

3490.

APPROVAL, BONDS OF BROWHELL TOWNSHIP RURAL SCHOOL DISTRICT, LORAIN COUNTY, \$4,000.

COLUMBUS, OHIO, August 11, 1922.

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

3491.

DISAPPROVAL, BONDS OF CLOVERDALE CONSOLIDATED VILLAGE SCHOOL DISTRICT, \$4,000.

COLUMBUS, OHIO, August 11, 1922.

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

In Re: Bonds of Cloverdale Consolidated Village School District, \$4,000, for the stated purpose of meeting the deficiency in the tuition fund of said school district.

GENTLEMEN:—As above indicated, the above proposed issue of bonds is one for the stated purpose of meeting the deficiency in the tuition fund of the school district, as stated in the bond resolution for the payment of salaries of teachers in the school and of employes of the board in this district.

This issue of bonds is one under the assumed authority of sections 5656 and 5658 of the General Code and it must be observed that there is nothing in the provisions of these sections which authorizes the board of education of the school district to issue bonds for the purpose of funding deficiencies as such.

These sections, however, do authorize the board of education under the proper finding of facts to fund existing legal indebtedness of a school district by the issue of bonds. However, it is only when the board of education is unable to pay such legal indebtedness by reason of the limits of taxation applicable to such school district that said board is authorized to fund and thereby extend the payment of said indebtedness by means of an issue of bonds. If, therefore, we are permitted to construe the resolution providing for this issue of bonds as one providing for said issue for the purpose of funding existing indebtedness of said school district, the resolution must be disapproved for the reason that there is no finding therein that the board of education is unable to pay such an indebtedness by reason of the limits of taxation applicable to said school district.

By the provisions of the resolution of the board of education providing for this issue of bonds, the maturity of the first bond of the series covering this issue is fixed as June 1, 1923. It is obvious that this provision of the bond resolution is not in conformity with the provisions of section 2295-12 of the General Code as enacted in 109 O. L., 344, by which section it is required that said first bond shall mature not earlier than the date fixed by law for the final tax settlement between the county treasurer and the political subdivision or taxing district next following the inclusion