

2970.

DISAPPROVAL, DEFICIENCY BONDS OF LODI TOWNSHIP RURAL SCHOOL DISTRICT, ATHENS COUNTY, IN AMOUNT OF \$8,250.

COLUMBUS, OHIO, April 6, 1922.

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

Re.: Deficiency bonds of Lodi township rural school district, Athens county, in the amount of \$8,250.

GENTLEMEN:—I have examined the transcript for the above bonds issued under authority of House Bill 254, 109 O. L. p. 191 and find the proceedings of the board of education as shown by such transcript defective in the following particulars:

1. The financial statement of the clerk showing the deficiency of the school district was not certified to by him under oath.

2. The bond resolution fixes the due date of the first bond as April 1, 1923. Under section 147 of the Griswold act, 109 O. L. p. 344, the first of a series of bonds issued after January 1st, 1922, cannot fall due until after the final tax settlement in August, 1923, unless a tax for the payment of bonds and interest was levied for the year 1921. As the transcript does not show that any such levy was made during the year 1921, the first bond should not mature until after the date indicated.

3. The bond resolution also provides that the principal of the bonds is payable in semi-annual installments. It is the opinion of this department that under section 14 of the Griswold act, cited above, all bonds issued after January 1, 1922, must be payable in annual installments.

4. The transcript fails to show that provision has been made for the levy and collection of a tax to pay the interest and principal of said bonds at maturity. Such provision is necessary under article XII, section 11 of the Ohio Constitution and also under section 15 of the Griswold act referred to.

It is my opinion that the authority to issue bonds under House Bill 254 ceased January 1, 1922, when the Griswold act went into effect. Whether or not there is authority to sell bonds which have been authorized to be issued prior to that date under House Bill 254 has not been passed upon and it is unnecessary to give it consideration here because by reason of the defects above indicated it will be necessary for the board of education to re-enact its bond resolution in order that its proceedings shall comply with the mandatory provisions of House Bill 254, and as the authority conferred by House Bill 254 has ceased, it follows that an effort on the part of the board to correct its proceedings would be of no avail.

I therefore advise you not to purchase the bonds.

Respectfully,
JOHN G. PRICE,
Attorney-General.