

2080.

DISAPPROVAL, BONDS OF COITSVILLE TOWNSHIP RURAL SCHOOL DISTRICT IN AMOUNT OF \$20,000.

COLUMBUS, OHIO, May 14, 1921.

Industrial Commission of Ohio, Columbus, Ohio.

Re: Bonds of Coitsville township rural school district in the amount of \$20,000.

GENTLEMEN:—I have examined the transcript for the above bond issue and decline to approve the same for the following reasons:

(1) The resolution providing for said bond issue is defective in that it fails to make a determination or a finding that the school district is unable to pay the indebtedness to be refunded at maturity by reason of its limits of taxation. The resolution contains a recital "that it appears to the board of education to be to the best interests of Coitsville township rural school district to extend the time of payment of its indebtedness." The provisions of section 5658 G. C. are mandatory with respect to the findings required to be made by the board of education.

(2) The bond resolution on its face indicates an attempt to anticipate salaries thereafter falling due. In other words, it is apparently the intention of the board of education to issue refunding bonds to pay salaries of teachers which are not yet due. Under section 5658 it is only permissible to issue such bonds to pay obligations which have accrued.

(3) The bond resolution fails to fix the rate of interest the bonds shall bear.

(4) The transcript fails to show that the bonds have been offered to and rejected by the board of commissioners of the sinking fund.

(5) The transcript contains no financial statement showing the ability of the school district to pay the bonds at maturity.

I therefore advise the industrial commission not to accept the bonds.

Respectfully,

JOHN G. PRICE,
Attorney-General.

2081.

DISAPPROVAL, REFUNDING BONDS OF JEFFERSON VILLAGE SCHOOL DISTRICT, MEDINA COUNTY, OHIO, IN AMOUNT OF \$3,000.

COLUMBUS, OHIO, May 14, 1921.

Industrial Commission of Ohio, Columbus, Ohio.

Re: Refunding bonds of Jefferson village school district, Medina county, in the amount of \$3,000.

GENTLEMEN:—I have examined the transcript for the above bond issue and decline to approve the same for the following reasons:

(1) The bond resolution fails to provide for the levy and collection of an annual tax sufficient in amount to pay the interest upon and create a sinking fund for

the redemption of the bonds at maturity. Such tax levy is required by the provisions of article XII, section 11, of the Ohio constitution.

(2) The transcript fails to show that the bonds have been offered to and rejected by the board of sinking fund commissioners of the school district as required by section 7619 G. C., although the district has an outstanding bonded indebtedness.

(3). The transcript fails to show affirmatively that the items of indebtedness to be refunded are such as constitute valid and binding obligations of the district.

The transcript is deficient in other respects, but in view of the objections above stated, I deem it unnecessary to set them forth in detail.

I therefore advise the industrial commission not to accept the bonds.

Respectfully,

JOHN G. PRICE,
Attorney-General.

2082.

BOARD OF EDUCATION—TWO BOND ISSUES AUTHORIZED BY ELECTORS OF SCHOOL DISTRICT OF CITY OF MIDDLETOWN AGGREGATING \$200,000—BONDS NOT ISSUED—CAN BOARD BY RESOLUTION MAKE CORRECTION WHERE ELECTORS AUTHORIZE “EXEMPTION OF INTEREST AND SINKING FUND LEVIES ON ACCOUNT OF OUTSTANDING BONDS FROM ALL TAX LIMITATIONS” BUT BY INADVERTENCE WORDS ARE NOT INCLUDED “OF ALL BONDS AUTHORIZED TO BE ISSUED BY VOTE OF ELECTORS AT ELECTIONS HELD PRIOR TO DATE OF JANUARY 20, 1920”—BOARD AUTHORIZED TO PASS SUCH RESOLUTION.

No authority is conferred on a board of education by sections 5649-6a and 5649-6b of the General Code to submit to the electors of their school district the question of exempting from all tax limitations interest and sinking fund levies for any specific bonded indebtedness of the district. The question submitted must be that of exempting from all tax limitations the necessary interest and sinking fund levies on account of all outstanding bonded indebtedness of the district, which term includes not only bonds issued prior to January 20, 1920, but also bonds authorized to be issued prior to that date by a vote of the electors or by a resolution of the board of education which have not actually been issued until after that date.

After the approval of the electors of a school district is secured in the manner provided by sections 5649-6a and 5649-6b, a board of education of a school district may levy taxes irrespective of the limitations of sections 5649-2, 5649-3a and 5649-5b to pay interest upon and create a sinking fund for the redemption of the bonded indebtedness of the district including not only bonds issued and outstanding January 20, 1920, but also bonds not issued but authorized to be issued prior to that date either by a vote of the electors or by a resolution of the board, even though in the resolution of the board of education submitting such tax exemption question to the electors no specific mention was made of such authorized but not yet issued bonds.

COLUMBUS, OHIO, May 16, 1921.

HON. ISAAC C. BAKER, *Prosecuting Attorney, Hamilton, Ohio.*

DEAR SIR:—I have your letter of March 24, 1921, together with the enclosures therein mentioned, requesting my opinion as follows: