

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

Senate File 492

April 11, 1947.  
Passed on File.

By SENATE MILITARY  
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
- 4 shall be issued and sold negotiable coupon bonds of said
- 5 state as hereinafter provided, and the proceeds thereof
- 6 shall be paid into the treasury of the state to be

7 expended for the payment of service compensation to the  
8 persons defined in section four (4) of this act, or for the  
9 benefit of such persons as prescribed by section four (4)  
10 and ten (10) of this act, and for expenses incurred in  
11 carrying out the 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 percent ( $2\frac{1}{2}\%$ ) per annum which  
6 shall be paid semi-annually. Such bonds shall be issued interest  
7 so that said indebtedness shall be payable in twenty (20)  
8 equal annual installments, the last of which shall be  
9 within twenty (20) years from the date of issue. Said  
10 bonds shall be signed by the governor under the great  
11 seal of said state, attested by the secretary of state  
12 and countersigned by the treasurer of state, and the full  
13 faith, credit and resources of the state of Iowa shall  
14 be pledged for the payment thereof. The interest coupons  
15 attached to said bonds shall bear the lithographed  
16 facsimile signatures of said officials. The treasurer of  
17 state shall sell said bonds to obtain funds to carry out  
18 the provisions of this act, and to make the payments  
19 hereinafter provided. Such bonds shall be sold at not less  
20 than the par value thereof and accrued interest thereon  
21 to the highest and most responsible bidder after

22 advertising for a period of twenty consecutive days,  
23 Sundays excepted, in at least two daily newspapers printed  
24 in the state of Iowa. Advertisements of sale shall  
25 recite that the treasurer of state, in his discretion,  
26 may reject any or all bids received and, in such event,  
27 he shall readvertise for bids in the form and manner  
28 above described as many times as in his judgment may be  
29 necessary to effect a satisfactory sale.

1     Sec. 3. The proceeds of such bonds so paid into  
2 the treasury of state shall constitute a service  
3 compensation fund and shall be distributed to the persons  
4 entitled thereto as hereinafter prescribed. Said  
5 eighty-five million dollars (\$85,000,000) is hereby  
6 appropriated out of said service compensation fund for  
7 the purpose of carrying out the 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  
6 Iowa, and who had maintained such residence for a period of  
7 at 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  
10 been retired, or has been furloughed to a reserve,  
11 or has been placed on inactive status, shall

12 be entitled to receive from the service compensation fund  
13 ten dollars (\$10.00) for each month that such person was  
14 in active domestic service and twelve and one-half dollars  
15 (\$12.50) for each month that such person was in active  
16 foreign service, all prior to December 31, 1946, not to  
17 exceed a total sum of five hundred dollars (\$500.00),  
18 provided that such person served for a period of not less  
19 than one hundred twenty (120) days prior to December 31,  
20 1946. Compensation for a fraction of a month shall not  
21 be considered unless it be sixteen days or more in which  
22 event it shall be computed as a full month. No person  
23 shall be entitled to such compensation who received a  
24 bonus or compensation of like nature, as provided in this  
25 act, from another state. No person shall be entitled to  
26 such compensation who being in the service of the armed  
27 forces of the United States, subsequent to September 16,  
28 1940, refused on conscientious, political, religious, or  
29 other grounds to subject himself or herself to military  
30 discipline. Service in the merchant marine shall not be  
31 considered for the purposes of this act. The surviving  
32 unremarried widow or widower, child or children, stepchild  
33 or stepchildren, mother, father, or person standing in  
34 loco parentis, in the order named and none other, of any  
35 deceased person, shall be paid the compensation that such  
36 deceased person would be entitled to under this act, if  
37 living; but, if any person has heretofore died or shall

38 hereafter die, from service connected causes incurred  
39 between Septmber 16, 1940, and December 31, 1946, the  
40 first survivors as hereinbefore designated and in the  
41 order named, shall be paid five hundred dollars (\$500.00),  
42 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"  
3 to consist of the state auditor, state treasurer, the  
4 adjutant general and two veterans of World War II, which  
5 two veterans shall be appointed by the governor and serve  
6 at his pleasure. The World War II members of the board  
7 shall receive compensation of ten dollars (\$10.00) a day  
8 and actual expenses for each day of actual service in the  
9 administration of the provisions of this act. The board  
10 shall maintain its office at the seat of government in  
11 Des Moines, Iowa.

1     Sec. 7. Duties. It shall be the duty of the said

2 board to administer the provisions of this act, to examine  
3 all applications and approve or disapprove the same and  
4 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  
13 thirty (30) days after the filing of such notice of  
14 appeal the board shall make, certify and file in the  
15 office of the clerk of the district court to which the  
16 appeal is taken, a full and complete transcript of all  
17 documents in the proceeding, including any depositions, a  
18 transcript or certification of the evidence, if reported,  
19 including the notice of appeal. The clerk shall forthwith  
20 docket such appeal. The appeal shall be heard in such  
21 district court as in equity de novo. Appeal may be taken  
22 to the Supreme court from any final order or judgment or  
23 decree of the district court. When any application has  
24 been approved by the board, payment shall be made to the  
25 applicant in accordance with the provisions of this act.  
26 The board is hereby empowered to employ such assistants and  
27 incur 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  
38 and expedient and which are not inconsistent with any  
39 provisions of this act.

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

1     Sec. 9. Whoever knowingly makes a false statement,  
2 oral or written, relating to a material fact in  
3 supporting a claim under the provisions of this act, shall  
4 be punished by a fine of not more than one thousand  
5 dollars (\$1,000.00) or be imprisoned for not more than

6 one year, or both, and shall forfeit all benefits he or  
7 she might have been entitled to under this act.

1 Sec. 10. After payment of all of the above claims  
2 and expenses of administration of the board herein created,  
3 all funds remaining in the hands of World War II service  
4 compensation board shall constitute an additional  
5 compensation fund to be administered by the said board  
6 for 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 under  
2 this act shall be exempt from taxation and from levy and  
3 sale on execution and all bonds hereunder shall be  
4 exempt from taxation.

1 Sec. 12. To provide for the payment of the principal  
2 of said bonds so issued and sold and the interest thereon  
3 as the same become due and mature, there is hereby imposed  
4 and levied upon all of the tangible taxable property  
5 within the state of Iowa in addition to all other taxes,  
6 a direct annual tax for each of the years said bonds are  
7 outstanding sufficient in amount for the payment of  
8 principal of said bonds as it shall become due, and  
9 sufficient in amount to produce additional sums as may  
10 be needed to pay the interest on said bonds each year for

11 twenty (20) years. The treasurer of the state shall  
12 annually certify to the state tax commission prior to  
13 the time for levy of general state taxes the amount of  
14 money required to be raised to pay the principal and  
15 interest on such bonds maturing in the ensuing year, and  
16 said state tax commission shall annually fix the rate  
17 per centum necessary to be levied and assessed upon the  
18 valuation of the tangible taxable property within this  
19 state to produce funds sufficient to pay the principal  
20 of and interest upon such bonds as the same become payable,  
21 and such additional annual direct tax shall be levied,  
22 certified, assessed and collected at the same time and in  
23 the same manner as are taxes for general state purposes.

1 Sec. 13. If any clause, sentence, paragraph, or  
2 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  
5 remainder of the act, but shall be confined in its  
6 operation to the clause, sentence, paragraph, or part  
7 thereof directly involved in the controversy in which  
8 such judgment has been rendered.

1 Sec. 14. This law, after legal publication shall be  
2 submitted to the people of this state at the general  
3 election to be held in November, nineteen hundred  
4 forty-eight, and shall not take effect unless at such  
5 election it shall receive a majority of all votes cast

6 for and against it. Separate ballots shall be provided  
7 for the electors which shall be in substantially the  
8 following form:

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

14 "Shall the following public measure, being Yes   
15 an act of the 52nd General Assembly, be adopted No   
16 and approved?"

17 (Here insert in full this law)

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