

512.

APPROVAL, BONDS OF NEW HOLLAND VILLAGE SCHOOL DISTRICT,
PICKAWAY COUNTY, OHIO—\$60,000.00.

COLUMBUS, OHIO, June 12, 1929.

Retirement Board, State Teachers Retirement System, Columbus, Ohio.

513.

ROAD IMPROVEMENT—BONDS TO BE ISSUED—ISSUANCE OF NOTES
FOR SUCH IMPROVEMENT INDISPENSABLE—SECTION 5654-1, GEN-
ERAL CODE, CONSTRUED.

SYLLABUS:

Under the provisions of Section 5654-1, General Code, as now in force and effect, when bonds are to be issued for a county road improvement, the issuance of notes for such improvement may not be dispensed with, except in case the cost of such improvement is to be paid in whole by special assessments, or in case such cost is to be paid in part by special assessments and sufficient funds are available for the balance of the cost of such improvement and bonds are to be issued only in anticipation of the collection of special assessments.

COLUMBUS, OHIO, June 12, 1929.

HON. R. H. BOSTWICK, *Prosecuting Attorney, Chardon, Ohio.*

DEAR SIR:—Your letter of recent date is as follows:

“We find it impossible to sell Geauga County road improvement notes at an interest rate of 6%, for par. Thus we are unable to let any contracts unless the money market changes.

If we know the exact amount that will be spent on a road improvement regardless of the amount the contractor cuts under the estimate and that amount will be actually used on the road, is there any way that we can legally sell bonds direct before letting the contract, without selling notes.

We can readily sell bonds, but not the short time financing, and I thought perhaps this situation had arisen in other localities and a way worked out to overcome the apparent handicaps.”

Section 5654-1, General Code, specifically provides that county commissioners may not advertise for sale or issue road improvement bonds until the contract is let for such improvement and that such bonds shall not be issued in an amount exceeding the full amount of the accepted bid by more than the estimated amount of such other items of cost as may be legally included in the total cost of such construction or improvement. Section 5625-33, General Code, provides that no contract involving the expenditure of money shall be entered into until there is attached thereto a certificate of the fiscal officer of the subdivision setting forth that the amount re-