

1973 WL 26991 (S.C.A.G.)

Office of the Attorney General

State of South Carolina

December 5, 1973

*1 The First Boston Corporation
Bank of America, N. T. & S. A.
Halsey, Stuart & Co., Inc.
Chemical Bank
Reynolds Securities Inc.

Sirs:

I have examined a certified copy of the record of proceedings and other proofs submitted to me, including the Constitution and Statutes of the State of South Carolina in relation to the issuance of \$13,500,000 State School Bonds, Series II, of the State of South Carolina, dated December 1, 1973, in the denomination of \$5,000 each, numbered from II-1 to II-2700, inclusive, and maturing in numerical order, on December 1 in the years and amounts as follows: \$500,000 in the year 1974; \$1,000,000 in each of the years 1975 to 1982, inclusive; and \$1,250,000 in each of the years 1983 to 1986, inclusive.

The bonds maturing on and after December 1, 1984, are subject to redemption, at the option of the State of South Carolina, in whole or in part, but if in part, in inverse numerical order, on December 1, 1983, and on all subsequent interest payment dates, upon published notice as therein provided, at a redemption price, for each bond redeemed, equal to the principal amount of such bond, plus a redemption premium of two per centum (2%) of the principal amount thereof, together with accrued interest to the redemption date.

The bonds bear interest payable June 1 and December 1 in each year, commencing June 1, 1974, in accordance with the following schedule:

TABULAR OR GRAPHIC MATERIAL SET FORTH AT THIS POINT IS NOT DISPLAYABLE

The bonds are registrable as to principal only, or as to both principal and interest, as therein provided. Both the principal of and interest on the bonds are payable in any coin or currency of the United States of America which is, at the time of payment, legal tender for the payment of public and private debts. Except as to registered bonds, payment of both principal and interest will be made at the principal office of Chemical Bank, in the City of New York, State of New York, or, at the option of the holder, at the principal office of First National Bank of South Carolina, in the City of Columbia, State of South Carolina.

The bonds are issued pursuant to and in accordance with the Constitution and Laws of the State of South Carolina, including particularly the provisions of Sections 21-995 to 21-1000.3, inclusive, Code of Laws of South Carolina, 1962, as amended, for the purpose of raising moneys for public school facilities.

In my opinion: (1) the bonds are valid and legally binding obligations of the State of South Carolina; (2) the full faith, credit and taxing power of the State of South Carolina are pledged to the payment of the principal of and interest on the bonds, as they become due and payable; (3) the bonds, together with other State School Bonds heretofore and hereafter issued under the provisions of the enabling law, are additionally secured by a pledge of the entire amount of revenue derived from the Retail Sales Tax levied by Chapter 17, Title 65, Code of Laws of South Carolina, 1962, as now or hereafter amended; (4) interest on such bonds is exempt from Federal income taxes under Federal Statutes existing on the date of the delivery of the bonds, as then judicially construed; and (5) the bonds and the interest thereon are exempt from all state, county, municipal, school district and all other taxes or assessments imposed thereon within the State of South Carolina, except inheritance, estate or transfer taxes.

*2 I have examined the form of the bonds of said issue, and, in my opinion, the same is in due form of law.

Very truly yours,

Daniel R. McLeod
Attorney General

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