

MAINE STATE LEGISLATURE

The following document is provided by the
LAW AND LEGISLATIVE DIGITAL LIBRARY
at the Maine State Law and Legislative Reference Library
<http://legislature.maine.gov/lawlib>



Reproduced from scanned originals with text recognition applied
(searchable text may contain some errors and/or omissions)

STATE LEGISLATURE

ONE - HUNDRETH LEGISLATURE

Legislative Document

No. 1466

S. P. 467

In Senate, February 21, 1961

Referred from the 99th Legislature. Referred to the Committee on Appropriations and Financial Affairs, sent down for concurrence and ordered printed.

CHESTER T. WINSLOW, Secretary

STATE OF MAINE

IN THE YEAR OF OUR LORD NINETEEN HUNDRED
SIXTY-ONE

AN ACT Providing Funds for Veterans for Farm and Home Purchases and Remodeling.

Preamble. Two-thirds of both Houses of the Legislature deeming it necessary in accordance with Section 14 of Article IX of the Constitution to provide for the issuance of bonds on behalf of the State of Maine to provide farm and home aid for veterans.

Be it enacted by the People of the State of Maine, as follows:

R. S., c. 26-A, additional. The Revised Statutes are amended by adding a new chapter, to be numbered 26-A, to read as follows:

CHAPTER 26-A.

Article I.

Veterans Bond Act.

Sec. 1. Citation. This article may be cited as the Veterans Bond Act of 1959.

Sec. 2. Purpose of act; authorization. For the purpose of creating a fund to provide farm and home aid for veterans in accordance with article II the Director of Veterans Affairs is authorized and empowered to create a debt or debts, liability or liabilities, of the State of Maine, in the manner and to the extent provided in this chapter but not otherwise, nor in excess thereof.

Sec. 3. Preparation of bonds; amount; interest; payment; form and contents. After adoption of any resolution by the Director of Veterans Affairs, provided for in section 10 the Treasurer of State shall arrange for the preparation of the requisite number of suitable bonds in accordance with the specifications con-

tained in such resolution. The aggregate par value of all bonds issued under this article shall not exceed the sum of \$1,500,000 and shall bear interest at a rate not exceeding 5% per annum payable as provided in such resolution. Both principal and interest shall be payable in lawful money of the United States, at the office of the Treasurer of State or at the office of any duly authorized agent of the Treasurer of State.

All bonds issued under this article shall bear the facsimile signature of the Governor and the facsimile countersignature of the controller and shall be endorsed by the Treasurer of State either by original signature or by a signature stamp, and the bonds shall be signed, countersigned and endorsed by the Director of Veterans Affairs and each of said bonds shall bear an impress of the Great Seal of the State of Maine. Interest coupons attached to each bond shall bear the facsimile signature of the Treasurer of State. The Director of Veterans Affairs may require that said bonds be authenticated by the State Controller and in such event no bond authorized shall be valid unless so authenticated in the manner so required. The bonds or coupons so signed, countersigned, endorsed, and sealed, when sold, shall be and constitute a valid and binding general obligation upon the State of Maine, although the sale or delivery thereof be made at a date or dates upon which the officers having signed, countersigned and endorsed said bonds or coupons, or any or either of said officers, shall have ceased to be the incumbents of the offices held by them at the date of adoption of the resolution of the Director of Veterans Affairs. Each bond issue under this article shall contain a clause or clauses referring to this article and to the resolution of the Director of Veterans Affairs by virtue of which said bond is issued, and if subject to call or redemption prior to maturity, shall contain a recital to that effect.

Sec. 4. Payment and perforation; cancellation of unsold bonds; new bonds; destruction of paid or canceled bonds. The Treasurer of State shall, on the respective dates of maturity or prior redemption of said bonds, or as soon thereafter as said bonds are surrendered to him, pay the same out of the proceeds of the controller's warrants drawn in his favor as provided in section 5 and perforate the bonds so paid with a suitable device in a manner to indicate such payment and the date thereof. The Treasurer of State or his duly authorized agent, shall also, on the respective dates of maturity, cancel all bonds and appurtenant coupons bearing said dates of maturity and remaining unsold, by perforation with a suitable device in a manner to indicate such cancellation and the date thereof. New bonds may be prepared and executed in lieu of bonds canceled solely by reason of the fact that such bonds have not been sold prior to their fixed maturity dates, whenever the Director of Veterans Affairs shall determine such new bonds shall be prepared and executed, subject to the condition that total indebtedness created hereunder shall not exceed the maximum limit specified in section 3. Not less than 4 years after the fiscal maturity date of a particular issue of bonds, the Treasurer of State or his duly authorized agent, may destroy or cremate any bonds of such issue which have been previously paid or canceled.

Sec. 5. Obligation of bonds, appropriation; return of moneys into General Fund; warrants; redemption upon call. All bonds authorized, which shall have

been duly sold and delivered as provided, shall constitute valid and legally binding general obligations of the State of Maine, and the full faith and credit of the State of Maine is hereby pledged for the punctual payment of both principal and interest thereof. There is appropriated from the General Fund such sum annually as will be necessary to pay the principal of and the interest on the bonds issued and sold pursuant to this article, as said principal and interest become due and payable.

On the several dates of maturity of said principal and interest in each fiscal year, there shall be returned into the General Fund, all of the money in the Veterans' Farm and Home Building Fund of 1959, not in excess of the principal of and interest on the said bonds, then due and payable, except as provided for the prior redemption of said bonds, and, in the event such money so returned on said dates of maturity being less than the said principal and interest then due and payable, then the balance remaining unpaid shall be returned into the General Fund out of said Veterans' Farm and Home Building Fund of 1959 as soon thereafter as it shall become available, together with interest thereon from such dates of maturity until so returned at the same rate as borne by said bonds, compounded semiannually.

Both principal and interest of said bonds shall be paid when due upon warrants duly drawn against said appropriation from the General Fund by the State Controller and the money to be returned into the General Fund pursuant to the provisions of this section shall likewise be paid as provided upon warrants duly drawn by the controller. The Director of Veterans Affairs shall direct the Treasurer of State to call bonds, which are then subject to redemption, if such call is desirable and whenever funds are available to effect such redemption, the part of each issue so called to be not less than all of the bonds maturing in any one year. Notice of such redemption shall be given by the Treasurer of State in the manner provided in the resolution authorizing the issuance of said bonds.

Sec. 6. Sale of bonds; bids; deposit by bidder; resale; interim bonds. The bonds authorized to be issued under this article shall be sold by the Treasurer of State to the highest bidder for cash, either at public auction or upon sealed bids as the Director of Veterans Affairs may by resolution determine. The treasurer must reject any and all bids for said bonds, or for any of them, which shall be below the par value of said bonds so offered plus the interest which shall have accrued thereon between the date of purchaser's payment for said bonds and the last preceding interest maturity date; and the treasurer may from time to time, by public announcement at the place and time fixed for the sale, continue such sale, as to the whole of the bonds offered, or any part thereof offered, at such time and place as he may select. If said bonds are offered for sale upon sealed bids, then each bid shall be in writing and signed by the bidder and sealed, and shall be accompanied by the deposit of a certified check or cashier's check for \$5,000, drawn on a bank or trust company authorized to transact and transacting business in the State of Maine, payable to the Treasurer of State of Maine, such deposit not to bear interest. The deposit of each unsuccessful bidder shall be returned to him immediately upon the nonacceptance of his bid, and the deposit of the successful bidder shall immediately upon the acceptance of his

bid become and be the property of the State of Maine and be placed in the State Treasury to the credit of the Veterans' Farm and Home Building Fund of 1959, and shall be credited to the successful purchaser upon the purchase price of the bonds bid for in case such purchase price is paid in full by him within the time mutually agreed upon between the successful bidder and the treasurer. If the purchase price is not so paid, the successful bidder shall have no right in and to said bonds or by reason of said bid, or to the recovery of said deposit accompanying said bid, or to any allowance or credit by reason of such deposit unless it shall appear that the bonds would not be validly issued if delivered to the purchaser in the form and manner proposed. In case the purchase price is not so paid, the bonds so sold but not paid for shall be resold by the Treasurer of State upon notice as provided in case of original sale.

Temporary or interim bonds, certificates or receipts of any denomination whatever and with or without coupons attached thereto, to be signed by the Treasurer of State, may be issued and delivered until the definitive bonds are executed and available for delivery. Signature of the Treasurer of State may be by signature stamp.

Sec. 7. Notice of time and place of sale; disposition of proceeds. Due notice of the time and place of sale of all bonds shall be given by said treasurer by publication in the state newspaper once a week during 2 weeks prior to such sale. In addition to such notice the Treasurer of State may give such further notice as he may deem advisable. The proceeds of the sale of such bonds and such amount as may have been paid as accrued interest thereon shall be forthwith paid over by said treasurer into the Veterans' Farm and Home Building Fund of 1959 and must be used exclusively in aiding veterans in the acquisition of, or payments for, farms and homes, in accordance with the provisions of this chapter, provided that the proceeds from the sale of said bonds may be used to pay the debt created by the issuance and sale thereof.

Sec. 8. Investment of surplus money; deposits in banks; disposition of accruing interest. The Director of Veterans Affairs is authorized, with approval of the Department of Finance and Administration, to invest any surplus money in the Veterans' Farm and Home Building Fund of 1959 in bonds or obligations of the United States, or of the State of Maine, or of the several counties or municipalities or other political subdivisions of the State of Maine, and to sell such bonds, or obligations, or any of them, at the governing market rates, upon approval of the Department of Finance and Administration; or the Director of Veterans Affairs may, with the approval of the Commissioner of Finance and Administration, invest money in such fund, in interest-bearing certificates of deposit of state banks, provided the total amount of money so deposited with any one bank shall not exceed a sum equal to 50% of the paid-up capital of such bank.

Interest accruing upon the deposit of money of the Veterans' Farm and Home Building Fund of 1959 shall be paid into and credited to said fund.

Sec. 9. Determination of necessity for issuance; successive issues. The Director of Veterans Affairs with the approval of the Governor shall determine

whether or not it is necessary or desirable to issue any bonds authorized under this article in order to carry such plans and projects into execution, and, if so, the amount of bonds then to be issued and sold. Successive issues of bonds may be authorized and sold to carry out said plans and projects progressively, and it shall not be necessary that all the bonds authorized to be issued shall be sold at any one time.

Sec. 10. Resolution, contents; maturity dates; rates of interest; determination of highest bid; lowest net interest cost. Whenever the Director of Veterans Affairs shall have determined that the sale of all or any part of the bonds authorized to be issued under this article is necessary or desirable to carry such plans into execution, in whole or in part, he shall adopt a resolution to this effect. The said resolution shall authorize and direct the Treasurer of State to provide for the preparation of the requisite number of suitable bonds then authorized to be sold and shall specify as to such bonds then to be sold:

I. The maximum number of each denomination or denominations, aggregate par value, and the date of the bonds to be then sold. The date appearing on said bonds shall be deemed to be the date of issuance for all purposes of this article, irrespective of the actual date of delivery of such bonds and the payment of the purchase price thereof. Successive issues of bonds authorized shall be identified by the number of the issue, or the entire authorized issue may be divided into series or divisions appropriately identified by letter or number.

II. The date or dates of maturity, and the number and numerical sequence of the bonds maturing at each date of maturity, to be at annual intervals.

III. The provisions, if any, for the retirement of said bonds at any time or times prior to their maturity, the manner thereof, and the price or prices at which said bonds shall be redeemed.

IV. The annual rate of interest which the bonds to be issued shall bear, to be in multiples of $\frac{1}{4}$ of 1%, which rate, at the discretion of said Director of Veterans Affairs, may be determined by the bidder at the time of sale of said bonds, not to exceed 5% payable as provided.

V. The provisions, if any, for the interexchange of bonds of different denominations, the issuance of new bonds of different denominations in lieu of, or in exchange for, bonds of a like aggregate principal amount but of different denominations, and the authentication of any bonds by the State Controller.

VI. The technical form and language of said bonds and of the interest coupons to be attached thereto.

In determining the date or dates of maturity of the said bonds and the amount of bonds maturing at each date of maturity, the Director of Veterans Affairs shall be guided by the amounts and dates of maturity of the revenues estimated to accrue to the Veterans' Farm and Home Building Fund of 1959 from the transactions to be financed by each issue, and shall fix and determine said dates and amounts in such manner that, together with the dates and amounts of interest payments on the said bond issue, they shall coincide as nearly as practicable, with the dates and amounts of such estimated revenues. The bonds first

to mature in each issue shall mature not later than 5 years and the bonds last to mature in each issue shall mature not later than 25 years from the date of issuance thereof.

The rate of interest to be borne by the bonds need not be uniform for all bonds of the same issue or series or division, and may be determined and fixed by the Director of Veterans Affairs by resolution adopted at or after the sale of said bonds, but not exceeding in any case 5% per annum payable semi-annually. The highest bid received on the sale of the bonds shall be determined by deducting the total amount of the premium bid, if any, from the total amount of interest which the State would be required to pay from the date of the bonds or the last preceding interest payment date, whichever is latest, to the respective maturity dates of the bonds then offered for sale at the coupon rate or rates specified in the bid, and the award shall be made on the basis of the lowest net interest cost to the State. The lowest net interest cost to the State shall be computed on a 360-day year basis. The interest coupon first payable may, if the Director of Veterans Affairs shall so determine and specify, be payable at any time within one year after the date of issuance of said bonds.

Sec. 11. Expenses. All actual and necessary expenses of the Division of Veterans Affairs in the performance of its duties arising out of the provisions of this article and expenses incurred by the Treasurer of State in having said bonds prepared and in advertising their sale or their prior redemption shall be paid out of the Veterans' Farm and Home Building Fund of 1959, on controller's warrant duly drawn for that purpose, and shall constitute expenses of the Division of Veterans Affairs.

Sec. 12. Account and record of proceedings; transmission of abstract and report to Governor; inspection of books and papers. The controller, the treasurer and the Director of Veterans Affairs shall keep full and particular account and record of all their proceedings under this article, and they shall transmit to the Governor an abstract of all such proceedings thereunder, with an annual report, to be by the Governor laid before the Legislature biennially. All books and papers pertaining to the matter provided for in this article shall at all times be open to the inspection of any party interested, or the Governor, or the Attorney General, or a committee of either branch of the Legislature, or a joint committee of both, or any citizen of the State.

Sec. 13. Surveys and projections; reports. So long as any bonds authorized under this article may be outstanding, the Director of Veterans Affairs shall cause to be made at the close of each fiscal year, a survey of the financial condition of his division relating to farm and home purchases, together with a projection of the division's operations. The results of such surveys and projections shall be set forth in written reports and copies of said reports shall be forwarded to the Governor.

Article II.

Sec. 1. Veterans to whom article applies. This article is applicable, and the benefits conferred thereby are available, to any veteran. The word "veteran" as used in this article shall mean any male or female officer, soldier, sailor, marine,

nurse or any other person regularly enlisted or inducted, who has been a part of the military or naval forces of the United States in World War II at least 3 months between December 8, 1941 and August 14, 1945, or between June 15, 1950 and until such date as the United States concludes its participation in hostilities in Korea, unless honorably discharged for physical disability incident to such service, and who was a resident of the State of Maine at the time he or she was commissioned, enlisted, inducted, appointed or mustered into the military or naval service of the United States, and who has been or may be given an honorable discharge or release from such service.

Sec. 2. Definitions. As used in this article:

“Department” means the Division of Veterans Affairs.

“Farm” means a tract of land, which, in the opinion of the department, is capable of producing sufficient to provide a living for the purchaser and his dependents.

“Home” means a parcel of real estate upon which there is a dwelling house and such other buildings as will, in the opinion of the department, suit the needs of the purchaser and his dependents as a place of abode.

“Initial payment” means the first payment to be made by a purchaser to the department for a farm or home.

“Progress Payment Plan” means payment by the department for improvements on real property in installments as work progresses.

“Purchaser” means a veteran or any person who has entered into a contract of purchase of a farm or home from the department.

“Purchase price” means the price which the department pays for any farm or home.

“Selling price” means the price for which the department sells any farm or home.

“Veteran” means any person described in section 1.

Sec. 3. Short title. This article may be cited as the Veterans’ Farm and Home Purchase Act of 1959.

Sec. 4. Purpose of article. The object of this article is to provide veterans with the opportunity to acquire farms and homes.

Sec. 5. Administration. The administration of this article is vested in the Division of Veterans Affairs.

Sec. 6. Eligibility and qualifications of veterans; preference. The department shall prescribe and determine the qualifications of all veterans. Any person deeming himself a veteran and desiring to benefit under this article shall submit to the department information, in such form as the department prescribes, which will enable the department to determine his eligibility and qualifications. The department may make further inquiries and investigations in order to deter-

mine such eligibility and qualifications. Veterans who are otherwise qualified and who were wounded or disabled as a result of their service shall be given preference in the benefits conferred by this article. The department shall determine, in each case, whether or not the veteran was wounded or disabled as a result of service.

Sec. 7. Death of veteran after filing application; widow's rights. If a veteran dies after filing his application for a farm or a home, and his application setting forth his eligibility and qualifications is subsequently approved, his widow may, in the discretion of the department, succeed to his rights under the application, and may be entitled to the rights, privileges and benefits under this article that would have been his, but for his death. The contract of purchase which the department otherwise would have made with such veteran may be made with his widow.

Sec. 8. Selection of farm or home. When a veteran has been authorized by the department to select a farm or home, he shall submit his selection in such form as the department prescribes.

Sec. 9. Acquisition of farm or home by department; construction contract; plans and specifications; total value; placing money in escrow. The department may acquire such farm or home from the owner thereof or may contract with a veteran for the construction of a dwelling house and other improvements for a farm or home, upon the terms agreed if:

- I. The department is satisfied of the desirability of the property submitted.
- II. The veteran has agreed with the department actually to reside on the property within 60 days from the date of purchase by the department, or if the residence on the property is not complete on the date of purchase, within 60 days after the residence is completed.
- III. The purchase price to the department of the property, or the sum to be expended by the department pursuant to a contract for the construction of a dwelling house and other improvements, does not exceed the sum of \$12,000 in the case of a farm, or \$12,000 in the case of a home.
- IV. Where the department is to contract with a veteran for the construction of a dwelling house and other buildings:
 - A. The veteran is the owner in fee of the real property on which the dwelling house and other buildings are to be constructed and agrees to convey that property to the department without cost.
 - B. The veteran has paid a reasonable fee set by the department to cover the cost of such preliminary service of the department as may be necessary to process the application.
 - C. The veteran has filed with the department adequate plans and specifications for the improvements to be constructed upon said real property, together with a contract, executed by a State of Maine contractor for the construction of said improvements in accordance with said plans and specifica-

tions within 8 months after the acquisition of said real property by the department, and a bond executed by the contractor providing for compliance with the terms of said contract and for the payment of materialmen and labor furnishing material or labor on the job, executed by a surety company authorized to do business in the State of Maine.

D. The plans, specifications, contract and bond are approved by the department.

E. The total value of said real property and the improvements to be constructed thereon in accordance with the contract, plans and specifications submitted shall not exceed the sum of \$15,000 in the case of a home or \$15,000 in the case of a farm.

F. The veteran has placed in escrow, all sums of money to be advanced by him where the cost is in excess of the maximum that may be expended by the department.

Sec. 10. Maximum purchase price of home or farm to department; maximum total value. The purchase price of a home to the department, shall not exceed the sum of \$12,000, and a veteran purchasing the home may advance the difference between the total price or cost of the home and the sum of the purchase price of the home to the department and any amount the department is required under section 14 to add to the purchase price of the home in fixing the selling price thereof to the veteran, but in no case shall the total value thereof after completion of construction exceed \$15,000. The purchase price of a farm to the department shall not exceed \$12,000, and a veteran purchasing the farm may advance the difference between the total price of the farm or cost of the dwelling and improvements to be constructed on a farm under a contract and the sum of such purchase price to the department or contract price to the department and any amount which the department is required under section 14 to add to such purchase or contract price to the department in fixing the selling price of the farm to the veteran, but in no case shall the total value of the farm and the dwellings and improvements thereon exceed \$15,000.

Sec. 11. Prior interest of veteran in farm or home. The department may acquire a farm or home in which the veteran to whom such farm or home is to be sold has theretofore acquired an interest.

Sec. 12. Appraisal of market value. Before the purchase of any property by the department there shall be filed with the department an appraisement of the market value of the property by a member or an authorized agent of the department, and by an officer or an authorized appraiser of a banking corporation formed under the laws of this State, or by the manager of a branch bank of such banking corporation, or by an officer or cashier of a national bank, having a place of business in the county in which the property or some portion thereof is situated. If there is no such banking corporation or national bank having a place of business in the county in which the property or some portion thereof is situated. If there is no such banking corporation or national bank having a appraiser, or the manager of a branch bank of such a banking corporation, or by an officer or cashier of a national bank, having a place of business in a county

adjacent thereto. Each appraisalment shall be verified by the maker thereof. The verification shall state that it is made in good faith, and that the valuation is honestly determined and represents the bona fide opinion of the maker.

Sec. 13. Title examination. The department, before consummating a purchase under this article, shall cause the title of the property sought to be purchased to be examined and may require for that purpose an abstract, an unlimited certificate of title, or a policy of title insurance, and may refer the same to the Attorney General for his opinion.

Sec. 14. Contract with veteran for sale of property. The department shall then enter into a contract with the veteran for the sale of the property to the veteran. The department shall fix the selling price of the property by adding to the purchase price thereof, to the total cost of improvements constructed, or to the value of such property as determined by the department when such property is acquired by the department in a manner other than by purchase, all expenses incurred and estimated to be incurred by the department in relation thereto, inclusive of interest, administration, appraisals, examination of title, incidental expenses, and the sum deemed necessary to meet unforeseen contingencies. In the case of real property acquired from a veteran for the purpose of constructing improvements thereon, the department shall forthwith after acquiring said real property enter into the contract with the veteran authorized by this section at a selling price determined by the amount of the contract price for the improvements and any of the other additions authorized. After the execution of said contract between the veteran and the department and the making of the initial payment thereon the department shall be authorized to pay the cost of the improvements contracted to be constructed on said real property, making progress payments thereon in such amounts and at such times as the department approves. The department shall upon written request of the veteran and his contractor have authority to approve additions to or deletions from the improvements contracted to be constructed and any savings effected or added cost incurred shall be deducted from or added to the amount due the department by the veteran under the terms of his contract.

Sec. 15. Veteran under 21 deemed of age of majority for contract purposes. For the purposes of this article any veteran who is under the age of 21 shall be deemed to be of the age of majority and to be an adult person for the purpose of entering into any contract for the purchase of a farm or home from the department or any other contract with respect to such property.

Sec. 16. Initial payment; waiver; amortization; interest rate; acceleration of payments; postponement of payments. The purchaser shall make an initial payment of at least 10% of the selling price of the property, in case of a farm, and 5% in the case of a home. The department may waive the initial payment in any case where the value of the property as determined by appraisal shall equal the amount to be paid by the department plus at least 10%. The balance of the selling price may be amortized over a period fixed by the department, not exceeding 25 years, together with interest thereon at the rate as determined by the department for such amortization purposes. The department shall establish the actual interest rate to be paid from year to year. To this end the department

is empowered to establish a uniform rate of interest payable upon the amount remaining unpaid under any veteran's purchase contract. The department shall annually in the month of September make a finding as to the rate of interest to be charged for the ensuing year, taking into consideration the current value of money and the solvency of the Veterans' Farm and Home Building Fund of 1959. The rate established shall be applicable alike to all contract holders, and shall not exceed 4% per annum, nor be less than 2½% per annum. The department may raise or lower the rate of interest payable under such contracts for any given period as many times and as frequently as it deems to be for the best interests of the department, as well as the contract holders, if in so doing its action is made applicable alike to any and all contract holders and 90 days' advance notice be given of the time when the new rate of interest is to become effective. Any change in the interest rate shall not affect the total amount of any installment payment, but the difference shall be credited to interest or principal and accelerate or prolong the period of payment. In the event that the department fails to establish the rate of interest for any year, the rate of interest established for the preceding year or years shall be continued until changed as provided in this section. The purchaser on any installment date may pay any or all installments still remaining unpaid. In any individual case the department may for good cause postpone from time to time, upon terms as the department deems proper, the payment of the whole or any part of any installment of the selling price or interest thereon.

Sec. 17. Assignments by veterans; interest rate; ratification. The provisions of section 16, relative to the rate of interest to be charged to veteran purchasers do not apply to assignees of such purchasers who are not veterans, but as to such assignees the rate of interest shall be as fixed by the department, compounded at periods fixed by the department.

The action of the department in refusing to permit any assignments except as provided in this section is ratified and confirmed, it having at all times been the intent of the Legislature that section 16 apply to veteran purchasers only.

Sec. 18. Transfer, assignment, encumbrance or lease by veteran; consent. The department in each individual case may specify the terms of the contract entered into with the purchaser, but no property sold under the provisions of this article shall, voluntarily or involuntarily, by operation of law or otherwise, be transferred, assigned, encumbered, leased, let or sublet, in whole or in part, without the written consent of the department, until the purchaser has paid therefor in full and has complied with all the terms and conditions of this contract of purchase.

Sec. 19. Maintenance and repair of farm or home; insurance. The contract made between the department and purchaser shall provide that the purchaser maintain the farm or home as his place or residence and keep in good order and repair all buildings, fences and other permanent improvements situated thereon and that the purchaser, if required, insure and keep insured against fire or other hazards, all buildings, fences, other permanent improvements, or crops on the property, loss, if any, under the policies therefor to be made payable to the department as its interest appears. Insurance shall be in the amount, with the insurance companies, and under the conditions specified by the department.

Sec. 20. Default in payment of taxes and other charges and encumbrances; payment by department. If the purchaser fails or neglects to pay, satisfy and discharge at maturity all taxes and assessments, and all other charges and encumbrances which are a lien upon the property being purchased from the department, or any part thereof, and also all taxes and assessments levied or assessed upon the interest created by the contract of purchase of such property; or to keep the buildings, fences, other permanent improvements upon such property insured and in good order and repair, or to keep the crops upon such property insured; or to keep in good order and repair all buildings, fences and other permanent improvements situated upon such property; then, in such event, the department may pay, satisfy, discharge, settle or compromise the taxes, assessments, charges or encumbrances, or insure the buildings, fences, permanent improvements or crops, or do the work and supply the materials necessary to keep the buildings, fences and other improvements in good order and repair. All moneys so expended by the department shall be added to the selling price of the property and bear interest at the rate of interest designated in section 16 from the date of expending the same, and shall be repaid by the purchaser to the department on demand. The department may amortize the repayment of such expenditures or permit repayment in installments upon the terms and conditions which it deems proper.

Sec. 21. Department to be sole judge of legality of charges and of amounts due. The department shall be the sole judge of:

- I. The legality or validity of taxes, assessments, charges or encumbrances, and the amount necessary to be paid in satisfaction or discharge thereof.
- II. The amount of insurance to be placed upon the buildings, fences, other permanent improvements and crops and the amount necessary to be paid for the premiums for such insurance.
- III. The necessity and nature of the work necessary to keep the buildings, fences and other improvements in good order and repair, and the amount necessary to be paid therefor.

Sec. 22. Cancellation of contract. In the event of a failure of a purchaser to comply with any of the terms of his contract of purchase, the department may cancel such contract, and thereupon be released from all obligations, at law or in equity, to convey the property, and the purchaser shall forfeit all right thereto. All payments theretofore made shall be deemed to be rental paid for occupancy. Upon such forfeiture, the department shall take possession of the property covered by such contract, and shall remove all persons and personal property therefrom without any liability whatsoever on the part of the department or of any official or employee thereof for any damage or injury caused by or incident to the entry or removal. The failure of the department to exercise any option to cancel or to exercise any other privilege under such contract for any default shall not constitute a waiver of the right to exercise such option or privilege for any other default on the part of the purchaser.

Sec. 23. Disposition of property after forfeiture. In the event of a forfeiture of a contract of purchase under this article, the department may sell or otherwise dispose of the property covered by the forfeited contract to such person and upon such terms and conditions as it deems proper.

Sec. 24. Gain from sale after default. The department may, in the contract of purchase with a veteran, provide that, in the event of default by the veteran and forfeiture of his rights under the contract and subsequent sale of the property by the department, it may pay to him any net gain realized by the department upon the sale. The department is the sole judge of the net gain.

Sec. 25. Reverted property; insurance; repairs; lease or cultivation. The department may insure and keep insured against fire or other hazards all buildings, fences, other permanent improvements or crops situated upon any property which has reverted to and is under the control of the department, or may do the work and supply the materials necessary to keep the buildings, fences and other improvements situated upon the property in good order and repair. The department may lease or let the property, in whole or in part, upon such terms as it deems proper. In the case of a farm, the department may cultivate the farm or harvest the crop.

Sec. 26. Illness or accident; operation of farm by department. If illness or accident prevents a purchaser of a farm from cultivating his farm or harvesting any crop, the department may enter and cultivate the farm or harvest the crop. In such event the department has a first lien upon the crop for all moneys expended and may sell the harvested crop. Out of the proceeds of the sale the department may reimburse itself for any expense which it has incurred in the cultivation of the farm, the harvesting of crops and the sale thereof, and retain any moneys due to the department from the purchaser. Any balance shall be paid by the department to the purchaser.

Sec. 27. Succession; default by heir, devisee or representative. When a purchaser dies, indebted to the department under contract of purchase, his rights acquired under this article and such contract shall devolve upon his heirs, devisees or personal representatives, but subject to all rights, claims and charges of the department. Default on the part of an heir, devisee or personal representative, with respect to any right, claim or charge of the department, shall have the same effect as would default on the part of the purchaser but for his death.

Sec. 28. Advancement to department to aid veterans in acquisition of farms or homes. Whenever the money in the Veterans' Farm and Home Building Fund of 1959 is insufficient to enable the department to aid veterans in the acquisition of, or payments for, farms and homes pursuant to this article, the department shall use any money appropriated by the Legislature for that purpose. The money so advanced shall be transferred from the General Fund to the Veterans' Farm and Home Building Fund of 1959 and must be used exclusively in aiding veterans in the acquisition of, or payments for, farms and homes in accordance with this chapter. Each such advance shall be made on condition that it be repaid, together with interest at the rate of 1.74% per annum, to the General Fund at the earliest possible date, out of the proceeds

of the sale of any bonds which may hereafter be authorized to be issued to create a fund to be expended in accordance with this article, and on the further condition that in the event such bonds are not authorized, said advances, together with interest at the rate of 1.74% per annum, shall be returned to the General Fund in the State Treasury from the Veterans' Farm and Home Building Fund of 1959 within a period of 21 years from the effective date of this section.

Article III.

Sec. 1. Veterans' Farm and Home Building Fund of 1959. There is established a revolving fund known as the Veterans' Farm and Home Building Fund of 1959. All moneys deposited in such fund shall be subject to the provisions of this article. The proceeds of the sale of bonds under this chapter shall be credited to the fund. Money may be withdrawn from such fund in accordance with law upon requisition of the Division of Veterans Affairs.

Sec. 2. Deposits of money paid by purchasers. The money paid by purchasers shall be deposited in the Veterans' Farm and Home Building Fund of 1959 and be available to carry out the provisions of this chapter.

Sec. 3. Advancement to purchaser for repairs, maintenance and insurance. Out of any money available in the Veterans' Farm and Home Building Fund of 1959, the Division of Veterans Affairs may advance to any purchaser upon his application, and under such policies as the Division of Veterans Affairs may from time to time prescribe, sums for the purpose of paying taxes and assessments, or making permanent improvements, or keeping in good order or repair, or for painting, redecorating or remodelling, all buildings, fences or other permanent improvements on, or the insuring against fire or other hazards, any building, fence or other permanent improvements or crops on the property being purchased from the Division of Veterans Affairs, or the Division of Veterans Affairs may advance to any such purchaser moneys actually expended in so doing.

The money advanced to a purchaser by the Division of Veterans Affairs shall be added to the deferred principal of the purchaser's account and bear interest at the same rate and shall be repaid by the purchaser to the Division of Veterans Affairs under such conditions as it may prescribe.

The moneys advanced may, in the discretion of the Division of Veterans Affairs, be in addition to the maximum purchase price of a farm or home as limited by article II, section 10.

The Division of Veterans Affairs shall be sole judge of the need and desirability of making such advances.'

Article IV.

Referendum for ratification. The aldermen of cities, the selectmen of towns, and the assessors of the several plantations of this State are hereby empowered and directed to notify the inhabitants of their respective cities, towns and plantations to meet in the manner prescribed by law for calling and holding biennial

meetings of said inhabitants for the election of Senators and Representatives, at the next general or special state-wide election, to give in their votes upon the acceptance or rejection of the foregoing act, and the question shall be:

“Shall a bond issue be ratified for the purposes set forth in ‘An Act Providing Funds for Veterans for Farm and Home Purchases and Remodeling,’ passed by the 99th Legislature?”

And the inhabitants of said cities, towns and plantations shall indicate by a cross or check mark placed within a square upon their ballots their opinion of the same, those in favor of ratification voting “Yes” and those opposed to ratification voting “No” and the ballots shall be received, sorted, counted and declared in open ward, town and plantation meetings, and return made to the office of the Secretary of State in the same manner as votes for Governor and Members of the Legislature, and the Governor and Council shall count the same and if it shall appear that a majority of the inhabitants voting on the question are in favor of said act, the Governor shall forthwith make known the fact by his proclamation, and the act shall thereupon become effective in 30 days after the date of said proclamation.

Secretary of State shall prepare ballots. The Secretary of State shall prepare and furnish to the several cities, towns and plantations ballots and blank returns in conformity with the provisions of the foregoing act, accompanied by a copy thereof.