

114.

PETITION—PROPOSED OHIO CONSTITUTIONAL ADDITION OR AMENDMENT—ARTICLE 11, SECTION 42—ALL DEBTS OR OBLIGATIONS—RATES OF INTEREST FOUR PERCENT, FIVE PERCENT—PERSON, FIRM OR CORPORATION—EXCEPTION, SPECIAL LICENSE—UNABLE TO CERTIFY—MATERIAL VARIATIONS.

COLUMBUS, OHIO, February 7, 1939.

MR. LESLIE H. SNYDER, *2640 Kemper Lane, Apt. No. 3, Cincinnati, Ohio.*

DEAR SIR: You have submitted for my examination and approval the following petition for a proposed constitutional addition or amendment:

“We, the undersigned qualified electors do hereby submit the following summary of constitutional addition or amendment to

establish the rate of interest, together with a verbatim statement of the provision.

SUMMARY: It is proposed to limit interest charges on all debts and obligations to four percent a year except to special licensed companies where a maximum rate of five percent would be permitted.

ARTICLE II—SECTION 42

No law shall be passed authorizing any person, firm or corporation to charge a greater rate of interest than four percent per annum on any loan, note, bond or other transaction for the use of money, except under special license in which cases laws may be passed permitting licensees to charge a maximum interest of five percent per annum."

I wish to direct your attention to Section 4785-175 of the General Code of Ohio, which reads in part as follows:

"Whoever seeks to propose a law or constitutional amendment by initiative petition or to file a referendum petition against any law, section, or item in any law, shall by a written petition signed by one hundred qualified electors submit such proposed law, constitutional amendment or measure to be referred, and a summary of same to the attorney general for examination. If in the opinion of the attorney general the summary is a fair and truthful statement of the proposed law, constitutional amendment or measure to be referred, he shall so certify."

You will note that my opinion is required as to whether or not the summary is a fair and truthful statement of the proposed constitutional amendment.

A careful examination of the text of the proposed amendment discloses that it is there provided that "no law *shall* be passed *authorizing* any person, firm or corporation to charge a greater rate of interest than four percent per annum."

The summary submitted covering this portion of the text reads:

"It is proposed to *limit* interest charges on all debts and obligations to four percent a year."

The text further provides for the passage of laws providing for special licenses "permitting *licensees* to charge a maximum interest of five percent per annum." In the summary you have limited the class of licensees to "companies". The word "companies" is regarded as being synonymous with corporations. In its broadest meaning, companies might

also be said to include partnerships, unions, joint ventures or associations, but certainly it would exclude individuals, a limitation which is not imposed by the text.

It is my opinion that these variations are material and for that reason I am unable to certify that the summary is a fair and truthful statement of the proposed constitutional amendment.

Respectfully,

THOMAS J. HERBERT,
Attorney General.