

**KOREAN CONFLICT VETERANS' COMPENSATION BOND ACT**

**Act of May. 4, 1959, P.L. 285, No. 39**

**Cl. 51**

AN ACT

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 Korean 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.

TABLE OF CONTENTS

Section 1.	Short Title.
Section 2.	Constitutional Amendment; Authorization of Issue and Sale of Bonds.
Section 3.	Bonds, Issue, Maturity, Interest, Et Cetera.
Section 4.	Sale of Bonds.
Section 5.	Refunding Bonds.
Section 6.	Disposition and Use of Proceeds.
Section 7.	Registration of Bonds.
Section 8.	Information to General Assembly.
Section 9.	Special Fund; Investments; Redemption of Bonds.
Section 10.	Interest Computations.
Section 11.	Quorum.
Section 12.	Expenses of Preparation; Issue and Sale of Bonds.
Section 13.	Effective Date.

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 "Korean Conflict Veterans' Compensation Bond Act."

Section 2. Constitutional Amendment; Authorization of Issue and Sale of Bonds.--(a) An amendment to article nine on the Constitution of Pennsylvania which reads as follows, "Section 22. In addition to the purposes stated in article nine, section four of this Constitution, the Commonwealth may be authorized, by law, to create debt and to issue bonds to the amount of one hundred fifty million dollars (\$150,000,000) for the payment of compensation to certain persons from this Commonwealth, who served in the armed forces of the United States or of any of her allies during the Korean Conflict, between June twenty-five, one thousand nine hundred fifty, and July twenty-seven, one thousand nine hundred fifty-three, for the service of such persons to their country, whether or not they are living when distribution is made, and, if the person is deceased when distribution is made, the deceased person's compensation shall be paid to his spouse, child, children or parents.

The law authorizing the creation of the debt and the issuance of the bonds shall not take effect until revenue-raising measures are enacted, which the Senate and House of Representatives, by concurrent resolution, declare and deem sufficient to amortize the amount to be borrowed and paid. The revenue derived from such revenue-raising measures shall be used only for the payment of the debt created, as herein provided, and the measures shall provide further termination when sufficient funds are accumulated to pay the debt," has

been adopted by the people of the Commonwealth of Pennsylvania at the election of November 5, 1957.

(b) Therefore, the Governor, the Auditor General and the State Treasurer, in accordance with the provisions of the constitutional amendment set forth herein in section 2, subsection (a), 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 one hundred twenty million dollars (\$120,000,000), to carry out the purposes of such amendment and statutes passed in conformity therewith.

(2 amended May 21, 1980, P.L.189, No.52)

Section 3. Bonds, Issue, Maturity, Interest, Et Cetera.--(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 and in such denominations, and subject to such terms and conditions of issue, redemption and maturity, rate or rates of interest, and time of payment of interest, as the Governor, Auditor General and State Treasurer shall direct. ((a) amended July 21, 1959, P.L.560, No.174)

(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 par 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 par 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.

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 Korean Conflict Veterans' Compensation Fund, and shall be used for the payment of compensation to certain veterans as provided for in the Constitutional Amendment hereinbefore cited and in legislation passed in conformity therewith.

Whenever the Adjutant General of the Commonwealth shall certify that sufficient moneys are accumulated in the Korean Conflict Veterans' Compensation Fund to meet all valid and outstanding applications for compensation, excess moneys from such fund shall be transferred to the Korean Conflict Veterans' Compensation Sinking Fund in an amount which together with the then balance in the sinking fund and the interest to be earned thereon are sufficient to redeem the bonds for which such fund is liable, and the balance, if any, in excess of the amount necessary to meet such applications and administration costs shall be transferred from the Korean Conflict Veterans' Compensation Fund to the General Fund.

(6 amended Dec. 29, 1967, P.L.895, No.405)

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 biennial 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 Korean 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 enact specific tax legislation to provide moneys and specifically appropriate such moneys to the Korean 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 Korean 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 Korean Conflict Veterans' Compensation Fund not necessary for the payment of compensation to veterans in accordance with the provisions of the constitutional amendment hereinbefore cited and the legislation passed in conformity therewith, 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 bond 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 the constitutional amendment quoted in the second section of this act in such time that payment of compensation to veterans, as provided for in said constitutional amendment and 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.--For the purpose of providing the bonds and for the payment of the cost of advertising the same and for payment of the compensation of the loan and transfer agent for the biennium 1959-1961 and for all other costs and expenses in connection with the issue of and sale and registration of said bonds, there is hereby appropriated from the General Fund to the State Treasurer in accordance with the provisions of section 14 of the act of July 8, 1957 (P.L.569), known as the "Korean Conflict Veterans' Compensation Act," the sum of three hundred thousand dollars (\$300,000). Payments from said appropriation shall be made by requisition of the State Treasurer after approval of vouchers by the Governor, Auditor General and State Treasurer. The amount that shall be necessarily expended from said appropriation for the purposes stated shall be repaid from the Korean Conflict Veterans' Compensation Fund into the General Fund from the receipts of the sale of said bonds. As much of the money in the Korean Conflict Veterans' Compensation Fund as may be necessary is hereby appropriated for this purpose.

Section 13. Effective Date.--This act shall take effect immediately.