

1954

THE VETERANS BOND ACT OF 1954

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Part I—Arguments

FOR THE VETERANS BOND ACT OF 1954.

This act provides for a bond issue of one hundred seventy-five million dollars (\$175,000,000) to be used by the Department of Veterans Affairs in assisting California war veterans to acquire farms and homes.

AGAINST THE VETERANS BOND ACT OF 1954.

This act provides for a bond issue of one hundred seventy-five million dollars (\$175,000,000) to be used by the Department of Veterans Affairs in assisting California war veterans.

(For Full Text of Measure, See Page 1, Part II)

Analysis by the Legislative Counsel *

This proposed measure, which constitutes the Veterans Bond Act of 1954, would authorize the issuance and sale of state bonds not exceeding the sum of \$175,000,000 and use of the proceeds to provide a fund to be used for farm and home purchase aid pursuant to the Veterans' Farm and Home Purchase Act of 1943 (Sections 984-987.11, inclusive, Military and Veterans Code).

The measure would provide that the bonds are to be general obligations of the State for the payment of which the full faith and credit of the State is pledged, and it would appropriate from the General Fund the sum necessary to make payments of principal and interest on the bonds as they become due.

Money received as payments of principal and interest under contracts for the purchase or construction of farms and homes by veterans of World War I, World War II, or the Korean Campaign, under the Veterans' Farm and Home Purchase Act of 1943 is to be deposited in a special fund known as the Veterans' Farm and Home Building Fund of 1943. This measure would require the maturity dates of the bonds to be fixed so as to coincide as nearly as possible with the receipt of these payments. It would require further that, on the dates for payments of the principal and interest on the bonds, there be transferred to the General Fund from this special fund the amount necessary to make the payments of principal and interest. If the amount in the special fund is less than the amount of the payments then due, the balance must be transferred to the General Fund as soon as it becomes available, with interest from such dates of maturity at the same rate as is borne by the bonds.

The amounts of the bonds to be issued from time to time, their maturity dates, and the rate of interest they are to bear are to be determined by the Veterans' Finance Committee of 1943, consisting of the Governor, State Treasurer, State Controller, Director of Finance, and Director of Veterans Affairs. The rate of interest on these bonds may not exceed 5 percent per year.

Argument in Favor of Veterans Bond Act of 1954

Three hundred twenty-five thousand Californians who served in the armed services of our country during the wartime have proven eligibility for state farm and home loans, but state funds previously authorized are about used up.

With seven previous bond issues voted, the people of California have overwhelmingly approved the Farm and Home Loan System first set up in 1921 by the Legislature. The veterans have been so prompt and faithful in meeting their repayment installments that maturing bonds have been paid without any expenditure of taxpayers funds.

Indeed, so prudent has been the State's management, that a reserve of several million dollars has been saved to be available to the State. Section 1569.7 of the Elections Code requires the Legislative Council to prepare an impartial analysis of each measure appearing upon the ballot.

meet any unexpected contingency. Housing is a serious problem in California. This bond issue is the most effective means at our command to give war veterans an opportunity to own a home or farm of their own in any place that they may live in California. Therefore, the Legislature, by a unanimous vote, has asked the people of California to authorize \$175,000,000 more in bonds. The amount of this bond issue is small in comparison to the number of veterans who are making application. The greatest good that we can do for the veteran is to encourage him or her to acquire his or her own home or farm.

While the Federal Government provides loans through the G. I. Bill of Rights, it does not fill the whole need. The advantage of the state loan is that it can be spread over a long period of years and it needs no other financing. It supplements, but does not compete with the federal program.

This measure, more than any other thing that the State can do for its veterans' families, will solve for them their pressing housing needs. It will do this at reasonable prices with monthly payments comparable with rents and at a low rate of interest. All this is made possible because of the State's use of its credit in making the money available. Let us show our appreciation to the veterans of California, men and women, who won an overwhelming victory in World War II over very powerful enemies who would have destroyed America except for the valor of our armed services.

Numbers of veterans of the desperate fighting in Korea are also becoming eligible for home loans. Vote yes, and help them acquire their own homes or farms in the country they protected.

By the law the use of these funds is limited to moderate or low cost homes. The veterans with applications pending average 34 years of age and have an average of two children in their families.

Without approval of these bonds many thousands of veteran families will be denied the opportunity to secure a suitable home of their own now, homes for which they are willing to pay on the installment plan.

For 32 years the veterans have repaid these bonds without cost to the State.

Vote yes.

NELSON S. DILWORTH
Senator for Riverside County

LOUIS G. SUTTON
Senator 8th Dist. (Colusa, Glenn and Tehama Counties)
Chairman Senate Committee on Military and Veterans Affairs

THOMAS M. ERWIN
Member of the Assembly,
Fiftieth Assembly District—Los Angeles

Part II—Appendix

FOR THE VETERANS BOND ACT OF 1954.

This act provides for a bond issue of one hundred seventy-five million dollars (\$175,000,000) to be used by the Department of Veterans Affairs in assisting California war veterans to acquire farms and homes.

AGAINST THE VETERANS BOND ACT OF 1954.

This act provides for a bond issue of one hundred seventy-five million dollars (\$175,000,000) to be used by the Department of Veterans Affairs in assisting California war veterans.

This proposed law, by act of the Legislature passed at the 1954 First Extraordinary 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 to add Article 5e to Chapter 6 of Division 4 of the Military and Veterans Code, authorizing the creation of a debt or debts, liability or liabilities, through the issuance and sale of state bonds, to create a fund to provide farm and home aid for veterans in accordance with the provisions of the Veterans Farm and Home Purchase Act of 1943 and acts amendatory and supplemental thereto; defining the powers and duties of said committee and of the Department of Veterans Affairs and other state officers 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; 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, 1954.

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

Section 1. Article 5e is added to Chapter 6 of Division 4 of the Military and Veterans Code, to read:

Article 5e. Veterans Bond Act of 1954

996.25. This article may be cited as the Veterans Bond Act of 1954.

996.26. 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 of 1943 and of all acts amendatory thereof and supplemental thereto, the Veterans' Finance Committee of 1943, created by Section 991, 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.

996.27. After adoption of any resolution by the Veterans' Finance Committee of 1943, provided for in Section 996.34 the State Treasurer shall arrange for the preparation of the requisite number of suitable bonds in accordance with the specifications contained in such resolution. The aggregate par value of all bonds issued under this article shall not exceed the sum of one hundred seventy-five million dollars (\$175,000,000) and shall bear interest at a

rate not exceeding 5 percent per annum payable as provided in such resolution. Both principal and interest shall be payable in lawful money of the United States, at the Office of the State Treasurer, or at the office of any duly authorized agent of the State Treasurer.

All bonds issued under this article 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, and the bonds shall be signed, countersigned, and endorsed by the officers who shall be in office on the date of adoption of the resolution of the Veterans' Finance Committee of 1943, and each of said bonds shall bear an impress of the Great Seal of the State of California. Interest coupons attached to each bond shall bear the facsimile signature of the State Treasurer who shall be in office on the date of adoption of the resolution of the Veterans' Finance Committee of 1943. The Veterans' Finance Committee of 1943 may require that said bonds be authenticated by the State Controller or by any Deputy State Controller, and in such event no bond authorized hereunder shall be valid unless so authenticated in the manner so required. The bonds or coupons so signed, countersigned, endorsed, and sealed, when sold, shall be and constitute a valid and binding general obligation upon the State of California, although the sale or delivery thereof be made at a date or dates upon which the officers having signed, countersigned, and endorsed said bonds or coupons, or any or either of said officers, shall have ceased to be the incumbents of the offices held by them at the date of adoption of the resolution of the Veterans' Finance Committee of 1943. Each bond issue under this article shall contain a clause or clauses referring to this article and to the resolution of the Veterans' Finance Committee of 1943 hereunder by virtue of which said bond is issued, and if subject to call or redemption prior to maturity, shall contain a recital to that effect.

996.28. The State Treasurer shall, on the respective dates of maturity or prior redemption of said bonds, or as soon thereafter as said 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 996.29 and perforate the bonds so paid with a suitable device in a manner to indicate such payment and the date thereof. The State Treasurer, or his duly authorized agent, shall also, on the respective dates of maturity, cancel all bonds and appurtenant coupons 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; provided, however, new bonds may be prepared and executed in lieu of bonds canceled solely by reason of the fact that such bonds have not been sold prior to their fixed maturity

dates, whenever the Veterans' Finance Committee of 1943 shall determine such new bonds shall be issued and executed, subject to the condition that the indebtedness created hereunder shall not exceed the maximum limit herein specified. Not less than four years after the final maturity date of a particular issue of bonds, the State Treasurer, or his duly authorized agent, may destroy or cremate any bonds of such issue which have been previously paid or canceled as hereinbefore provided.

996.29. All bonds herein authorized, which shall have been duly sold and delivered as herein provided, shall constitute valid and legally binding general obligations of the State of California, and the full faith and credit of the State of California is hereby pledged for the punctual payment of both principal and interest thereof. 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 article, as said principal and interest become 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, of the money in the Veterans' Farm and Home Building Fund of 1943, not in excess of the principal of and interest on the said bonds then due and payable, except as hereinafter provided for the prior redemption of said bonds, and, in the event such money 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 Veterans' Farm and Home Building Fund of 1943 as soon thereafter as it shall become available, together with interest thereon from such dates of maturity until so returned at the same rate as borne by said bonds, compounded semiannually.

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 his duly authorized agent, and the money 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. The Department of Veterans Affairs, by resolution approved by the Veterans' Finance Committee of 1943, shall direct the State Treasurer to call bonds (which are then subject to redemption) if such call is desirable and whenever funds are available to effect such redemption, the part of each issue so called to be not less than all of the bonds maturing in any one year. Notice of such redemption shall be given by the State Treasurer in the manner provided in the resolution authorizing the issuance of said bonds.

996.30. The bonds authorized to be issued under this article shall be sold by the State Treasurer to the highest bidder for cash, either at public auction or upon sealed bids as the Veterans' Finance Committee of 1943 may by resolution determine. The 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 shall have accrued thereon between the date of purchaser's payment for said bonds and the last preceding interest maturity date; and the Treasurer 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, at such time and place as he may select. If said bonds are offered for sale upon sealed bids, then each bid shall be in writing and signed by the bidder and sealed, and shall be accompanied by the deposit of a certified check or cashier's check for five thousand dollars (\$5,000), drawn on a bank or trust company authorized to transact and transacting business in the State of California, payable to the Treasurer of the State of California, such deposit not to bear interest. The deposit of each unsuccessful bidder shall be returned to him immediately upon the nonacceptance of his bid, and the deposit of the successful bidder shall immediately upon the acceptance of his bid become and be the property of the State of California and be placed in the State Treasury to the credit of the Veterans' Farm and Home Building Fund of 1943, and shall be credited to the successful purchaser upon the purchase price of the bonds bid for in case such purchase price is paid in full by him within the time mutually agreed upon between the successful bidder and the Treasurer. If the purchase price is not so paid, the successful bidder shall have no right in and to said bonds or by reason of said bid, or to the recovery of said deposit accompanying said bid, or to any allowance or credit by reason of such deposit unless it shall appear that the bonds would not be validly issued if delivered to the purchaser in the form and manner proposed. In case the purchase price is not so paid, the bonds so sold but not paid for shall be resold by the State Treasurer upon notice as provided in case of original sale.

Temporary or interim bonds, certificates, or receipts of any denomination whatever and with or without coupons attached thereto, to be signed by the State Treasurer, may be issued and delivered until the definitive bonds are executed and available for delivery. Signature of the State Treasurer may be by signature stamp.

996.31. Due notice of the time and place of sale of all bonds shall 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 Sacramento and by publication in one newspaper published in the City of Los Angeles once a week during two 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 (\$500) 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 of 1943 and must be used exclusively in aiding veterans in the acquisition of, or payments for, farms and homes, in accordance with the provisions of this chapter; provided, that the proceeds from the sale of said bonds may be used to pay the debt created by the issuance and sale thereof.

996.32. The Department of Veterans Affairs is authorized, with approval of the Department of Finance, to invest any surplus money in the Veterans' Farm and Home Building Fund of 1943 in bonds or obligations 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 obligations, or any of them, at the governing market rates, upon approval of the Department of Finance; or the Department of Veterans Affairs may, with the approval of the Director of Finance, invest money in such fund, in interest-bearing certificates of deposit of state banks having a paid-up capital of five hundred thousand dollars (\$500,000) or more; provided, the total amount of money so deposited with any one bank shall not exceed a sum equal to 50 percent of the paid-up capital of such bank; provided, however, nothing herein contained shall inhibit the depositing in banks in accordance with Chapter 4, Part 2, Division 4, Title 2 of the Government Code, of money of any of the funds subject to the control of the Department of Veterans Affairs or appropriated for its use.

Interest accruing upon the deposit of money of the Veterans' Farm and Home Building Fund of 1943 shall be paid into and credited to said fund.

996.33. Upon request of the Department of Veterans Affairs, supported by a statement of the plans and projects of said department with respect thereto, and approved by the Governor, the Veterans' Finance Committee of 1943 shall determine whether or not it is necessary or desirable to issue any bonds authorized under this article in order to carry such plans and projects into execution, and, if so, the amount of bonds then to be issued and sold. Successive issues of bonds may be authorized and sold to carry out said plans and projects progressively, and it shall not be necessary that all the bonds herein authorized to be issued shall be sold at any one time.

996.34. Whenever the Veterans' Finance Committee of 1943 shall have determined that the sale of all or any part of the bonds authorized to be issued under this article is necessary or desirable to carry such plans into execution, in whole or in part, it shall adopt a resolution to this effect. The said resolution shall authorize and direct the State Treasurer to provide for the preparation of the requisite number of suitable bonds then authorized to be sold and shall specify as to such bonds then to be sold:

1. The maximum number of each denomination or denominations, aggregate par value, and the date of the bonds to be then sold. The date appearing on said bonds shall be deemed to be the date of issuance for all purposes of this article, irrespective of the actual date of delivery of such bonds and the payment of the purchase price thereof. Successive issues of bonds herein authorized shall be identified by the number of the issue, or the entire authorized issue may be divided into series or divisions appropriately identified by letter or number.

2. The date or dates of maturity, and the number and numerical sequence of the bonds maturing at each date of maturity, to be at annual intervals.

3. The provisions, if any, for the retirement of said bonds at any time or times prior to their maturity, the manner thereof, and the price or prices at which said bonds shall be redeemed.

4. The annual rate of interest which the bonds to be issued shall bear, to be in multiples of one-fourth of 1 percent, which rate, at the discretion of said committee, may be determined by the bidder at the time of sale of said bonds, not to exceed 5 percent payable as herein provided.

5. The provisions, if any, for the interexchange of bonds of different denominations, the issuance of new bonds of different denominations in lieu of, or in exchange for, bonds of a like aggregate principal amount but of different denominations, and the authentication of any bonds by the State Controller or by any Deputy State Controller.

6. The technical form and language of said bonds 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' Finance Committee of 1943 shall be guided by the amounts and dates of maturity of the revenues estimated to accrue to the Veterans' Farm and Home Building Fund of 1943 from the transactions 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, the bonds first to mature in each issue shall mature not later than five years and the bonds last to mature in each issue shall mature not later than 45 years from the date of issuance thereof.

The rate of interest to be borne by the bonds need not be uniform for all bonds of the same issue or series or division, and may be determined and fixed by the Veterans' Finance Committee of 1943 by resolution adopted at or after the sale of said bonds, but not exceeding in any case 5 percent per annum payable semiannually. The highest bid received on the sale of the bonds shall be determined by deducting the total amount of the premium bid (if any) from the total amount of interest which the State would be required to pay from the date of the bonds or the last preceding interest payment date, whichever is latest, to the respective maturity dates of the bonds then offered for sale at the coupon rate or rates specified in the bid, and the award shall be made on the basis of the lowest net interest cost to the State. The lowest net interest cost to the State shall be computed on a 360-day year basis. The interest coupon first payable may, if the Veterans' Finance Committee of 1943 shall so determine and specify, be payable at any time within one year after the date of issuance of said bonds.

996.35. All actual and necessary expenses of the Veterans' Finance Committee of 1943 and of the members thereof incurred in the performance of their duties arising out of the provisions of this article and expenses incurred by the State Treasurer in having said bonds prepared and in advertising their sale or their prior redemption shall be paid out of the Veterans' Farm and Home Building Fund of 1943, on Controller's warrant duly drawn for that purpose, and shall constitute expenses of the Department of Veterans Affairs.

Whenever the Veterans' Finance Committee of 1943 deems it advisable to obtain a legal opinion as to the validity of the bonds, prior to or after sale, from attorneys other than the Attorney General, the committee may authorize the State Treasurer or the Department of Veterans Affairs or both to obtain such a legal opinion. Payment for such legal services shall be made from the Veterans' Farm and Home Building Fund of 1943, on Controller's warrant duly drawn for that purpose, and shall constitute expenses of the Department of Veterans Affairs.

996.36. The Controller, the Treasurer and the Veterans' Finance Committee of 1943 shall keep full and particular account and record of all their proceedings under this article, 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 annually; and all books and papers pertaining to matter provided for in this article 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.

996.37. So long as any bonds authorized under this article may be outstanding, the Director of the Department of Veterans Affairs shall cause to be made at the close of each fiscal year, a survey of the social condition of the Division of Farm and Home Purchases, together with a projection of the division's operations, such survey to be made by an independent public accountant of recognized standing. The results of such surveys and projections shall be set forth in written reports and said independent public accountant shall forward copies of said reports to the Director of the Department of Veterans Affairs, the members of the California Veterans Board, and to the members of the Veterans' Finance Committee of 1943. The Division of Farm and Home Purchases shall reimburse said independent public accountant for his services out of any funds which said division may have available on deposit with the Treasurer of the State of California.

Sec. 2. This act shall take effect upon its adoption by the people 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. 3. 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, 1954, and all ballots at said election shall have printed thereon and in a square thereof, the words: "For the Veterans Bond Act of 1954," and the same square under said words the following in eight-point type: "This act provides for a bond issue of one hundred seventy-five million dollars (\$175,000,000) to be used by the Department of Veterans Affairs in assisting California war veterans to acquire farms and homes." In the square immediately below the square containing such words, there shall be printed on said ballot the words, "Against the Veterans Bond Act of 1954," and in the same square immediately below said words, in eight-point type shall be printed "This act provides for a bond issue of one hundred seventy-five million dollars (\$175,000,000) to be used by the Department of Veterans Affairs in assisting California war veterans." Opposite the words "For the Vet-

erans Bond Act of 1954" and "Against the Veterans Bond Act of 1954," 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 Bond Act of 1954" and those voting against the said act shall do so by placing a cross opposite the words "Against the Veterans Bond Act of 1954." Provided, that where the voting of said general election is done by means of voting machines used pursuant to law in such manner as to carry out the intent of this section, such use of such voting machines and the expression of the voters' choice by means thereof, shall be deemed to comply with the provisions of this section. 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. 4. 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. 5. 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 November, 1954. 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 of 1943. Said refund shall be made upon Controller's warrants duly drawn against said fund for said purpose upon demands audited by the State Department of Finance.

SCHOOL BONDS. Senate Constitutional Amendment No. 3. Directs issue and sale of \$100,000,000 of State bonds to provide loans and grants to school districts to be used for such purposes as school site acquisition and improvement, school building construction and alteration, and school furniture and equipment purchase, as well as for expenses of bond issue and of administration. Permits Legislature to reduce total bond issue by appropriation of other money or to augment bond proceeds by additional appropriation. Provides that fund allocation shall be regulated by Legislature, which shall require districts to repay State according to their ability.

2

YES	
NO	

(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 ARTICLE XVI

Sec. 17. Bonds of the State of California shall be prepared, issued, and sold in the amount of one hundred million dollars (\$100,000,000), in such denominations, to be numbered, to bear such dates, and to bear such rate of interest as shall be determined by the Legislature.

The proceeds of such bonds shall be used:

(a) Subject to such legislation as the Legislature may, from time to time, enact, to provide loans and grants to school districts of the State for use in purchasing and improving school sites, the purchasing of furniture and equipment for schools, and the planning and constructing, reconstructing, repairing, altering, and making additions to, school buildings;

(b) To pay the expenses that may be incurred in preparing, advertising, issuing, and selling the bonds, and in administering and directing the expenditure of the moneys realized from the sale of such bonds.

The issuance, signing, countersigning, endorsing, and selling of the bonds herein provided for, and