

## No. 14

## AN ACT

SB 204

Authorizing the issue and sale of bonds by the Commonwealth of Pennsylvania for the payment of compensation to certain veterans; creating a special fund in the State Treasury to be known as the Vietnam Conflict Veterans' Compensation Fund; defining the powers and duties of the Governor, the Auditor General, the State Treasurer, and the Board of Finance and Revenue in relation thereto; and providing for the payment of interest on and the redemption and refunding of such bonds; and making an appropriation.

The General Assembly of the Commonwealth of Pennsylvania hereby enacts as follows:

Section 1. Short Title.—This act shall be known and may be cited as the “Vietnam Conflict Veterans’ Compensation Bond Act.”

Section 2. Authority to Borrow.—The Governor, the Auditor General and the State Treasurer are hereby authorized and directed to borrow, on the credit of the Commonwealth of Pennsylvania, such sum or sums of money not exceeding in the aggregate, at any one time, the sum of twenty-eight million dollars (\$28,000,000) as may be found necessary to carry out the purposes of the act of July 18, 1968 (Act No. 183), known as the “Vietnam Conflict Veterans’ Compensation Act.”

Section 3. Bonds, Issue, Maturity, Interest, Etc.—(a) As evidence of the indebtedness herein authorized, bonds of the Commonwealth of Pennsylvania shall be issued from time to time for such total amounts, in such form, in such denominations, and subject to such terms and conditions of issue, redemption and maturity, rate of interest, not to exceed six per cent per annum, and time of payment of interest, as the Governor, Auditor General and State Treasurer shall direct.

(b) All bonds issued under the authority of this act shall bear facsimile signatures of the Governor, Auditor General and State Treasurer, and a facsimile of the Great Seal of the Commonwealth of Pennsylvania, and shall be countersigned by two duly authorized officers of the duly authorized loan and transfer agents of the Commonwealth.

(c) The principal and interest of such bonds shall be payable in lawful money of the United States. All bonds issued under the provisions of this act shall be exempt from taxation for State and local purposes.

(d) Such bonds may be issued with or without interest coupons attached. In case interest coupons are attached, they shall contain facsimile signatures of the State Treasurer and the Auditor General.

(e) The Governor, the Auditor General and the State Treasurer shall proceed to have the necessary bonds prepared and printed. The bonds, as soon as they are prepared and printed, shall be forthwith deposited with the duly authorized loan and transfer agent of the Commonwealth, there to remain until sold in accordance with the provisions of this act.

Section 4. Sale of Bonds.—(a) Whenever bonds are so issued, they shall be offered for sale at not less than ninety-eight per cent of the principal amount and accrued interest and shall be sold by the Governor, the Auditor General and State Treasurer to the highest and best bidder or bidders after due public advertisement, on such terms and conditions and upon such open competitive bidding, as the Governor, Auditor General and State Treasurer shall direct. The manner and character of such advertisement and the times of advertising shall be prescribed by the Governor, the Auditor General and the State Treasurer.

(b) Any portion of any bond issue so offered and not sold or subscribed for may be disposed of by private sale by the Governor, the Auditor General and the State Treasurer, in such manner and at such prices, not less than ninety-eight per cent of the principal amount and accrued interest, as the Governor shall direct. No commission shall be allowed or paid for the sale of any bonds issued under the authority of this act.

(c) When bonds are issued from time to time, the bonds of each issue shall constitute a separate series to be designated by the issuing officials or may be combined for sale as one series with other general obligation bonds of the Commonwealth.

Section 5. Refunding Bonds.—The Governor, Auditor General and the State Treasurer are hereby authorized to provide, by resolution, for the issuance of refunding bonds for the purpose of refunding any bonds issued under the provisions of this act and then outstanding, either by voluntary exchange with the holders of such outstanding bonds, or to provide funds to redeem and retire such outstanding bonds with accrued interest and any premium payable thereon, at maturity or at any call date. The issuance of such refunding bonds, the maturities and other details thereof, the rights of the holders thereof, and the duties of the Governor, Auditor General and the State Treasurer in respect to the same, shall be governed by the foregoing provisions of this act, in so far as the same may be applicable. Refunding bonds may be issued by the Governor, Auditor General and the State Treasurer to refund bonds originally issued or to refund bonds previously issued for refunding purposes.

Section 6. Disposition and Use of Proceeds.—The proceeds realized from the sale of bonds under the provisions of this act shall be paid into a special fund in the State Treasury, hereby created, to be known as the Vietnam Conflict Veterans' Compensation Fund, and shall be used for the payment of compensation to certain veterans as provided for in the "Vietnam Conflict Veterans' Compensation Act," hereinbefore cited.

Section 7. Registration of Bonds.—The Auditor General shall prepare the necessary registry book to be kept in the office of the duly authorized loan and transfer agent of the Commonwealth for the registration of any bonds, at the request of owners thereof, according to the terms and conditions of issue directed by the Governor, the Auditor General and the State Treasurer, under section 3, subsection (a) hereof. All bonds which are

issued without interest coupons attached shall be registered in the registry books kept by the duly authorized loan and transfer agent of the Commonwealth.

Section 8. Information to General Assembly.—It shall be the duty of the Governor to include in every budget submitted to the General Assembly, full information relating to the issuance of bonds under the provisions of this act, and the status of the sinking fund of the Commonwealth for the payment of the interest on said bonds and the principal thereof at maturity.

Section 9. Special Fund; Investments; Redemption of Bonds.—(a) All bonds issued under the authority of this act shall be redeemed at maturity and all interest due from time to time on such bonds shall be paid from the Vietnam Conflict Veterans' Compensation Sinking Fund. For the specific purpose of redeeming said bonds at maturity and paying all interest thereon in accordance with the information received from the Governor, the General Assembly shall appropriate moneys to the Vietnam Conflict Veterans' Compensation Sinking Fund for the payment of interest on said bonds and the principal thereof at maturity. All moneys appropriated for these purposes shall be paid into the Vietnam Conflict Veterans' Compensation Sinking Fund by the State Treasurer, and all of such moneys not necessary to pay accruing interest shall be invested by the Board of Finance and Revenue in such securities as are provided by law for the investment of the sinking funds of the Commonwealth.

(b) The Board of Finance and Revenue is authorized at any time to use any of the moneys in the Vietnam Conflict Veterans' Compensation Fund not necessary for the payment of compensation to veterans in accordance with the provisions of the act of July 18, 1968 (Act No. 183), known as the "Vietnam Conflict Veterans' Compensation Act," for the purchase and retirement of all or any part of the bonds issued under the authority of this act. In the event that all or any part of said bonds shall be purchased by the Board of Finance and Revenue, they shall be canceled and returned to the State Treasurer as canceled and paid bonds and thereafter all payments of interest thereon shall cease, and the canceled bonds and coupons shall be destroyed within two years after cancellation in the presence of the Governor, the Auditor General and the State Treasurer, and a certificate evidencing the destruction, satisfactory to the duly authorized loan and transfer agent of the Commonwealth, shall be furnished to it. All canceled bonds and coupons shall be so marked as to make the canceled bonds and coupons nonnegotiable.

Section 10. Interest Computations.—The Governor, the Auditor General and the State Treasurer shall determine the amount of money necessary for the payment of interest on the bonds and the principal thereof, if any, and the times of such payments.

Section 11. Quorum.—Whenever in this act any action is to be taken or decision made by the Governor, the Auditor General and the State

Treasurer, and the three officers shall not be able unanimously to agree, the action or decision of the Governor and either the Auditor General or State Treasurer shall be binding and final, except it shall be the mandatory duty of the Governor, the Auditor General and the State Treasurer to issue bonds in accordance with law in such time that payment of compensation to veterans, as provided for in existing legislation passed in conformity therewith, may be made upon the establishment of the qualifications of those entitled thereto.

Section 12. Expenses of Preparation, Issue and Sale of Bonds.— There is hereby transferred from the General Fund to the Vietnam Conflict Veterans' Compensation Fund the sum of seventy-five thousand dollars (\$75,000). The State Treasurer is hereby authorized to expend such amounts as are approved by the Governor, Auditor General and State Treasurer for the purpose of providing the bonds and for the payment of costs of advertising the same and for payment of the compensation of the loan and transfer agent and for all other costs and expenses in connection with the issue of and sale and registration of said bonds in connection with the Vietnam Conflict Veterans' Compensation Act. The amount transferred from the General Fund shall be repaid from the Vietnam Conflict Veterans' Compensation Fund into the General Fund from the receipts of the sale of said bonds. As much of the money in the Vietnam Conflict Veterans' Compensation Fund as may be necessary is hereby appropriated for this purpose.

Section 13. Administration.—There is hereby transferred from the General Fund to the Vietnam Conflict Veterans' Compensation Fund the sum of one hundred fifty thousand dollars (\$150,000). The Adjutant General is hereby authorized to expend such amounts as are approved by the Governor, Auditor General and State Treasurer for the purpose of the payment of salaries and expenses necessary for the proper administration of the Vietnam Conflict Veterans' Compensation Act. The amount transferred from the General Fund shall be repaid from the Vietnam Conflict Veterans' Compensation Fund into the General Fund from the receipts of the sale of said bonds. As much of the money in the Vietnam Conflict Veterans' Compensation Fund as may be necessary is hereby appropriated for this purpose.

Section 14. Effective Date.—This act shall take effect immediately.

APPROVED—The 15th day of May, A. D. 1969.

RAYMOND P. SHAFER

The foregoing is a true and correct copy of Act of the General Assembly  
No. 14.



*Joseph P. Kelly*  
Secretary of the Commonwealth.