

1930

VETERANS' WELFARE BOND ACT OF 1929

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FOR THE VETERANS' WELFARE BOND ACT OF 1929. This act provides for a bond issue of twenty million dollars to be used by the veterans' welfare board in assisting California war veterans to acquire farms or homes.

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AGAINST THE VETERANS' WELFARE BOND ACT OF 1929. This act provides for a bond issue of twenty million dollars to be used by the veterans' welfare board in assisting California war veterans to acquire farms or homes.

(For the full text of Measure see page 1, Part II)

Arguments For The Veterans' Welfare Bond Act of 1929

The purpose of this measure is to provide funds to continue the greatest remedial and beneficial legislative program ever attempted by any state for its war veterans; viz., that of granting ex-service men an opportunity to own their homes without cost to the State. The State merely extends its credit by authorizing the issuance of additional bonds to the extent of twenty million dollars, and the proceeds are invested in homes costing not to exceed \$5,000, and farms \$7,500. These homes and farms are sold under contract to approved veterans at cost plus 5 per cent interest, plus an administrative charge covering the entire cost of administration.

This plan, which has been in operation for eight years without cost to the taxpayers, is entirely self-supporting, and is pronounced safe, sound, and solvent by auditors and financial experts. Other states, recognizing this forward step of California and the success attained without burdening the already overburdened taxpayer, are at this late date contemplating similar legislation.

This measure is not an appropriation, but involves only the use of the State's credit, as every dollar is repaid with interest by the veteran.

Over ten thousand farm and home applications remain on file, depending on the success of this measure for approval.

This bond act was passed unanimously by both houses of the State Legislature. The Bond Act of 1925 was adopted by a vote of approximately 3 to 1. This legislation, being no longer an experiment but a proven success,

deserves even a greater majority in its favor than previously received.

Make no mistake, and vote YES.

ROY J. NIELSEN,
Assemblyman, Fourteenth District.

The soldier, entering the service of our country in wartime, pledges his life and limb as security for the safety of the nation. That safety means preservation of property values, and a continuation of those opportunities for making a living and the enjoyment of life which the United States richly affords.

This pledge of the soldier of his life is the credit which the nation draws upon in wartime. The risk is great. The principal may remain untouched. Often it is decreased or wiped out by wounds, disease or death.

This measure recognizes this pledge of the soldier, and in return pledges the resources of our state as a security to enable him to make a home and obtain the proper surroundings for rearing a family. Already thirty millions of dollars of credit has been so pledged. And due to the safe and sound features of the original legislation and to the fine manner in which the legislation has been administered by the Veterans' Welfare Board, the risk has been nothing. Is it not fitting that we should add to the credit already extended until every veteran who can qualify under the conditions specified has been provided with a home or farm?

This is a sane, sound way to pay our debts. It encourages home ownership which makes for patriotism and stability. It is a splendid example to all citizens in efficient home financing. It has cost and promises to cost the state nothing and pays large dividends.

Vote YES.

GEORGE R. BLISS,
Assemblyman, Fifty-ninth District.

FOR THE VETERANS' WELFARE BOND ACT OF 1929. This act provides for a bond issue of twenty million dollars to be used by the veterans' welfare board in assisting California war veterans to acquire farms or homes.

AGAINST THE VETERANS' WELFARE BOND ACT OF 1929. This act provides for a bond issue of twenty million dollars to be used by the veterans' welfare board in assisting California war veterans to acquire farms or homes.

This proposed law, by act of the legislature passed at its forty-eighth session, is submitted to the people in accordance with the provisions of Article XVI of the Constitution.

(This proposed law does not expressly amend any existing law; therefore the provisions thereof are printed in BLACK-FACED TYPE to indicate that they are NEW.)

PROPOSED LAW.

An act authorizing the creation of a debt or debts, liability or liabilities, through the issuance and sale of state bonds, for the single object of creating a fund to provide farm and home aid for veterans in accordance with the provisions of the veterans' farm and home purchase act, approved May 30, 1921, and of any and all acts amendatory thereof or supplemental thereto; creating a veterans' welfare finance committee; defining the powers and duties of said committee and of the veterans' welfare board and other state offices in respect to the administration of the provisions hereof; providing ways and means, exclusive of loans, for the payment of the interest of such debt or debts, liability or liabilities, as such interest falls due, and also for the payment and discharge of the principal of such debt or debts, liability or liabilities, as such principal matures; appropriating money for the expense of preparing and of advertising the sale of bonds herein authorized to be issued; and providing for the submission of this act to a vote of the people at the general election to be held in the month of November, one thousand nine hundred thirty

The people of the State of California do enact as follows:

Section 1. For the purpose of creating a fund to provide farm and home aid for veterans in accordance with the provisions of the veterans' farm and home purchase act approved May 30, 1921, and of any and all acts amendatory of or supplemental to said act, the veterans' welfare finance committee created by this act shall be and it hereby is authorized and empowered to create a debt or debts, liability or liabilities, of the State of California, in the manner and to the extent hereinafter provided, but not otherwise, nor in excess thereof.

Sec. 2. After the issuance of the proclamation of the governor, provided for in section 16 of this act, and immediately after adoption of any resolution by the veterans' welfare finance committee hereby created, provided for in section 11 of this act, the state treasurer shall prepare the requisite number of suitable bonds of the denomination of one thousand dollars in accordance with the specifications contained in such resolution. The aggregate par value of all bonds issued under this act shall not exceed the sum of twenty million dollars, and the

bonds issued under any such resolution shall bear interest from the date of issuance of said bonds to the date of maturity thereof, at a rate to be determined by the said veterans' welfare finance committee and specified in such resolution, but in no case exceeding six per cent per annum. Both principal and interest shall be payable in gold coin of the United States, of the present standard of value, at the office of the state treasurer, or at the office of any duly authorized agent of the state treasurer, and shall be so payable at the times specified in said resolution or resolutions.

All bonds issued under this act shall bear the facsimile signature of the governor and the facsimile countersignature of the controller and shall be endorsed by the state treasurer either by original signature or by a signature stamp adopted for each particular bond issue under this act and the said bonds shall be signed, countersigned and endorsed by the officers who shall be in office on the date of issuance thereof, and each of said bonds shall bear an impress of the great seal of the State of California. The said bonds so signed, countersigned, endorsed and sealed, when sold, shall be and constitute a valid and binding obligation upon the State of California, although the sale thereof be made at a date or dates upon which the officers having signed, countersigned and endorsed said bonds, or any or either of said officers, shall have ceased to be the incumbents of the offices held by them at the time of signing, countersigning, or endorsing said bonds. Each bond issued under this act shall contain a clause or clauses stating that interest shall cease to accrue thereon from and after the date of maturity thereof and referring to this act and to the resolution of the veterans' welfare finance committee hereunder by virtue of which said bond is issued.

Sec. 3. The requisite number of suitable interest coupons, appropriately numbered, shall be attached to each bond issued under this act. Said interest coupons shall bear the facsimile signature of the state treasurer who shall be in office on the date of issuance of the bond to which said coupons pertain.

Sec. 4. All bonds issued under this act and sold shall be deemed to have been called in at their respective dates of maturity and the state treasurer shall, on the respective dates of maturity of said bonds, or as soon thereafter as said matured bonds are surrendered to him, pay the same out of the proceeds of the controller's warrants drawn in his favor as provided in section 5 hereof and perforate the bonds so paid with a suitable device in a manner to indicate such payment and the date thereof. He shall also, on the said respective dates of maturity, cancel all bonds bearing said dates of maturity and remaining unsold, by perforation with a suitable device in a manner to indicate such cancellation and the date thereof. The provisions of this section shall be applicable also to the interest coupons pertaining to the bonds authorized by this act

to be issued, and shall be applicable, as far as practicable, to any duly authorized agent of the state treasurer.

Sec. 5. There is hereby appropriated from the general fund in the state treasury such sum annually as will be necessary to pay the principal of and the interest on the bonds issued and sold pursuant to the provisions of this act, as said principal and interest becomes due and payable.

There shall be collected annually in the same manner and at the same time as other state revenue is collected such a sum, in addition to the ordinary revenues of the state, as shall be required to pay the principal and interest on said bonds as herein provided, and it is hereby made the duty of all officers charged by law with any duty in regard to the collections of said revenue, to do and perform each and every act which shall be necessary to collect such additional sum.

On the several dates of maturity of said principal and interest in each fiscal year, there shall be returned into the general fund in the state treasury, all of the moneys in the specific fund into which the proceeds from the sale of the said bonds have been covered as herein prescribed, not in excess of the principal of and interest on the said bonds then due and payable and, in the event of such moneys so returned on said dates of maturity being less than the said principal and interest then due and payable, then the balance remaining unpaid shall be returned into the general fund in the state treasury out of said specific fund as soon thereafter as it shall become available, together with interest thereon, from such dates of maturity until so returned, at the rate of five per cent per annum, compounded semi-annually.

Both principal and interest of said bonds shall be paid when due upon warrants duly drawn against said appropriation from the general fund by the controller of the state in favor of the state treasurer or in favor of any duly authorized agent of the state treasurer, upon demands audited by the state board of control, and the moneys to be returned into the general fund in the state treasury pursuant to the provisions of this section shall likewise be paid as herein provided upon warrants duly drawn by the controller of the state upon demands duly audited by the state board of control.

Sec. 6. The sum of thirty-five thousand dollars is hereby appropriated out of any money in the state treasury not otherwise appropriated to pay the expenses that may be incurred by the state treasurer in having said bonds prepared and in advertising their sale. Said amount shall be refunded to the general fund in the state treasury out of the specific funds into which the proceeds from the sale of said bonds shall be respectively covered in accordance with the provisions of this act on controller's warrant duly drawn for that purpose.

Sec. 7. When the bonds authorized to be issued under this act shall be duly executed, they shall be by the state treasurer sold at public auction to the highest bidder for cash, in such parcels and numbers as the said treasurer shall be directed by the governor of the state, under seal thereof, after a resolution requesting such sale shall have been adopted by the veterans' welfare board and approved by the governor of the state, but said treasurer must reject any and all bids for said bonds, or for any of them, which shall be below the par value of said bonds so offered plus the interest which has accrued thereon between the date of sale and the last preceding interest maturity date; and with the approval of the governor, he may from

time to time, by public announcement at the place and time fixed for the sale, continue such sale, as to the whole of the bonds offered, or any part thereof offered, to such time and place as he may select. Before offering any of said bonds for sale the state treasurer shall detach therefrom all coupons which have matured or will mature before the day fixed for such sale.

Sec. 8. Due notice of the time and place of sale of all bonds must be given by said treasurer by publication in one newspaper published in the city and county of San Francisco and also by publication in one newspaper published in the city of Oakland and by publication in one newspaper published in the city of Los Angeles once a week during four weeks prior to such sale. In addition to the notice last above provided for, the state treasurer may give such further notice as he may deem advisable, but the expense and cost of such additional notice shall not exceed the sum of five hundred dollars for each sale so advertised. The proceeds of the sale of such bonds and such amount as may have been paid as accrued interest thereon shall be forthwith paid over by said treasurer into the veterans' farm and home building fund and must be used exclusively in aiding veterans in the acquisition of, or payments for, farms and homes, in accordance with the provisions of the veterans' farm and home purchase act, and of any and all acts amendatory or supplemental to said act; provided, that the proceeds from the sale of said bonds may be used to pay the debt created by the issuance and sale thereof.

Sec. 9. The veterans' welfare board shall be and hereby is authorized, with the approval of the state board of control, to invest any surplus moneys in any of the funds subject to or appropriated for its use in bonds of the United States, or of the State of California, or of the several counties or municipalities or other political subdivisions of the State of California, and to sell such bonds, or any of them, at the governing market rates, upon approval of the state board of control; or, the veterans' welfare board may, with the approval of the director of finance, invest moneys in any of the funds subject to the control of the veterans' welfare board or appropriated for its use, in interest bearing certificates of deposit of state banks having a paid up capital of five hundred thousand dollars or more; provided, that the total amount of money so deposited with any one bank shall not exceed a sum equal to fifty per cent of the paid up capital of such bank; provided, however, that nothing herein contained shall inhibit or be construed to inhibit the depositing in banks in accordance with the provisions of an act entitled "An act to authorize and control the depositing in banks of moneys belonging to or in the custody of the state and to repeal all acts or parts of acts conflicting with this act," approved April 12, 1923, and of any and all acts amendatory thereof or supplemental thereto, of moneys of any of the funds subject to the control of the veterans' welfare board or appropriated for its use.

Interest accruing upon the deposit of moneys appropriated for the use of the veterans' welfare board or of any of the funds subject to the control of said board shall be paid into and credited to the respective appropriation or fund to which the money so deposited belongs.

Sec. 10. There is hereby created a Veterans' Welfare Finance Committee composed of the governor, state controller, state treasurer, chairman of the state board of control, and chairman of veterans' welfare board, all of whom shall serve thereon without compensation and a majority of whom shall be

empowered to act for said committee. The attorney general of the state shall be the legal adviser of the veterans' welfare finance committee.

Upon request of the veterans' welfare board, supported by a statement of the plans and projects of the veterans' welfare board with respect thereto, the veterans' welfare finance committee shall determine whether or not a bond issue under this act is necessary or desirable to carry such plans and projects into execution.

Sec. 11. Whenever the said veterans' welfare finance committee shall have determined that a bond issue under this act is necessary or desirable to carry such plans and projects into execution, it shall adopt a resolution to this effect. The said resolution shall authorize and direct the state treasurer to prepare the requisite number of suitable bonds and shall specify:

1. The aggregate number, aggregate par value, and the date of issuance of the bonds to be issued.
2. The date or dates of maturity of the bonds to be issued and the number and numerical sequence of the bonds maturing at each date of maturity.
3. The annual rate of interest which the bonds to be issued shall bear.
4. The number, numerical sequence, amount or amounts and the dates of maturity of the interest coupons to be attached to the said bonds.
5. The technical form and language of the bonds to be issued and of the interest coupons to be attached thereto.

In determining the date or dates of maturity of the said bonds and the amount of bonds maturing at each date of maturity, the veterans' welfare finance committee shall be guided by the amounts and dates of maturity of the revenues estimated to accrue to the veterans' welfare board from the project or projects to be financed by each issue, and shall fix and determine said dates and amounts in such manner that, together with the dates and amounts of interest payments on the said bond issue, they shall coincide, as nearly as practicable, with the dates and amounts of such estimated revenues; provided, that the bonds first to mature in each issue, shall mature not later than five years from the date of issuance thereof; provided, further, that specified numbers of bonds of specified numerical sequence shall thereafter mature at annual intervals; and provided, further, that the bonds last to mature in each issue shall mature not later than forty-five years from the date of issuance thereof.

The rate of interest to be borne by the said bonds shall be uniform for all the bonds of the same issue and shall be determined and fixed by the veterans' welfare finance committee according to the then prevailing market conditions, but shall in no case exceed six per cent per annum, and the determination of said committee as to the rate of interest shall be conclusive as to the then prevailing market conditions. The interest coupons to be attached to the said bonds shall be payable at semiannual intervals from the date of issuance of said bonds; provided, that the interest coupon first payable may, if the veterans' welfare finance committee shall so determine and specify, be payable one year after the date of issuance of said bonds.

Sec. 12. All actual and necessary expenses of the veterans' welfare finance committee and of the members thereof shall be paid out of the fund into which the proceeds from the sale of said bonds shall be covered, upon approval of the state board of control and on controller's warrant duly drawn for that purpose, and shall constitute expenses of the veterans' welfare board.

Sec. 13. The state controller, the state treasurer and the veterans' welfare finance committee shall keep full and particular account and record of all their proceedings under this act, and they shall transmit to the governor an abstract of all such proceedings thereunder, with an annual report, to be by the governor laid before the Legislature biennially; and all books and papers pertaining to the matter provided for in this act shall at all times be open to the inspection of any party interested, or the governor, or the attorney general, or a committee of either branch of the Legislature, or a joint committee of both, or any citizen of the state.

Sec. 14. This act, if adopted by the people, shall take effect on the fifteenth day of November, 1930, as to all its provisions except those relating to and necessary for its submission to the people, and for returning, canvassing, and proclaiming the votes, and as to said excepted provisions this act shall take effect immediately.

Sec. 15. This act shall be submitted to the people of the State of California for their ratification at the next general election, to be held in the month of November, 1930, and all ballots at said election shall have printed thereon and in a square thereof, the words: "For the veterans' welfare bond act of 1929," and in the same square under said words the following in brevier type: "This act provides for a bond issue of twenty million dollars to be used by the veterans' welfare board in assisting California war veterans to acquire farms or homes." In the square immediately below the square containing such words, there shall be printed on said ballot the words, "Against the veterans' welfare bond act of 1929," and in the same square immediately below said words, "Against the veterans' welfare bond act of 1929," in brevier type shall be printed "This act provides for a bond issue of twenty million dollars to be used by the veterans' welfare board in assisting California war veterans to acquire farms or homes." Opposite the words "For the veterans' welfare bond act of 1929" and "Against the veterans' welfare bond act of 1929," there shall be left spaces in which the voters may place a cross in the manner required by law to indicate whether they vote for or against said act, and those voting for said act shall do so by placing a cross opposite the words "For the veterans' welfare bond act of 1929" and those voting against the said act shall do so by placing a cross opposite the words "Against the veterans' welfare bond act of 1929." The governor of this state shall include the submission of this act to the people, as aforesaid, in his proclamation calling for said general election.

Sec. 16. The votes cast for or against this act shall be counted, returned and canvassed and declared in the same manner and subject to the same rules as votes cast for state officers; and if it appear that said act shall have received a majority of all the votes cast for and against it at said election as aforesaid, then the same shall have effect as hereinbefore provided, and shall be irrevocable until the principal and interest of the liabilities herein created shall be paid and discharged, and the governor shall make proclamation thereof; but if a majority of the votes cast as aforesaid are against this act then the same shall be and become void.

Sec. 17. It shall be the duty of the secretary of state in accordance with law to have this act published in at least one newspaper in each county, or city and county, if one be published therein, throughout this state, for three months next preceding the general election to be held in the month of Novem-

ber, 1930, the costs of publication shall be paid out of the general fund, on controller's warrants duly drawn for that purpose and shall be refunded to the general fund out of the veterans' farm and home building fund. Said refund shall be made upon controller's warrants duly drawn against said fund

for said purpose upon demands audited by the state board of control.

Sec. 18. This act may be known and cited as the "Veterans welfare bond act of 1929."

Sec. 19. All acts and parts of acts in conflict with the provisions of this act are hereby repealed.

APPORTIONING STATE TAXES TO FIREMEN'S FUNDS. Senate Constitutional Amendment 27.

Adds Section 19 to Article XIII of constitution. Requires biennial legislation distributing not exceeding half of state taxes on premiums of fire insurance companies among firemen's pension, relief, health, life and accident insurance funds of counties, municipalities and political subdivisions, in proportion that each fund bears to aggregate thereof at distribution time; permitting distribution of portion thereof to any said subdivision having no such fund and maintaining paid or volunteer fire department. Authorizes legislation permitting local authorities to apply distributions hereunder toward procuring such insurance and paying firemen's pensions.

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|-----|
| YES |
| NO |

Senate Constitutional Amendment No 27—A resolution to propose to the people of the State of California an amendment to the constitution of said state by adding a new section thereto to be known as and numbered section 19 of article thirteen, relating to revenue and taxation.

Resolved by the Senate, the Assembly concurring. That the Legislature of the State of California at its regular session commencing on the seventh day of January, 1929, two-thirds of the members elected to each of the two houses of said Legislature voting in favor thereof, hereby proposes to the people of the State of California that a new section to be known as and numbered section 19 be added to article thirteen of the constitution of this state and to read as follows:

(This proposed amendment does not expressly amend any existing section of the Constitution but adds a new section thereto; therefore the provisions thereof are printed in BLACK-FACED TYPE to indicate that they are NEW.)

PROPOSED AMENDMENT TO THE CONSTITUTION

19. Notwithstanding any other provision of this constitution the Legislature shall biennially set aside and provide for the distribution among the various

firemen's pension, relief, health, life and accident insurance funds of any county, city and county, municipality or other political subdivision of a sum not to exceed one-half the revenues accruing from the taxation of premiums of fire insurance companies and associations for fire insurance premiums under the provision of subdivision (b) of section 14 of this article. The manner and amount of the moneys distributed under this section shall be determined by the Legislature but must be based upon the proportion that each particular pension, relief, health life and accident insurance fund bears to the aggregate of all such funds existing in the state at the time the biennial distribution is made; provided, however, that the Legislature may provide for the distribution of a portion of such fund to counties, cities and counties, municipalities or other political subdivisions maintaining a paid or volunteer fire department where no provision has been made for the creation of a pension, relief, health, life or accident insurance fund in such political subdivision.

The Legislature shall enact all laws necessary to carry out the provisions of this section and may grant authority to local boards and commissions to use and apply any moneys distributed under the provisions of this section for the procuring of firemen's relief, health, life and accident insurance and for the payment of pensions of firemen.