

1148.

DISAPPROVAL, DEFICIENCY BONDS, MONTPELIER VILLAGE SCHOOL
DISTRICT IN AMOUNT OF \$25,000.

COLUMBUS, OHIO, April 12, 1920.

Industrial Commission of Ohio, Columbus, Ohio.

RE: Deficiency bonds of Montpelier village school district in the amount of \$25,000 being ten bonds of \$2,500 each.

GENTLEMEN:—I have examined the transcript of the proceedings of the board of education and other officers relative to the above bond issue and decline to approve the validity of said bonds for the following reasons:

(1) The transcript fails to affirmatively show that the board of education of said school district by resolution passed as required by section 3 of House Bill 567 has determined that a deficiency exists in the funds of the district and the amount thereof. This determination of the board is jurisdictional and until the same has been made the board is without authority to issue bonds. The several steps which must be taken before a board of education acquires authority to issue bonds under H. B. 567 are:

(a) Passage of a resolution not later than October 1, 1919, directing the clerk to prepare a financial statement for the district as of July 1, 1919.

(b) Preparation and submission of such statement by the clerk showing the condition of the funds of the district as of July 1, 1919.

(c) Passage by the board of education by a two-thirds vote of all members elected thereto of a resolution determining that a deficiency exists and the amount thereof.

Only after the steps just indicated have been properly taken is the board of education authorized to issue bonds. The recitals of the bond resolution attached to the transcript indicate that the first two steps were taken, but a certified copy of the record thereof is not attached to the transcript. There is, however, nothing in the transcript as submitted to show that the third step was ever taken by the board of education. The recitals in the bond resolution certainly do not amount to the determination required by the law.

(2) A further defect in the proceedings shown by the transcript is that no provision has been made by the board of education for the levy and collection of an annual tax sufficient to pay the interest on said bonds and to create a sinking fund for their redemption at maturity. Under Article XII, section 11, of the Ohio constitution, bonds of a school district cannot be issued until provision for such a tax levy has been made.

I therefore advise that you decline to accept the bonds.

Respectfully,

JOHN G. PRICE,

Attorney-General.

1149.

APPROVAL, BONDS OF GUERNSEY COUNTY IN AMOUNT OF \$8,000,
REPAIRING COUNTY INFIRMARY.

COLUMBUS, OHIO, April 12, 1920.

Industrial Commission of Ohio, Columbus, Ohio.