

\$1,230,000. Therefore, under this section, the board of education of said district was authorized to issue bonds to an amount not greater than \$2,460.00.

The board of education could, under section 7625 et seq. of the General Code, after first submitting the question of a bond issue to the electors and securing their approval, have issued bonds to the amount of the issue under consideration. There is, however, nothing in the transcript which discloses that the question of issuing said bonds was ever submitted to a vote of the electors of the district. The board of education was therefore without authority to issue bonds in the amount of the issue under consideration, and I advise that you decline to accept the same.

Respectfully,
 JOHN G. PRICE,
Attorney-General.

2708.

APPROVAL, BONDS OF CLEARCREEK TOWNSHIP RURAL SCHOOL DISTRICT IN AMOUNT OF \$5,500.

COLUMBUS, OHIO, December 16, 1921.

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

2709.

DISAPPROVAL, BONDS OF WAYNE RURAL SCHOOL DISTRICT, CHAMPAIGN COUNTY, IN AMOUNT OF \$5,000.

COLUMBUS, OHIO, December 17, 1921.

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

Re: Bonds of Wayne Rural School District, Champaign county, in the amount of \$5,000.

GENTLEMEN:—The bond resolution, a copy of which is set forth in the transcript for the above bond issue, recites the said bonds are issued under authority of House Bill No. 254, passed April 20, 1921. Under the legislative act referred to, the board of education may issue bonds to meet deficiencies for the year ending July 1, 1921.

In order, however, to acquire authority to issue bonds under said act, the board of education must strictly comply with the essential requirements thereof.

Sections 2 and 3 of House Bill No. 254 provide as follows:

“Section 2. The board of education of a subdivision by resolution may direct the clerk of the subdivision to make up a financial statement of such subdivision as of the 1st day of March, 1921. Such clerk shall immediately make up and file such statement with the president of the board of education of the subdivision. Such statement shall contain:

1. Balance outstanding to the credit or debit of the several funds excepting sinking funds, on the books of the subdivision on March 1st, 1921.

2. A showing in detail of the outstanding unfunded indebtedness of such subdivision on March 1st, 1921, whether represented by notes, other certificates of indebtedness, accounts payable or otherwise with the dates of maturity thereon.

3. An estimate of the amount necessary to provide for the fixed charges and current expenses of the subdivision for the year ending July 1, 1921, including obligations for such "fixed charges" and "current expenses" incurred prior to March 1st, 1921, and payable within the then current fiscal year.

4. The amount of taxes estimated to come into the treasury of such subdivision during the remainder of the year ending July 1, 1921, and applicable to the purposes of such year.

If such clerk finds there is a deficiency existing in the funds of the subdivision, he shall certify the amount thereof, under oath on such statement.

Section 3. Thereupon the board of education by resolution passed by an affirmative vote of two-thirds of all their members, elected or appointed, shall determine whether or not such deficiency exists, and the amount thereof, which shall not be greater than that certified to it by the clerk, and may issue and sell bonds of the subdivision in the amount so determined, for the purpose of funding the deficiency of the subdivision."

The transcript fails to show that the board of education directed the clerk to make a financial statement as provided for in section 2 of the act above quoted, or that the clerk as a matter of fact did prepare and submit such statement.

The minutes of July 27, 1921, disclose that the clerk was directed to submit a sworn statement of the amount of the indebtedness of the district and the minutes of August 8, 1921, indicate that the clerk did submit such statement of indebtedness. This showing, however, does not meet the requirements of House Bill No. 254. The district might very well have valid outstanding indebtedness whether funded or unfunded and still not be able to show a deficiency in operating revenues as contemplated by House Bill No. 254. Under the provisions of said legislative act, a board of education may levy taxes for the interest and principal of bonds issued under authority thereof outside of and regardless of any tax limitation law. It certainly follows that in the issuance of such bonds a board of education must comply with the essential requirements of the act.

I am therefore of the opinion that the bonds under consideration are not valid obligations of the Wayne Rural School District, and advise that you decline to purchase the same.

Respectfully,
 JOHN G. PRICE,
Attorney-General.