

BONUS BONDS (EXCERPT)
Act 4 of 1947

35.903 Serial notes; issuance by state administrative board; maturity, redemption, interest, sale, denominations; proceeds credited to veterans' military pay fund.

Sec. 3.

To provide immediate funds, prior to the sale of the heretofore authorized bonds, for the payment to persons who served in the military, naval, marine or coast guard forces of the United States, including women serving in auxiliary branches thereof, between September 16, 1940, and June 30, 1946, or to their next of kin or estates, the state administrative board is hereby authorized and empowered, on behalf of the state of Michigan to borrow, from time to time, upon the full faith and credit of this state such sums of money, not exceeding \$270,000,000.00, as may be necessary therefor. As evidence of such loan or loans the state administrative board may by resolution direct and cause to be issued serial notes of the state of Michigan, and to renew the same: Provided, however, That all such serial notes shall mature within 3 years after the effective date of this act. Such notes or any renewals thereof shall be made redeemable at the option of the state administrative board upon any interest payment date. They shall bear semi-annual interest at such a rate as may be prescribed by the state administrative board, not exceeding 1 1/2 per centum per annum and shall be in the form prescribed by the state administrative board. They shall be offered for sale at such times and in such manner as said board may direct. Every sale of serial notes shall be made at the best price obtainable; and in no case shall they be sold for less than par and accrued interest. Such notes shall be signed by the state treasurer and the secretary of state, or their deputies, and shall be issued in denominations of not less than \$5,000.00 each. The proceeds of the sale of serial notes shall be credited to "The veterans' military pay fund" in the state treasury, and shall be paid out in no other manner for any other purpose than provided by law. The principal of serial notes shall be payable out of "The veterans' military pay fund," and the interest thereon shall be payable from "The veterans' bond redemption fund," or if such funds are insufficient to meet these payments, such principal and interest shall be payable from the general fund of the state, and any amounts necessary to meet the principal of and interest upon the serial notes issued hereunder are hereby appropriated from the general fund.

History: 1947, Act 4, Imd. Eff. Feb. 6, 1947 ;-- CL 1948, 35.903