

The above listed bonds are undoubtedly executed pursuant to the provisions of sections 1183 and 1182-3, General Code, which state, in so far as pertinent, as follows:

“Sec. 1183. * * * Such resident district deputy directors * * * shall be appointed to serve during the pleasure of the state director, * * * and give bond in the sum of five thousand dollars. * * *”

“Sec. 1182-3. * * * all bonds hereinbefore provided for shall be conditioned upon the faithful discharge of the duties of their respective positions, and such bonds * * * shall be approved as to sufficiency of the sureties by the director (of highways), and as to legality and form by the attorney general, and be deposited with the secretary of state. * * *” (Words in parenthesis the writer’s)

With reference to the bond of John S. Dennis, I would suggest that the words “Resident Engineer” in the eighth line of the bond and the second line of the oath be changed to read “Resident District Deputy Director,” as your letter of transmittal reads that Mr. Dennis was so appointed, and the statute, section 1183, General Code, designates the position by such title.

With reference to the bond of R. E. Levering, I would suggest that the words “for a term of two years commencing January 1st, 1935, and ending December 31st, 1936”, appearing in the eleventh line of the bond, be eliminated, as section 1183, General Code, above quoted, states that the resident district deputy directors shall be appointed to serve “during the pleasure of the state director”, and there is no statutory authority for the deputy directors to be appointed for a definite term.

When these corrections are made, the bonds will be approved as to legality and form, since said bonds appear to have been otherwise properly executed in accordance with the provisions of the statutes referred to supra.

Respectfully,
JOHN W. BRICKER,
Attorney General.

4113.

APPROVAL, PETITION CONTAINING A PROPOSED LAW AND A SUMMARY
OF THE SAME.

COLUMBUS, OHIO, APRIL 3, 1935.

MR. GEORGE FORD, 154 *West Park Avenue, Columbus, Ohio.*

DEAR SIR:—You have submitted for my examination a written petition signed by one hundred qualified electors of this state containing a proposed law and a summary of the same under section 4785-175 of the General Code of Ohio.

The proposed law reads as follows:

“BE IT ENACTED BY THE PEOPLE OF THE STATE OF OHIO:—

Section 1. This act shall be known as ‘The Maximum Salary Law’ and its purpose shall be to safeguard investments in stocks, bonds and other securities by preventing the unwarranted diversion of assets and profits thereof and

regulating the income and salaries of the officials, directors, members or employees of all stock corporations, associations, firms, partnerships and individuals operating on capital from any stocks, bonds or any other security or funds, subscribed to and paid for or otherwise furnished by citizens of the State of Ohio.

Section 2. No corporation, association, firm, partnership or individual, operating on capital from stocks, bonds, securities or any funds furnished, either in whole or in part, by citizens of this commonwealth, shall pay or cause to be paid, any salary in excess of ten thousand dollars per year together with a reasonable allowance for necessary expenses incurred only in the discharge of duty.

Section 3. No such corporation, association, firm, partnership or individual, operating as stated in Section 2 of this act, shall give, or cause to be given, any gift, bonus, commission, stock option or other thing of value, to any of its officials, directors, members, or otherwise, that will add to the maximum amount of the salary and expenses as set forth in Section 2 of this act.

Section 4. No such corporation or other business organization or individual, as mentioned in Section 2 hereof, shall hold or keep in reserve a sum greater than ten per cent of the net profits of the last fiscal year, including a reasonable amount for necessary emergencies, improvements or expansion, and all funds so held and not so used before the end of the next ensuing fiscal year must be distributed as dividends or interest or to the reimbursement of the stock, bond and security holders.

Section 5. All public entertainers, including actors and actresses, ball players and those engaged in boxing and other sports or exhibitions requiring skill are exempt from the provisions of this act, limited to their vocations; however, officials, directors, members and employees, other than those above designated, who are connected otherwise with the corporation or other business organization, as in Section 2 hereof, must comply with the terms of this act.

Section 6. Nothing in this act shall prohibit any official, director, employee or any other person, firm or corporation from receiving the pro rata dividend, interest or share of profit from any stock, bonds or securities, purchased at fair market value, provided such dividend, interest or share of profits is general and pro rated equally according to the respective rights of such holders thereof and to all such security holders entitled to receive the same.

Section 7. This act shall be administered by the State Securities Department and for that purpose the Governor shall appoint one chief inspector at a salary of \$4500.00 per annum, whose duty it shall be to attend to the enforcement hereof, and such chief inspector shall have power to employ such deputy inspectors and office assistants as are necessary for such administration and enforcement, including one deputy as first assistant who shall receive a salary of \$2400.00 per annum, the salary of other deputy assistants to be \$1800.00 per annum and office assistants shall be paid \$1200.00 per annum. In addition to the salaries mentioned herein such inspectors are to be allowed their actual necessary traveling expenses incurred only in the discharge of their duties.

Section 8. Any corporation, association, firm, partnership or other person violating this act shall be fined double the amount drawn or received in excess of the maximum specified in Section 2 hereof, and the person so violating this act imprisoned not more than two years, or both.

Section 9. Each section and each subdivision or part of any section of this

act is hereby declared to be independent of any other section, subdivision or part hereof, and the finding or holding of any such section, subdivision or part to be unconstitutional, ineffective or void shall not affect any other section, subdivision or part hereof.

Section 10. All provisions of the General Code of Ohio heretofore enacted which are contrary to or in conflict with this act are hereby amended or repealed."

The summary of this proposed law reads as follows:

"The purpose of this act is to safeguard investments in stocks, bonds and other securities by limiting salaries and bonuses to not more than \$10,000.00 per year for any individual employe or official except those engaged as entertainers and in sports.

Also to provide for distribution of net profits in excess of ten per cent, within one year, to those entitled to receive same.

Income from legitimate investments excepted.

The act provides for enforcement and necessary officers to be appointed by the Governor and for salaries of such officers.

Penalty for violation is double amount of excess drawn and not more than two years' imprisonment or both.

Sec. 9 has to do with constitutionality by making each part of the law integral if another part declared unconstitutional.

Sec. 10 amends and repeals conflicting laws."

I am of the opinion that the foregoing is a fair and truthful statement of the proposed law and accordingly submit for uses provided by law the following certification:

"Without passing upon the advisability of the proposed law and without passing upon the constitutionality of the same but pursuant to the duties imposed upon me under the provisions of section 4785-175 of the General Code of Ohio, I, John W. Bricker, Attorney General of the State of Ohio, hereby certify that the foregoing summary is a fair and truthful statement of the proposed law. John W. Bricker, Attorney General."

Respectfully,

JOHN W. BRICKER,

Attorney General.

4114.

SALES TAX—SALES TO SUPERINTENDENT OF BANKS FOR USE IN LIQUIDATION OF BANK EXEMPT.

SYLLABUS:

The State of Ohio is the "consumer" of goods purchased by the Superintendent of Banks of Ohio for use in the liquidation of a particular bank, within the meaning of Section 5546-2, General Code, although the purchase price is paid from the assets of