It will be noted from a reading of the above section that one licensed to purchase retail installment sales contracts is prohibited from sharing the finance charge with the retail dealer except in amounts which the Department of Financial Institutions has approved. If, after having purchased this contract, the retail buyer defaults in his payments, the licensee must employ someone to undertake the collection of the amount due. For this service they must pay. In certain instances this additional cost of collection may be charged against the retail buyer. In other cases this cost of collection must be paid by the licensee out of any fund available for payment of personal services.

I can find no authority which forbids the licensee from employing anyone he desires to assist him in the collection of the obligation due. If he employs the retail seller, this is a contract entirely separate and apart from the finance charges made at the time the merchandise was purchased, and it is my opinion that such transaction is not within the provisions of the law above quoted.

WELFARE, DEPARTMENT OF: What constitutes legal settlement for direct poor relief. Legal settlement for direct poor relief is acquired by length of residence in a township and not otherwise.

June 6, 1938.

Hon. T. A. Gottschalk,
Administrator, State Department of Public Welfare,
141 South Meridian Street,
Indianapolis, Indiana.

Dear Sir:

I have your communication of June 3 in which you ask an official opinion in answer to the following questions as to what constitutes legal settlement for poor relief purposes, to-wit:

"1. Where an individual moves to Indiana from another state and lives in this state for three years and four months, continuously, but had not resided in any township in this state for more than ten months at a time, and then moves to Illinois in January, 1938, and is in need of poor relief before he has lived in Illinois
three months, does such individual have a legal settlement for poor relief purposes in Indiana?

"2. If the answer to the first question is in the affirmative, in which township in the state would be his legal settlement for poor relief purposes, the township in which he first came to Indiana, or the township from which he moved to Illinois, if either?

"3. Would the length of residence in any one township be the determining factor as to his legal settlement for poor relief purposes in that township, if he had not resided a year in any one township? That is, if he had lived for six months in one township, seven in another, eight in another, nine in another, and ten in another, would such difference of period of residence determine his legal settlement for poor relief purposes, if he has any legal settlement for poor relief purposes, in this state?"

The provisions regarding legal settlement for poor relief purposes are found in Chapter 116, Acts 1935, at page 482 (Secs. 52-144, et seq. Burns' Ind. Stat., 1937, supp). There is no provision in this or any subsequent poor relief legislation as to what constitutes legal settlement in the state, separate and distinct from a subdivision thereof. In this Act, it is stated:

"Legal settlement may be acquired in any township or county so as to oblige such township or county to relieve and support the person acquiring such settlement, in case he is poor and in need of relief." (Our italics) (Sec. 4, Ch. 116, Acts 1935). Other parts of Section 4 define what constitutes residence in a township, to be entitled to poor relief. In a leading case involving poor relief, it was held "it is the duty of the county to take care of and provide for the poor in the county asylum and other charitable institutions in which the poor and indigent are placed, and the duty and obligation is upon the township trustee to take care of the poor within the township."

Wayne Twp. v. Brown, 205 Ind. 437, 447, 448.

This was also the opinion of this office. See Opinions of the Attorney General, 1934, pages 186 and 187.

In the Wayne Township case, the court, in commenting upon a statute concerning the board of county commissioners, uses this language:
"It is clearly seen from the above section of the statute that the Legislature has expressly provided that it is not a county duty or obligation to take care of the poor other than those in a county institution; and, it not being a duty or obligation of the county, it necessarily, without question, becomes a duty and obligation of the township alone to take care of its poor."

Wayne Twp. v. Brown, 205 Ind. 437.

"We find the township trustee of each township is the overseer of the poor and that it is his duty to look and provide for their relief."

Wayne Twp. v. Brown, 205 Ind. 450.

In a later case the court said: "Poor relief, except institutional relief, is cared for at the expense of the township and not of the County."

Lund v. State, 207 Ind. 347.

Direct relief to the poor is not a state liability or duty under any statute or court decision, but such direct relief is a township liability. There is no statute or court decision defining what constitutes a legal settlement in the state or county alone, separate and distinct from settlement in a township, so as to entitle one to direct poor relief as distinct from institutional relief. To entitle one to legal settlement for poor relief purposes there must be residence in a township for the period prescribed by the statute. (Our italics.) Residence in the state for a considerable period, but changing from township to township without residing long enough in any one township to acquire a legal settlement in that township, would not give a legal settlement in the state for direct poor relief.

It has been heretofore held by this office that where an indigent had acquired a legal settlement in one county, but had been away from that county for a less period than two years and had not acquired a legal settlement anywhere else, he could be returned to the place of his legal settlement in the first county, for care as an indigent. (Opin. Att'y Gen. 1935, p. 341.)

Your first question which gives the individual residence in the state for three years and four months, but restricts his residence in any one township for less than a whole year con-
tinuously will have to be answered in the negative; that is, he does not have a residence in this state for direct poor relief purposes as he had no legal settlement in any township for such purpose.

Your second question is based upon an affirmative answer to the first. However, it is answered by the answer to the first question, that is, he would have no legal settlement for poor relief purposes, in either the first or last township in which he lived in Indiana, as he had not lived in either long enough to acquire a legal settlement.

Your third question asks if length of residence would be a determining factor, if the individual had not resided long enough in any one township to acquire a legal settlement for poor relief purposes and that question is also answered in the negative. It makes no difference how long the residence would have been, if it was less than the period fixed by statute for that purpose.

The answers to these questions are based upon "legal settlement" as defined in the statute. It is not my intention to say that the overseer of the poor (township trustee) could not give direct relief to an indigent in a township in this state, who had no legal settlement. On the contrary, Chapter 116, Acts 1935, supra, specifically provides for the relief of all the poor in the township (section 5); giving temporary aid (section 7); aiding a non-resident claimant (section 13); giving aid where the legal settlement is undetermined (section 18); helping friendless needy sick (section 19), etc. There is ample provision in this Act for the relief of the poor who are within the confines of the state, but legal settlement for such purpose can only be acquired as provided by statute.

INDIANA UNIVERSITY: Indiana University Board of Trustees, tort liability of.

Mr. Ward G. Biddle,
Comptroller, Indiana University,
Bloomington, Indiana.

Dear Sir:

I have before me your letter of June 2, 1938, wherein you state a request for an official opinion as follows: