

A REVIEW OF OHIO LEGISLATION. FROM
JUNE, 1934, TO APRIL, 1935

THIRD SPECIAL SESSION*

This review of Ohio legislation will be limited to the legislation of the Third Special Session and the more important enactments during the present regular session. The act pertaining to building and loan associations is perhaps the most important of the special session. The necessity of the present law is readily gleaned from the emergency clause of the act. 115 O.L.Pt. II 393. It reads, "No adequate law in the State of Ohio permits reorganization of building and loan associations so as to have their capital structure in such shape as to inspire the confidence of the people, and no method under the existing law to permit the rehabilitation of building and loan associations whose capital is impaired. The law is at present inadequate in the requirements of reserve necessary to be carried by building and loan associations. . . . The enactment of this law accomplishes the above results. . . ." The law makes more stringent the regulation of building and loan associations by requiring more complete reports of their condition and by requiring reports within shorter intervals of time, and by restricting investment and loaning possibilities.

Other acts relating to building and loan associations enacted during the special session are: 1. An act dealing with the dissolution, rehabilitation and reorganization of building and loan associations. This act directs the supervision of defunct building and loan associations facilitating the liquidation of their assets and aiding in reorganization of the defunct banks. 2. An act converting domestic building and loan associations into federal savings and loan associations by the purchase of shares of stock in the latter association by the former, this enactment serving

* For a review of Ohio Legislation previous to the period which this paper covers, see the Ohio State LAW JOURNAL, Vol. 1, No. 1, p. 24.

to avail citizens in the State of Ohio of federal loans for the purchase and construction of homes. 115 O.L.Pt. II 394. 3. An act to permit a set-off of certificates of deposit irrespective of the time of acquisition, against debts to the building and loan association owed by the borrower, to the extent of 50% of the debt. The intent of this act is to maintain the selling price of the certificates as near their real value as possible. 115 O.L. Pt. II 398.

The problem of how to pay the teachers' salaries, which confronted the legislature in the 3rd special session, was attacked by the enactment authorizing boards of education to borrow money and to issue notes. It was sought by this act to make funds available for paying teachers and other employees of the public schools so that the closing of the schools would be forestalled.

THE REGULAR SESSION

The regular session of the Ohio legislature convening January 7, 1935, issued much legislation to the date of this writing dealing principally with taxation and relief to divers classes. Much of the legislation dealt with amendments to statutes already enacted. The principal acts having to do with taxation are the following:

An act authorizing additional tax levies outside of our present constitutional 10-mill limitation, such additional tax being leviable for relief and welfare requirements. Sen. B. No. 10.

An act to exempt interurban railroad companies within the State of Ohio as defined in G. C. Section 614-2 & 501 from all taxation except that on real estate and special assessments for two years from Jan. 1, 1935. This act was effected to aid the decrepit companies and does not apply to any company in which any officer or employee is making a salary of \$5,000 or more per year, or to any interurban which pays dividends during this period. Amended Sen. B. No. 23.

Several acts have been passed or amendments made to pres-

ent statutes in an attempt to make the administration of the sales tax more effective, these statutes being directed principally to situations where residents of Ohio purchase motor vehicles in other States in order to avoid the sales tax. Thus the legislature amended G. C. 6294 dealing with the registration of motor vehicles so that a purchaser is required to pay the 3% tax as a prerequisite to the issuing of a license. H. B. No. 255. The other acts dealing with this same problem will be found in H. B. No. 252, H. B. No. 253, and H. B. No. 254.

Some legislation has been directed toward debtor relief as the act extending the foreclosure moratorium to 1937, the latest amendment being H. B. No. 30. Amended Senate Bill No. 20 was enacted reading that "no assignment of or order for wages or salary shall be valid if made after this act goes into effect and before April 1, 1937." The object of this act is to eliminate as far as possible the necessity of the wage-earner's having to demand public relief, by permitting him to retain all his wages free from assignments.

In order to increase employment an act was passed to appropriate large sums to the department of highways and public works. Amended Sen. B. No. 39. And to aid disabled soldiers and sailors doing business in more than one county an act was passed requiring their procurement of a license only in one county instead of two or more, in order to operate. H. B. 114. For the purpose of encouraging agricultural fairs and giving aid to county agricultural societies, an act creating appropriations therefore was passed. H. B. No. 110.

The legislature recognizing the financial difficulties of numerous Ohio cities passed a bill authorizing taxing authorities of municipal corporations to fund deficiencies in operating revenues for the year 1935, and permitting them to hold special election on the matter of their issuing bonds and levying taxes for such purpose. Sen. B. No. 15.

The act authorizing direct housing relief which was passed March 22, 1933, was extended to March 1, 1937.

We have had some important legislation in the field of banking. The first act is to facilitate the resumption of business by banks for which conservators have been appointed. The act permits a court of common pleas to hold a hearing on plans submitted to it by deposit stockholders and creditors. H. B. No. 24. The second act authorizes banks organized under the laws of Ohio to obtain the benefits of federal deposit insurance. This act gives every bank, in addition to the rights, powers and privileges possessed by it under the Ohio laws, the power to become a member of the temporary federal deposit insurance fund and to purchase stock of the federal deposit insurance corporation.

A distinct change has been made in appellate procedures by a bill, H. B. No. 42, passed April 20 to become effective January 1, 1936. The bill abolishes error proceedings as it was and requires the instituting of all appellate reviews by notice of appeal.*

In view of the increased problems relative to the administration of the sales tax and the liquidation of banks as well as the financial problems of the state, it is anticipated that much of the legislation that emanates during the remainder of the session will be directed to banking and tax bills.

B. BERNARD WOLSON

* See page 186 for a more detailed analysis of this bill by Professor S. A. Harris.