

Reported Recommending
Ind. Postponed
Passed Senate
Failed to Pass Senate
Passed House
Failed to Pass House

House File 539

April 14, 1947.
Ways and Means.

By MILITARY AND VETERANS
AFFAIRS COMMITTEE.

A BILL FOR

An Act authorizing the State of Iowa to become indebted in the amount of eighty-five million dollars (\$85,000,000) and providing for the issue and sale of bonds of said state in evidence thereof, to procure funds for and pay service compensation to persons who served in the armed forces of the United States at any time between the sixteenth day of September, 1940, and the second day of September, 1945, both inclusive or their successors in interest, providing for a board to administer such payments, providing for additional compensation to persons under disability, providing for the imposition, levy and collection of a direct annual tax sufficient to pay the principal and interest on said bonds, and providing penalties for the violation of the provisions of this act; providing for the application of any surplus to the retirement of the indebtedness herein created; and providing for submission of this act to the people to be voted upon at the general election to be held in the year 1948.

Be It Enacted by the General Assembly of the State of Iowa:

1 Section 1. The state of Iowa is hereby authorized to
2 become indebted in the amount of eighty-five million
3 dollars (\$85,000,000) and in evidence thereof there shall
4 be issued and sold negotiable coupon bonds of said state
5 as hereinafter provided, and the proceeds thereof shall be
6 paid into the treasury of the state to be expended for the
7 payment of service compensation to the persons defined in

8 section four (4) of this act, or for the benefit of such
9 persons as prescribed by section four (4) and ten (10) of
10 this act, and for expenses incurred in carrying out the
11 provisions of this act.

1 Sec. 2. The treasurer of the state is hereby
2 directed to cause to be prepared negotiable coupon bonds
3 of this state in the amount of eighty-five million dollars
4 (\$85,000,000), such bonds to bear interest at the rate of
5 not to exceed two and one half per cent ($2\frac{1}{2}\%$) per annum which
6 interest shall be paid semi-annually. Such bonds shall be
7 issued so that said indebtedness shall be payable in twenty
8 (20) equal annual installments, the last of which shall be
9 within twenty (20) years from the date of issue. Said bonds
10 shall be signed by the governor under the great seal of said
11 state, attested by the secretary of state and countersigned
12 by the treasurer of state, and the full faith, credit and
13 resources of the State of Iowa shall be pledged for the
14 payment thereof. The interest coupons attached to said bonds
15 shall bear the lithographed facsimile signatures of said
16 officials. The treasurer of state shall sell said bonds to
17 obtain funds to carry out the provisions of this act, and to
18 make the payments hereinafter provided. Such bonds shall be
19 sold at not less than the par value thereof and accrued
20 interest thereon to the highest and most responsible bidder
21 after advertising for a period of twenty consecutive days,
22 Sundays excepted, in at least two daily newspapers printed

23 in the State of Iowa. Advertisements of sale shall recite
24 that the treasurer of state, in his discretion, may reject
25 any or all bids received and, in such event, he shall readvertise
26 for bids in the form and manner above described as many times as
27 in his judgment may be necessary to effect a satisfactory sale.

1 Sec. 3. The proceeds of such bonds so paid into the
2 treasury of state shall constitute a service compensation fund
3 and shall be distributed to the persons entitled thereto as
4 hereinafter prescribed. Said eighty-five million dollars
5 (\$85,000,000) is hereby appropriated out of said service
6 compensation fund for the purpose of carrying out the
7 provisions of this act.

1 Sec. 4. Every person, male or female, who served
2 on active duty, in the armed forces of the United States,
3 at any time between September 16, 1940, and September 2,
4 1945, both dates inclusive, and who at the time of entering
5 into such service was a legal resident of the State of Iowa,
6 and who had maintained such residence for a period of at
7 least six (6) months immediately prior thereto, and was
8 honorably separated or discharged from such service, or is
9 still in active service in an honorable status, or has been
10 retired, or has been furloughed to a reserve, or has been
11 placed on inactive status, shall be entitled to receive
12 from the service compensation fund ten dollars (\$10.00)
13 for each month that such person was in active domestic service
14 and twelve and one-half dollars (\$12.50) for each month that

15 such person was in active foreign service, all prior to
16 December 31, 1946, not to exceed a total sum of five hundred
17 dollars (\$500.00), provided that such person served for a
18 period of not less than one hundred twenty (120) days prior
19 to December 31, 1946. Compensation for a fraction of a
20 month shall not be considered unless it be sixteen days or
21 more in which event it shall be computed as a full month.
22 No person shall be entitled to such compensation who received
23 a bonus or compensation of like nature, as provided in this
24 act, from another state. No person shall be entitled to
25 such compensation who being in the service of the armed
26 forces of the United States, subsequent to September 16,
27 1940, refused on conscientious, political, religious, or
28 other grounds to subject himself or herself to military
29 discipline. Service in the merchant marine shall not be
30 considered for the purposes of this act. The surviving
31 unremarried widow or widower, child or children, stepchild
32 or stepchildren, mother, father, or person standing in
33 loco parentis, in the order named and none other, of any
34 deceased person, shall be paid the compensation that such
35 deceased person would be entitled to under this act, if
36 living; but, if any person has heretofore died or shall
37 hereafter die, from service connected causes incurred
38 between September 16, 1940, and December 31, 1946, the
39 first survivors as hereinbefore designated and in the
40 order named, shall be paid five hundred dollars (\$500.00),

41 regardless of the length of such service.

1 Sec. 5. Active duty in the armed forces of the
2 United States shall include all time for which credit is
3 received in the computation of terminal leave as provided
4 for by federal statutes and attendance at an armed forces
5 school including such schools conducted at a college,
6 university, or similar institution of learning, but shall
7 exclude time pursuing a course of instruction in a college,
8 university, or other institution of learning as a duly
9 enrolled student.

1 Sec. 6. There is hereby created a board to be
2 known as the "World War II Service Compensation Board" to
3 consist of the state auditor, state treasurer, the adjutant
4 general, the adjutant of the Iowa Department of the American
5 Legion and the adjutant of the Iowa Department of Veterans
6 of Foreign Wars. The board shall maintain its office at the
7 seat of government in Des Moines, Iowa.

1 Sec. 7. Duties. It shall be the duty of the
2 said board to administer the provisions of this act, to
3 examine all applications and approve or disapprove the same
4 and make any investigation necessary to establish facts. In
5 the event an application is disapproved by the board, the
6 claimant shall have the right of appeal to the district
7 court of the state of Iowa in and for Polk County within
8 a period of thirty days from date of mailing by registered
9 mail of notice of such disapproval. The appeal shall be

10 perfected by filing in the office of the board, a written
11 notice of appeal setting forth the order or finding
12 appealed from and the grounds of the appeal. Within thirty
13 (30) days after the filing of such notice of appeal the
14 board shall make, certify and file in the office of the
15 clerk of the district court to which the appeal is taken,
16 a full and complete transcript of all documents in the
17 proceeding, including any depositions, a transcript or
18 certification of the evidence, if reported, including the
19 notice of appeal. The clerk shall forthwith docket such
20 appeal. The appeal shall be heard in such district court
21 as in equity de novo. Appeal may be taken to the Supreme
22 Court from any final order or judgment or decree of the
23 district court. When any application has been approved
24 by the board, payment shall be made to the applicant in
25 accordance with the provisions of this act. The board
26 is hereby empowered to employ such assistants and incur
27 such other expenses as may be necessary for such
28 administration and carrying out of the provisions of this
29 act, and the funds necessary for such administration and
30 carrying out the provisions of this act shall be expended
31 from said compensation fund; such assistants as said board
32 may determine shall give bond in such amount as may be
33 fixed by said board, and shall, whenever practicable, be
34 persons within the classes as defined in section four (4)
35 of this act. The board is hereby empowered to make, adopt

36 and promulgate such rules and regulations for the carrying
37 out of the provisions of this act as it deems necessary and
38 expedient and which are not inconsistent with any provisions
39 of this act.

1 Sec. 8. Before receiving any compensation under
2 the provisions of this act, the claimant, or his successor
3 in interest, shall file with the service compensation board,
4 application on forms provided by said board; such application
5 must be so filed on or before December 31, 1950. Such
6 application shall state facts sufficient to establish the
7 status of such applicant within a class as defined in section
8 four (4) of this act, and shall be duly verified.

1 Sec. 9. Whoever knowingly makes a false
2 statement, oral or written, relating to a material fact
3 in supporting a claim under the provisions of this act,
4 shall be punished by a fine of not more than one thousand
5 dollars (\$1,000.00) or be imprisoned for not more than one
6 year, or both, and shall forfeit all benefits he or she
7 might have been entitled to under this act.

1 Sec. 10. After payment of all of the above
2 claims and expenses of administration of the board herein
3 created, all funds remaining in the hands of World War II
4 Service Compensation Board shall constitute an additional
5 compensation fund to be administered by the said board for
6 the amelioration of the condition of residents of this
7 state within the classes defined in section four (4) of

8 this act who suffer from disability. The cost of the
9 administration of such additional compensation fund shall
10 be paid from such fund.

1 Sec. 11. All payments and allowances made
2 under this act shall be exempt from taxation and from levy
3 and sale on execution and all bonds hereunder shall be
4 exempt from taxation.

1 Sec. 12. To provide for the payment of the
2 principal of said bonds so issued and sold and the interest
3 thereon as the same become due and mature, there is hereby
4 imposed and levied upon all of the tangible taxable property
5 within the State of Iowa in addition to all other taxes, a
6 direct annual tax for each of the years said bonds are
7 outstanding sufficient in amount for the payment of principal
8 of said bonds as it shall become due, and sufficient in amount
9 to produce additional sums as may be needed to pay the interest
10 on said bonds each year for twenty (20) years. The treasurer
11 of the state shall annually certify to the state tax
12 commission prior to the time for levy of general state taxes
13 the amount of money required to be raised to pay the principal
14 and interest on such bonds maturing in the ensuing year, and
15 said state tax commission shall annually fix the rate
16 per centum necessary to be levied and assessed upon the
17 valuation of the tangible taxable property within this state
18 to produce funds sufficient to pay the principal of and interest
19 upon such bonds as the same become payable, and such additional

20 annual direct tax shall be levied, certified, assessed and
21 collected at the same time and in the same manner as are taxes
22 for general state purposes.

1 Sec. 13. If any clause, sentence, paragraph,
2 or part of this act shall for any reason be adjudged by any
3 court of competent jurisdiction to be invalid, such
4 judgment shall not affect, impair or invalidate the remainder
5 of this act, but shall be confined in its operation to the
6 clause, sentence, paragraph, or part thereof directly involved
7 in the controversy in which such judgment has been rendered.

1 Sec. 14. This law, after legal publication
2 shall be submitted to the people of this state at the general
3 election to be held in November, nineteen hundred forty-eight,
4 and shall not take effect unless at such election it shall
5 receive a majority of all votes cast for and against it.
6 Separate ballots shall be provided for the electors which
7 shall be in substantially the following form:

8 (Notice to voters: For an affirmative vote upon any
9 question submitted upon this ballot, mark a cross mark in
10 the square after the word "Yes". For a negative vote, make
11 a similar mark in the square following the word "No".)

12 "Shall the following public measure,
13 being an act of the 52nd General Assembly, be adopted
14 and approved?" YES NO

15 (Here insert in full this law)

- 1 Sec. 15. This act shall take effect
- 2 immediately upon its adoption and approval at such election.