OHIO, July 21, 1922.

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

---

3388.

DISAPPROVAL, BONDS OF VILLAGE OF GIBSONBURG, \$3,190.65, FOR FUNDING CERTAIN INDEBTEDNESS OF SAID VILLAGE.

COLUMBUS, OHIO, July 21, 1922.

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

In Re: Bonds of the Village of Gibsonburg, Ohio, in the sum of \$3,190.65 for the stated purpose of funding and extending the time of payment of certain alleged indebtedness of said village incurred for lighting the streets of said village.

GENTLEMEN:—As above indicated, this proposed issue of bonds is one for the purpose of funding and extending the time of payment of certain indebtedness of said village incurred for lighting the streets of said village under contract with The Gibsonburg Electric Light Company.

About a month ago I made an examination of the transcript of proceedings relating to this bond issue and as a result of said examination I forwarded a letter to the authorities of said village advising that from the transcript submitted I was unable to approve this issue.

It appears that the purpose of the bond issue is to fund the contract obligations of the village with the Electric Light Company for the year 1922.

In my letter to the authorities of the village, I called their attention to the fact that inasmuch as the Electric Light Company has not yet performed service under the said contract with the village for the whole of the year 1922, the money coming to the Electric Light Company under said contract was not yet due and payable save and except only that part thereof which respects service performed by the Company for the year 1922, and that inasmuch as sections 3916 and 3917 of the General Code authorize the funding of such indebtedness only as is due and payable, said issue of bonds cannot be approved on the transcript as submitted for the reason as above stated that said issue covered in part a contract obligation of the village which was not yet due.

I noted another serious defect in the proceedings relating to this bond issue, to which I called the attention of the authorities of the village, but as yet I have received no information of any kind, with respect to the correction of either the transcript of proceedings touching objections noted by me in said letter and under the circumstances I feel that I have no discretion to do otherwise than to disapprove this issue of bonds and to advise you not to purchase the same.

Respectfully,

JOHN G. PRICE,  
Attorney-General.

---

3389.

MIAMI CONSERVANCY DISTRICT—SERIES OF QUESTIONS ANSWERED  
RELATIVE TO SAID DISTRICT.

1. *The directors of a conservancy district are authorized to extend to the holders of bonds issued by the district the option of receiving payment of such bonds at a bank other than the state treasury.*

2. *The bonds of a conservancy district may be sold without advertisement or competitive bids.*

3. *The proceeds of the sale of bonds by a conservancy district must be paid into the treasury of the district in full, but may then be deposited in banks as depositories provided that sufficient bonds are taken to secure such deposits. The directors of such a district are not authorized to loan any part of the proceeds of such bond sale to a bank otherwise than as a depository.*

4. *The directors of a conservancy district are authorized to procure bonds covering the fidelity of employes and agents, and policies of insurance covering the risk of liability and collision. The premiums of such bonds and insurance policies may be paid out of district funds.*

5. *Though as a matter of law it is probably a rule that damages to business caused by the removal of a town site in order to construct the works necessary for a conservancy district, are not a liability of the district, yet sums paid to persons injured in business on account of such damages to avoid litigation and secure the prosecution of the work with dispatch, do not constitute illegal payments.*

6. *Where preliminary to the formation of a conservancy district, an unofficial committee of citizens incur expenses in the formation of plans, etc., such expenses will be reimbursed by the district out of funds procured by the special assessment for organization expenses.*