

MAINE STATE LEGISLATURE

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FIRST SPECIAL SESSION

N I N E T Y - S E C O N D L E G I S L A T U R E

Legislative Document

No. 1196

H. P. 1489

House of Representatives, July 9, 1946

Referred to Committee on Military Affairs and Appropriations and Financial Affairs jointly. Sent up for concurrence and 1,500 copies ordered printed.

HARVEY R. PEASE, Clerk.

Presented by Mr. Bird of Rockland.

STATE OF MAINE

IN THE YEAR OF OUR LORD NINETEEN HUNDRED
FORTY-SIX

AN ACT to Provide for a Revolving Fund for Loans to Maine Veterans.

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

Sec. 1. R. S., c. 22-A, additional. Chapter 22-A of the revised statutes, as enacted by the 92nd legislature, is hereby amended by adding at the end thereof 7 new sections, to be numbered sections 19 to 25, inclusive, to read as follows :

‘**Sec. 19. Veterans revolving fund.** In testimony of the gratitude of the state of Maine, in recognition of the patriotic and loyal services of Maine men and women in World War II, and to assist such men and women to obtain an education and to reestablish themselves in economic and peaceful pursuits, a fund is hereby created to be called “The Veterans Revolving Fund.”

Sec. 20. The term “veteran” defined. The word “veteran” as used in sections 19 to 25, inclusive, shall mean any male or female officer, soldier, sailor, marine, nurse, or any other person regularly enlisted, who has been a part of the military or naval forces of the United States in World War II 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 given a discharge or release from such service under conditions other than dishonorable.

Sec. 21. Veterans revolving fund board created; compensation. There is hereby created a board to be known as "The Veterans Revolving Fund Board," hereinafter in this chapter called the "board," which shall consist of 5 members. The commissioner of finance and the commissioner of veterans affairs shall be members. The additional 3 members of the board shall be appointed by the governor with the advice and consent of the council and shall be World War II veterans; they shall be appointed for terms of 3 years, the first appointments to be 1 for 1 year, 1 for 2 years, and 1 for 3 years, and thereafter 1 each year for a 3-year term. In case of vacancy caused by death, resignation or otherwise, the vacancy shall be filled in like manner.

The members of the board who are state officials shall receive no compensation or expenses. The other members shall receive compensation at the rate of \$10 per diem while on official business of the board, plus their actual and reasonable expenses necessarily incurred in the performance of their duties under the provisions of sections 19 to 25, inclusive. The expenses of the board shall be paid from the general fund of the state. The attorney-general shall serve such board without additional compensation.

The board is hereby empowered, subject to the provisions of the personnel law, to employ such assistance, and with the approval of the governor and council, to incur such other necessary expense as may be required for the carrying out of the provisions of sections 19 to 25, inclusive; and the funds necessary for such administration and carrying out of the provisions of sections 19 to 25, inclusive, shall be expended from the veterans revolving fund.

Sec. 22. Purpose of fund; applications. The veterans revolving fund is created for loans to veterans for the following purposes:

I. To supplement federal assistance to veterans pursuing a course of education or vocational training under federal laws.

II. To supplement loans to veterans as may be guaranteed by the federal government under the servicemen's readjustment act of 1944, more familiarly known as "The G. I. Bill of Rights."

III. To enable veterans to borrow for items which are not included as items for loans under the servicemen's readjustment act of 1944, more familiarly known as "The G. I. Bill of Rights."

IV. To enable veterans to borrow for any purpose, subject to the limitations as set forth in sections 19 to 25, inclusive, and the rules and regulations promulgated by the board.

Applications for loans shall be filed with the commissioner of veterans affairs, on forms provided by the board. Each application shall state facts sufficient to establish the status of the applicant as veteran as defined herein, and shall be duly verified. Each application shall contain questions relative to the purpose for which the loan is desired, the residence of the applicant for the loan and whatever further information the board deems necessary in order to carry out the purposes of sections 19 to 25, inclusive.

Sec. 23. Powers and duties of board; interest; security. It shall be the duty of the board to examine all applications and make any other examination necessary to establish facts, and approve or disapprove the same.

The board shall meet twice monthly whenever one or more applications for loans are awaiting consideration, or oftener in its discretion, to consider applications.

The board may in its discretion require security for any loans that it may approve.

The borrower shall pay a charge of 2% per year on unpaid balances for the use of the loan. Such interest when collected shall be credited to the veterans revolving fund. Any moneys in excess of the full amount of the bonds issued shall, at the close of any fiscal year, be transferred to the general fund.

The board shall make whatever rules and regulations it deems necessary governing the repayment of the loans and interest and to carry out the provisions of sections 19 to 25, inclusive.

The board shall provide the form of note, or other evidence of the indebtedness, to be signed at the time that the loan is made to the borrower. Each note, or other form of indebtedness, shall clearly set forth the terms of repayment and such other conditions governing the terms of the loan.

Whenever any application is approved by the board, it shall be the duty of the commissioner of veterans affairs to prepare a voucher and transmit the same to the state controller, who shall issue his warrant therefor, for the amount stated thereon, and the treasurer of state shall pay the same out of the veterans revolving fund.

The amount of the loan of any borrower shall not exceed the sum of

\$1,000. During the life of the fund, the borrower may apply as often as he desires for a loan or loans, but at no time, however, shall the total amount of the loan or loans granted to the borrower, exclusive of interest payments, exceed the amount of \$1,000.

The board shall have full authority to sue in its name to enforce liability on the loans hereby granted.

Sec. 24. Bond issue authorized to provide funds; how designated; bonds to mature within 25 years of issue. For the purpose of carrying out the provisions of sections 19 to 25, inclusive, the treasurer of state is hereby authorized, upon recommendation of the board and with the approval of the governor and council, to issue bonds or notes from time to time as they are needed to an amount of not less than \$5,000,000 nor more than \$10,000,000. Such bonds and notes shall be designated "Maine Military Service Loan, Act of 1946," shall mature not more than 25 years from the date thereof, and shall bear such rate of interest, and be in such form and on such terms and conditions, other than those herein specified, as the governor and council may determine. Such bonds or notes shall be issued in the name and behalf of the state, and shall be deemed a pledge of the faith and credit of the state. The proceeds of the sale thereof shall be deposited with the treasurer of state to the credit of the veterans revolving fund, from which fund the loans hereby authorized shall be made.

Sec. 25. How funds shall be provided for retirement of bonds. Beginning April 1, 1947, and for each and every succeeding year for 24 years, there shall be raised from the general fund a sum sufficient for the redemption of such bonds or notes to an amount of not less than \$200,000 nor more than \$400,000 per year, and such additional sum as may be required for the payment of interest on all such bonds or notes outstanding. The sum so appropriated by the legislature shall be paid from the general fund.'

Sec. 2. Conditional upon adoption of constitutional amendment; act to become effective upon same date as constitutional amendment. This act shall take effect only upon the adoption in September, 1946, of the proposed amendment to Article IX of the constitution providing for the issuing of state bonds for the purpose of providing a revolving fund for loans to Maine members of the military and naval forces in World War II, and in case of such adoption, shall take effect on the day said constitutional amendment becomes effective.