

SENATE BILL No. 908

December 4, 2001, Introduced by Senator MC COTTER and referred to the Committee on Government Operations.

A bill to amend 1947 PA 4, entitled

"An act to authorize and provide for the borrowing of \$270,000,000.00 to make payments to persons who served in the military, naval, marine or coast guard forces of the United States, including women serving in auxiliary branches thereof, or to their next of kin or estates, and the issuance of certain serial bonds and serial notes for such indebtedness; to create a veterans' military pay fund and a veterans' bond redemption fund; to pledge the full faith and credit of the state; to provide for the payment of principal and interest on such serial obligations; to make appropriations therefor; and to make such serial notes and serial bonds exempt from taxation,"

by amending section 1 (MCL 35.901).

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Sec. 1. The people of Michigan by constitutional amendment
2 having authorized the state to borrow not to exceed
3 \$270,000,000.00, pledge its faith and credit and issue its serial
4 notes or serial bonds ~~therefor,~~ for the purpose of paying to
5 each person, or if deceased to the surviving husband or wife,
6 child or children, or to the surviving dependent mother, father,

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1 person standing in loco parentis, brothers and sisters, in the
2 order named, of any person who served in the military, naval,
3 marine or coast guard forces of the United States, including
4 women serving in auxiliary branches, ~~thereof,~~ between September
5 16, 1940, and June 30, 1946, who served honorably and faithfully
6 ~~therein~~ during ~~said~~ THAT period, who was a resident of this
7 state at the time of entering ~~such~~ THE service and for a period
8 of at least 6 months prior to entering ~~therein~~ THE SERVICE, and
9 whose service continued for more than 60 days during said period,
10 the sum of \$10.00 for each month, or major fraction ~~thereof~~ OF
11 A MONTH, of service during ~~said~~ THAT period in any state of the
12 United States, and the District of Columbia, and the sum of
13 \$15.00 for each month, or major fraction ~~thereof~~ OF A MONTH, of
14 service during ~~said~~ THAT period outside any state of the United
15 States, and the District of Columbia, but not to exceed a total
16 payment of \$500.00 to any 1 person and the payment to the surviv-
17 ing husband or wife, child or children, or to the surviving
18 dependent mother, father, person standing in loco parentis,
19 brothers and sisters, in the order named, of each person who has
20 ~~heretofore~~ died or who shall hereafter die from service con-
21 nected causes incurred between September 16, 1940, and June 30,
22 1946, a sum equal to the difference between what he OR SHE has
23 received and the sum of \$500.00, the state administrative board
24 is hereby authorized and directed, to borrow upon the full faith
25 and credit of this state money in the sum of not to exceed
26 \$270,000,000.00, to issue serial bonds or serial notes of the
27 state in a like amount, ~~therefor,~~ and to expend from the

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1 veterans' military pay fund ~~herein~~ created IN THIS ACT a
2 sufficient amount to cover the reasonable cost of the printing
3 and ~~such~~ THE other expense incident to the issuance of ~~such~~
4 THE serial bonds or notes. ~~Said~~ THE bonds shall be known as
5 veterans' bonds and shall bear interest at a rate or rates not
6 exceeding 2 1/2 per centum per annum, payable semi-annually,
7 shall be in the denomination of \$1,000.00 each or any multiple
8 ~~thereof~~ OF THAT AMOUNT, shall be payable to bearer and shall
9 mature serially in annual installments of not less than
10 \$10,800,000.00 each, beginning 1 year from their date and ending
11 not later than 1968. ~~Such~~ THE bonds may at the discretion of
12 the state administrative board be issued at 1 time in 1 series or
13 from time to time in 2 or more separate series with different
14 dates of issuance for each ~~such~~ series, and the state adminis-
15 trative board may from time to time determine and by resolution
16 prescribe, the date of issue of each ~~such~~ series, the amount of
17 bonds to be included in ~~such~~ THE series, the maturities of
18 ~~such~~ THE bonds so included, the maximum rate or rates of inter-
19 est on the bonds so included not to exceed 2 1/2 per centum per
20 annum, and the place or places of payment ~~thereof.~~ ~~Such~~ OF THE
21 BONDS. THE bonds or any part ~~thereof~~ OF THE BONDS may be made
22 callable prior to maturity upon ~~such~~ THE terms as may be pre-
23 scribed prior to the issuance of the bonds by resolution of
24 ~~said~~ THE state administrative board. Upon ~~such~~ THE terms and
25 conditions as may be prescribed by resolution of the state admin-
26 istrative board, ~~such~~ THE bonds may be made registerable as to
27 either principal only or as to both principal and interest or may

1 be converted into registered bonds of ~~such~~ THE denominations as
2 the state administrative board may authorize, which registered
3 bonds may be reconverted into registered bonds of other denomina-
4 tions or reconverted into coupon bonds. All bonds so presented
5 for conversion or reconversion or payment shall be deposited with
6 the state treasurer, who is hereby authorized and directed forth-
7 with to cancel by perforation and preserve ~~until checked by~~
8 ~~auditor general~~ THE BOND.

9 (2) ~~Said~~ THE bonds shall be executed for and on behalf of
10 the state of Michigan by the state treasurer and the secretary of
11 state or their deputies and the seal of the state shall be
12 affixed ~~thereto~~ TO THE BONDS by the secretary of state.
13 Interest coupons evidencing accrued interest to the respective
14 dates of maturity of ~~said~~ THE bonds shall bear the facsimile
15 signature of the state treasurer. The ~~auditor general~~ STATE
16 TREASURER shall provide a bond register which shall be kept in
17 the office of the ~~auditor general~~ STATE TREASURER, in which
18 register shall be recorded the date of each bond, its number, the
19 person or persons to whom originally issued, and the dates of its
20 respective maturity and cancellation.

21 (3) The bonds ~~herein~~ authorized IN THIS ACT to be issued
22 shall be sold by the state administrative board, at not less than
23 par and accrued interest. ~~Such~~ THE sale or sales shall be
24 public sales held from time to time at the discretion of said
25 state administrative board after notice by publication at least 7
26 days before each ~~such~~ sale, in a publication printed in the
27 English language and circulated in the state of Michigan, which

1 carries as a part of its regular service, notices of the sale of
2 municipal bonds. The bonds ~~so~~ sold at each ~~such~~ sale shall
3 be awarded to the bidder whose bid in the opinion of ~~said~~ THE
4 state administrative board would result in the lowest interest
5 cost to the state. The state administrative board shall have the
6 right to reject any or all bids.

7 (4) Pending the execution and delivery of the veterans'
8 bonds, there are hereby authorized to be executed and delivered
9 temporary bonds which upon the execution of the veterans' bonds
10 shall be exchangeable for veterans' bonds of like date, tenor,
11 denomination, interest rate and maturity. ~~Said~~ THE temporary
12 bonds shall be printed from type, on steel engraved borders,
13 shall be numbered T1 consecutively upwards, starting with the
14 temporary bonds of earliest maturity, shall be signed and sealed
15 in the same manner as the definitive veterans' bonds, and shall
16 be issued with not more than 2 interest coupons attached
17 ~~thereto~~ TO THEM.

18 (5) ~~Such~~ THE temporary bonds may be registered in the
19 names of the respective holders ~~thereof~~ on books kept by the
20 state treasurer, as to both principal and interest, but not as to
21 principal alone, ~~such~~ THE registration being noted by the state
22 treasurer, on any bond so registered, in the registration blank
23 to be printed on the back ~~thereof~~ OF THE BOND, after which no
24 transfer shall be valid unless made on said books at the request
25 of the registered holder ~~thereof~~ OF THE BOND or attorney duly
26 authorized, and similarly noted in ~~said~~ THE registration blank,
27 but any such temporary bond so registered may be discharged from

1 registration by being transferred to bearer, after which it shall
2 be transferable by delivery, and it may be again registered as
3 before.

4 (6) In case any temporary bond shall be mutilated, the
5 holder ~~thereof~~ OF THE BOND may obtain a duplicate temporary
6 bond in the same manner and under the same terms as ~~hereinafter~~
7 provided for the obtaining of duplicate definitive veterans'
8 bonds.

9 (7) Except as ~~hereinbefore~~ OTHERWISE specifically provided
10 IN THIS SECTION, all the terms and conditions for the issuance
11 of, and covenants for the security of the holders of, the
12 veterans' bonds, shall apply to such temporary bonds.

13 (8) The proceeds of the sale of bonds shall be deposited in
14 the state treasury, and shall constitute a fund to be known as
15 "The veterans' military pay fund," hereby created in the state
16 treasury as a special trust fund, and shall be paid out in no
17 other manner or for any other purpose than provided by law:

18 Provided, That if at any time it shall appear to the finance and
19 budget committee of the state administrative board that there
20 ~~are moneys~~ IS MONEY in the veterans' military pay fund that
21 will not be needed for the payment of veterans' claims under the
22 terms and provisions of ~~Act No. 12 of the Public Acts of 1947,~~
23 ~~said~~ THE VETERANS' MILITARY PAY ACT, 1947 PA 12, MCL 35.921 TO
24 35.932, THE committee may authorize the state treasurer to pur-
25 chase Michigan veterans' bonds upon the open market and cancel
26 the ~~same~~ BONDS if ~~said~~ THE bonds may be purchased at par or
27 below, and may authorize the state treasurer to cancel any

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1 Michigan veterans' bonds theretofore purchased and then contained
2 in said veterans' military pay fund, or said committee may trans-
3 fer such funds to the veterans' bond redemption fund provided for
4 in ~~said Act No. 4 of the Public Acts of 1947~~ THIS ACT.