

1808.

APPROVAL, FINAL RESOLUTION FOR ROAD IMPROVEMENT IN TRUMBULL COUNTY, OHIO.

COLUMBUS, OHIO, January 22, 1921.

HON. T. S. BRINDLE, *Acting State Highway Commissioner, Columbus, Ohio.*

1809.

DISAPPROVAL, BONDS OF BELLE CENTER VILLAGE SCHOOL DISTRICT IN AMOUNT OF \$4,000.

COLUMBUS, OHIO, January 22, 1921.

The Industrial Commission of Ohio, Columbus, Ohio.

GENTLEMEN:—

Re: Bonds of Belle Center Village School District in the amount of \$4,000, for the purpose of further erecting and equipping the high school building, being 8 bonds of \$500 each.

I have examined the transcript for the above bond issue and, in view of the condition revealed by the financial and tax statements of the school district, hereby decline to approve the validity of said bonds. The statements referred to disclose that the total value of all the property in the district as assessed for taxation is \$2,334,040.00. The district has an outstanding bonded indebtedness, exclusive of this bond issue, aggregating \$102,990. The total tax rate in the district for all purposes is 23.20 mills, of which 12.20 mills is for school purposes. I am unable to understand from the information furnished how such a high levy for school purposes could lawfully have been made. However, from the information before me, it is certain that unless a material increase is made in the tax duplicate of the district, or unless the existing tax limitations are removed, the officials of the district will be unable to pay the operating expenses of its schools and at the same time meet its outstanding indebtedness at maturity.

Although the General Assembly of Ohio has placed no specific limitations upon the amount of bonds which a school district may issue under authority of the provisions of sections 7625 et seq. G. C., yet there does exist a very practical limitation upon such bond issuing power arising from the limitations placed upon the authority of the board of education to levy taxes. It is certainly not advisable for the district to contract further bonded indebtedness upon the hope that its tax duplicate will be materially increased or that such tax limitations will be removed or raised. Under existing conditions the school district will of necessity soon be in a situation where it will be unable to pay its operating expenses or where it will be in default for payment of its bonded obligations.

I therefore advise that you decline to accept the bonds under consideration.

Respectfully,

JOHN G. PRICE,

Attorney-General.