

SENATE BILL No. 263

April 11, 1991, Introduced by Senators O'BRIEN, HART,
WELBORN and BERRYMAN and referred to the Committee on
State Affairs and Military/Veteran Affairs.

A bill to authorize the issuance of general obligation bonds of the state and to pledge the full faith and credit of the state for the payment of principal and interest on those bonds for a service bonus for certain veterans; to provide for other matters relating to the bonds and the use of the proceeds of sale of the bonds; and to provide for the submission of the question of the issuance of the bonds to the electors of the state.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Sec. 1. When used in this act:

2 (a) "Beneficiary" means in either the following order of
3 priority or in the order of priority determined by a probate
4 court of the county of a veteran's residence at the time of that
5 veteran's death:

6 (i) The surviving husband or wife of a deceased veteran.

1 (ii) The child or children of a deceased veteran.

2 (iii) The dependent surviving mother or father of a deceased
3 veteran.

4 (b) "Combat veteran" means a veteran who, during his or her
5 period of service, was on active duty in the Persian Gulf during
6 military action designated by the president of the United States
7 as Operation Desert Shield or Operation Desert Storm.

8 (c) "Honorably separated from the armed forces" means any of
9 the following:

10 (i) An honorable or general discharge, or separation from a
11 branch of the armed services under honorable conditions.

12 (ii) In the case of a serviceman or servicewoman who has not
13 been discharged, a certificate from the branch of the armed serv-
14 ices in which that person served that verifies that the person
15 qualified or qualifies for an honorable or general discharge, or
16 separation from the armed services under honorable conditions.

17 (d) "Period of service" means that period after August 2,
18 1990 that a member of a reserve unit of the armed services of the
19 United States is placed on active duty to serve in, or provide
20 support for, the Persian Gulf military action designated by the
21 president of the United States as Operation Desert Shield or
22 Operation Desert Storm.

23 (e) "Veteran" means a person who is or was each of the
24 following:

25 (i) A resident of the state for at least 6 months before his
26 or her period of service.

1 (ii) Not entitled to receive, at the time his or her period
2 of service ends, benefits from another state that are similar to
3 benefits conferred by this act.

4 (iii) A member of a reserve unit of the armed services of
5 the United States who, during or after his or her period of serv-
6 ice, is honorably separated from the armed services branch in
7 which he or she served.

8 Sec. 2. The state shall borrow not more than
9 \$100,000,000.00, pledge its faith and credit, and issue its
10 serial notes or serial bonds for that money, with maturities as
11 fixed by law for the purpose of paying to or for the benefit of
12 veterans and their beneficiaries as provided in section 3.

13 Sec. 3. (1) The state treasurer shall pay a combat veteran
14 a service bonus in the amount of \$1,000.00.

15 (2) The state treasurer shall pay a veteran a service bonus
16 of \$30.00 per month for each month or major portion of each month
17 of that veteran's period of service, to a maximum total of
18 \$450.00.

19 (3) A person is not entitled to a bonus as both a veteran
20 and a combat veteran.

21 (4) If the veteran or combat veteran is deceased, the state
22 treasurer shall pay money due that person under this act to his
23 or her beneficiary.

24 (5) If a veteran dies from service-connected causes, the
25 veteran's beneficiary is entitled to receive the difference
26 between the amount that the veteran received under subsection (2)
27 and the sum of \$450.00.

1 (6) In addition to that money allocated by the state
2 legislature to fund the Michigan veterans' trust fund created in
3 section 1 of Act No. 9 of the Public Acts of the First Extra
4 Session of 1946, being section 35.601 of the Michigan Compiled
5 Laws, the state treasurer shall deposit into the Michigan
6 veterans' trust fund money, if any, remaining under this act
7 after payment of a bonus to all eligible veterans under this
8 act.

9 Sec. 4. The state administrative board shall provide by
10 resolution, from time to time, for the issuance and sale of
11 serial notes or serial bonds at the lowest possible cost to the
12 state, and the legislature may provide for the amounts and method
13 of, and eligibility for payment of, the sums to be paid under
14 this act.

15 Sec. 5. The question of borrowing the sum of
16 \$100,000,000.00 and issuing bonds of the state for the purposes
17 set forth in this act shall be submitted to vote of the electors
18 of the state qualified to vote on that question in accordance
19 with the provisions of section 15 of article IX of the state con-
20 stitution of 1963, at the next general November election. The
21 question submitted to the electors shall be substantially as
22 follows:

23 "Shall the state of Michigan provide a service bonus to vet-
24 erans who, while on active duty, served in or provided support
25 for the Persian Gulf military action designated by the president
26 of the United States as Operation Desert Shield and Operation
27 Desert Storm, borrow the sum of \$100,000,000.00, and issue

1 general obligation bonds of the state for that sum pledging the
2 full faith and credit of the state for the payment of principal
3 and interest on that sum, the method of repayment of the bonds to
4 be from the general fund of the state and shall the state of
5 Michigan deposit funds, if any, remaining after payment of the
6 service bonus into the Michigan veterans' trust fund?

7 Yes [] No []"

8 Sec. 6. The benefits provided in this act are not pay for
9 services rendered or subject to state or city income tax.

10 Sec. 7. The benefits provided by this act expire June 30,
11 1996.

12 Sec. 8. The secretary of state shall take steps and per-
13 form all acts that are necessary to submit the question set forth
14 in section 5 to the electors of the state qualified to vote on
15 that question at the next general November election.

16 Sec. 9. The state shall not issue bonds under this act
17 unless the question set forth in section 5 is approved by a
18 majority vote of the qualified electors voting on that question
19 at the next general November election.

20 Sec. 10. This act shall be finally effective at the time
21 the question set forth in section 5 is approved by a majority
22 vote of the qualified electors of the state as required by sec-
23 tion 15 of article IX of the state constitution of 1963.