

## THE GENERAL ASSEMBLY OF PENNSYLVANIA

## HOUSE BILL

No. 2470 Session of  
1992

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AS REPORTED FROM COMMITTEE ON MILITARY AND VETERANS AFFAIRS,  
HOUSE OF REPRESENTATIVES, AS AMENDED, MAY 20, 1992

## AN ACT

1 Providing compensation to persons in active service in  
2 connection with the Persian Gulf Conflict or their  
3 beneficiaries; authorizing the incurring of indebtedness and  
4 the issue and sale of bonds by the Commonwealth for the  
5 payment of compensation, ~~the cost of the preservation and~~ <—  
6 ~~maintenance of records relating to applications for~~  
7 ~~compensation in connection with any war or armed conflict~~ and  
8 the design and construction of a memorial to veterans of this  
9 Commonwealth, contingent upon electorate approval; providing  
10 for an Armed Conflict Service Medal; creating a special fund  
11 in the State Treasury to be known as the Persian Gulf  
12 Conflict Veterans' Compensation Bond Fund; and making  
13 appropriations.

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17 The General Assembly of the Commonwealth of Pennsylvania  
18 hereby enacts as follows:

19 Section 1. Short title.

20 This act shall be known and may be cited as the Persian Gulf  
21 Conflict Veterans' Compensation and Bond Act.

22 Section 2. Definitions.

23 The following words and phrases when used in this act shall  
24 have the meanings given to them in this section unless the  
25 context clearly indicates otherwise:

26 "Active service." For a member of a component of the armed  
27 forces of the United States, the time served on active duty for  
28 which the member has received or is eligible to receive the  
29 Southwest Asia Service Medal for service related to the Persian  
30 Gulf Conflict Theater, for a member of the Pennsylvania National

1 Guard or a reserve component of the armed forces of the United  
2 States, time served on active duty for the support of operations  
3 in the Persian Gulf Conflict Theater whether or not that service  
4 was in the theater. The term includes time spent in hospitals as  
5 a result of service-connected wounds, diseases or injuries  
6 sustained on active service. Proof of such service shall be the  
7 official military records of the United States or such other  
8 evidence as is deemed sufficient by the Adjutant General. The  
9 term does not include time served on active duty for annual  
10 training or schooling, except for training and schooling in  
11 preparation for active duty in the Persian Gulf Conflict  
12 Theater.

13 "Fund." The Persian Gulf Conflict Veterans' Compensation  
14 Bond Fund.

15 "Issuing officials." The Governor, the Auditor General and  
16 the State Treasurer.

17 "Legal resident of this Commonwealth." A member of the  
18 United States Armed Forces, the reserve component of the United  
19 States Armed Forces or the Pennsylvania National Guard whose  
20 home of record at the time of the Persian Gulf Conflict was this  
21 Commonwealth or any specific place in this Commonwealth without  
22 regard to the place of enlistment, commission or induction. The  
23 proof of such residence shall be the official records of the  
24 United States or such other evidence as is deemed sufficient by  
25 the Adjutant General.

26 "Persian Gulf Conflict Theater." The area defined as the  
27 Persian Gulf Conflict Theater of Operations as established by  
28 the United States Department of Defense for the awarding of the  
29 Southwest Asia Service Medal for the period of time from August  
30 2, 1990, through August 31, 1991.

1 "Veteran." A member of a component of the armed forces of  
2 the United States who had active service in the Persian Gulf  
3 Conflict Theater or a member of the Pennsylvania National Guard  
4 or a reserve component of the armed forces who had active  
5 service for the support of operations in the Persian Gulf  
6 Conflict Theater. The term does not include an individual who  
7 was separated from the armed forces under other than honorable  
8 conditions, had renounced his United States citizenship or was  
9 called to active duty for the purpose of annual training or  
10 schooling.

11 Section 3. Computation of compensation.

12 (a) Eligibility.--Compensation shall be payable under this  
13 act only to each veteran who was a legal resident of this  
14 Commonwealth.

15 (b) Compensation for service in the Persian Gulf.--  
16 Compensation shall be payable on the basis of ~~\$100~~ \$75 for the <—  
17 first month of eligibility with a minimum of one day of active  
18 service; thereafter, it shall be computed on the basis of ~~\$100~~ <—  
19 \$75 for each month or major fraction thereof.

20 (c) Compensation on behalf of deceased veteran.--In addition  
21 to any other compensation authorized under this section, the  
22 compensation on behalf of a veteran who died in active service  
23 or as a result of service-connected wounds, diseases or injuries  
24 sustained during active service shall be \$4,000.

25 (d) Compensation of prisoner of war.--In addition to any  
26 compensation under the other provisions of this section, the  
27 compensation of a veteran who was declared a prisoner of war,  
28 regardless of the length of time spent as a prisoner of war,  
29 shall, upon return, be \$4,000.

30 (e) Total amount of compensation.--The compensation provided

1 for active service under subsection (b) shall be not less than  
2 ~~\$100~~ \$75 and not more than ~~\$3,000~~ \$525. <—

3 (f) Exclusion from compensation.--Any individual who has  
4 received a bonus, gratuity or compensation of a nature similar  
5 to that provided for by this act from any other state in the  
6 United States is ineligible for compensation. This exclusion  
7 does not apply to a similar bonus, gratuity or compensation from  
8 the Federal Government.

9 Section 4. Application for compensation.

10 (a) Application to Adjutant General.--Applications shall be  
11 made by a veteran, the facility entitled under section 5(a) or  
12 the beneficiaries designated under section 5(b). The Adjutant  
13 General shall ascertain the applicants who are veterans and, as  
14 to each veteran, the number of months of service for which the  
15 veteran is entitled to receive compensation.

16 (b) Time for filing application.--The Adjutant General shall  
17 not accept or consider any application filed after August 31,  
18 1995.

19 Section 5. Persons to whom payments shall be made in case of  
20 incompetence or death.

21 (a) Incompetence.--In a case where the veteran is  
22 incompetent, if no guardian has been appointed, payment shall be  
23 made for the benefit of the veteran to the person who is  
24 entitled to payment under subsection (b), or, in the absence of  
25 any such person and if the veteran is in a facility, to the  
26 person in charge of the facility to be expended for the clothing  
27 and incidental needs of the veteran. No part of the compensation  
28 paid to any facility shall be used for the maintenance of the  
29 veteran. A statement from the person in charge of the facility  
30 in which the veteran resides shall be evidence to determine the

1 competence of the veteran.

2 (b) Death.--In the case of the death of a veteran, payment  
3 shall be made, in the order named, to the:

4 (1) surviving spouse unless the spouse was living  
5 separate and apart from the veteran at the time of departure  
6 for active service;

7 (2) surviving children, share and share alike; or

8 (3) surviving parents.

9 (c) Definitions.--As used in this section, the following  
10 words and phrases shall have the meanings given to them in this  
11 subsection:

12 "Facility." Any mental health establishment, hospital,  
13 clinic, institution, center, day-care center, base service unit,  
14 community mental health center or other organizational unit, or  
15 part thereof, which is devoted primarily to the diagnosis,  
16 treatment, care, rehabilitation or detention of mentally  
17 disabled persons.

18 "Parents." Includes persons who, for a period of not less  
19 than one year, acted in the capacity of a foster parent to the  
20 veteran immediately prior to the veteran having attained 18  
21 years of age.

22 Section 6. Applicant to designate beneficiaries.

23 Every person making application for compensation shall set  
24 forth in the application the names and addresses of all persons  
25 who, under this act, would be entitled to receive compensation  
26 in the event of the death of the applicant. If the applicant  
27 dies before the payment of the compensation, the application  
28 shall be deemed to inure to the benefit of the person next  
29 entitled to compensation, and payment shall be made to the  
30 person upon proof of identity satisfactory to the Adjutant

1 General. If no person designated in this act as being entitled  
2 to compensation survives the veteran, the right to the  
3 compensation shall cease.

4 Section 7. Exemption from attachment, etc.

5 No sum payable under this act to a veteran or to any other  
6 person under this act shall be subject to attachment, levy or  
7 seizure under any legal or equitable process and shall be exempt  
8 from all State taxation. No right to compensation under this act  
9 shall be assignable, except as otherwise provided in this act,  
10 or shall serve as a security for any loan. Any assignment or  
11 loan made in violation of this section shall be void.

12 Assignments to any incorporated or unincorporated organization  
13 of veterans, any nonprofit corporation formed solely for the  
14 purpose of aiding disabled or incapacitated veterans and the  
15 State Veterans' Commission shall be valid.

16 Section 8. Penalty for charging fees for assisting veterans.

17 A person who charges or collects or attempts to charge or  
18 collect, either directly or indirectly, any fee or other  
19 compensation for assisting, in any manner, a veteran in  
20 obtaining any of the benefits provided under this act commits a  
21 misdemeanor of the second degree.

22 Section 9. Administration of compensation program.

23 The Adjutant General shall administer the compensation  
24 program. For that purpose application forms shall be prepared  
25 and distributed, applications shall be investigated, and, if  
26 satisfied of the proof of an application, compensation shall be  
27 approved and payment of compensation shall be made. The Adjutant  
28 General shall promulgate rules and regulations to implement,  
29 administer and enforce this act. The Adjutant General shall, as  
30 soon as practicable after the effective date of this act,

1 prepare and distribute a digest explaining the provisions of  
2 this act to assist veterans in filing their applications and  
3 shall, from time to time, prepare and distribute additional or  
4 supplementary information as may be found necessary. The  
5 Adjutant General shall enlist, as far as possible, the services  
6 of veteran organizations in this Commonwealth in the  
7 dissemination of the information.

8 Section 10. Payment of compensation.

9 The compensation payable under this act shall, upon  
10 requisition by the Adjutant General, be paid by the State  
11 Treasurer from the fund, to be created with funds realized from  
12 a proposed bond issue. Payments shall be made as soon as  
13 possible after funds are available.

14 Section 11. Persian Gulf Conflict Veterans' Compensation Bond  
15 Fund.

16 (a) Purpose of fund.--The Persian Gulf Conflict Veterans'  
17 Compensation Bond Fund, which is hereby created in the State  
18 Treasury, shall be the source from which all payments are  
19 authorized with the approval of the Governor to carry out the  
20 purposes of this act. The moneys in the fund shall only be  
21 utilized:

22 (1) For the purpose of providing compensation to  
23 veterans in accordance with the provisions of this act.

24 (2) For the purpose of providing for the preservation  
25 and maintenance of records relating to applications for  
26 compensation in connection with any war or armed conflict.

27 (3) For payment of the cost of designing and  
28 constructing a patriotic monument or memorial in appreciation  
29 of veterans of this Commonwealth.

30 (4) For the administrative costs incurred in any of the



1 purposes in paragraph (1), (2) or (3), including the costs  
2 incurred in connection with the issuance of the bonds.

3 (b) Interfund transfers authorized.--

4 (1) Whenever the cash balance and the current estimated  
5 receipts of the fund shall be insufficient at any time during  
6 any State fiscal year to meet promptly the obligations of the  
7 Commonwealth from such fund, the State Treasurer is hereby  
8 authorized and directed, from time to time during such fiscal  
9 year, to transfer from the General Fund to the fund such sums  
10 as the Governor directs, but in no case less than the amount  
11 necessary to meet promptly the obligations to be paid from  
12 the fund nor more than an amount which is the smallest of:

13 (i) the difference between the amount of debt  
14 authorized to be issued under the authority of this act  
15 and the aggregate principal amount of bonds and notes  
16 issued, not including refunding bonds and replacement  
17 notes; and

18 (ii) the difference between the aggregate principal  
19 amount of bonds and notes ~~permitted under section 12(e)~~ <—  
20 to be issued during a State fiscal year and the aggregate  
21 principal amount of bonds and notes, not including  
22 refunding bonds and replacement notes, issued during such  
23 State fiscal year.

24 Any sums so transferred shall be available only for the  
25 purposes for which funds are appropriated from the fund. The  
26 transfers shall be made under this section upon warrant of  
27 the State Treasurer upon requisition of the Governor.

28 (2) In order to reimburse the General Fund for moneys  
29 transferred from such funds under paragraph (1), there shall  
30 be transferred to the General Fund from the fund moneys from

1 the proceeds obtained from bonds and notes issued under the  
2 authority of this act or from other available funds in such  
3 amounts and at such times as the Governor shall direct. The  
4 retransfers shall be made upon warrant of the State Treasurer  
5 upon requisition of the Governor.

6 Section 12. Commonwealth indebtedness.

7 (a) Borrowing authorized.--

8 (1) If and when the electorate approves a referendum  
9 question for the incurring of indebtedness in the amount and  
10 for the purposes prescribed in this act, the issuing  
11 officials, pursuant to the provisions of section 7(a)(3) of  
12 Article VIII of the Constitution of Pennsylvania, are  
13 authorized and directed to borrow, on the credit of the  
14 Commonwealth, money not exceeding in the aggregate the sum of  
15 ~~\$50,000,000~~ \$25,000,000, not including money borrowed to <—  
16 refund outstanding bonds, notes or replacement notes, as may  
17 be found necessary to carry out the purposes of this act.

18 (2) As evidence of the indebtedness, general obligation  
19 bonds of the Commonwealth shall be issued, from time to time,  
20 to provide moneys necessary to carry out the purposes of this  
21 act for such total amounts, in such form, in such  
22 denominations and subject to such terms and conditions of  
23 issue, redemption and maturity, rate of interest and time of  
24 payment of interest as the issuing officials direct, except  
25 that the latest stated maturity date shall not exceed 20  
26 years from the date of the first obligation issued to  
27 evidence the debt.

28 (3) All bonds and notes issued under the authority of  
29 this act shall bear facsimile signatures of the issuing  
30 officials and a facsimile of the Great Seal of the

1 Commonwealth and shall be countersigned by a duly authorized  
2 officer of a duly authorized loan and transfer agent of the  
3 Commonwealth.

4 (4) All bonds and notes issued in accordance with the  
5 provisions of this section shall be direct obligations of the  
6 Commonwealth, and the full faith and credit of the  
7 Commonwealth is hereby pledged for the payment of the  
8 interest thereon, as it becomes due, and the payment of the  
9 principal at maturity. The principal of and interest on the  
10 bonds and notes shall be payable in lawful money of the  
11 United States.

12 (5) All bonds and notes issued under the provisions of  
13 this section shall be exempt from taxation for State and  
14 local purposes.

15 (6) The bonds may be issued as coupon bonds or  
16 registered as to both principal and interest as the issuing  
17 officials may determine. If interest coupons are attached,  
18 they shall contain the facsimile signature of the State  
19 Treasurer.

20 (7) The issuing officials shall provide for the  
21 amortization of the bonds in substantial and regular amounts  
22 over the term of the debt so that the bonds of each issue  
23 allocated to the programs to be funded from the bond issue  
24 shall mature within a period not to exceed the appropriate  
25 amortization period for each program as specified by the  
26 issuing officials but in no case in excess of 20 years. The  
27 first retirement of principal shall be stated to mature prior  
28 to the expiration of a period of time equal to one-tenth of  
29 the time from the date of the first obligation issued to  
30 evidence the debt to the date of the expiration of the term

1 of the debt. Retirements of principal shall be regular and  
2 substantial if made in annual or semiannual amounts whether  
3 by stated serial maturities or by mandatory sinking fund  
4 retirements.

5 (8) The issuing officials are authorized to provide by  
6 resolution for the issuance of refunding bonds for the  
7 purpose of refunding any debt issued under the provisions of  
8 this act and then outstanding, either by voluntary exchange  
9 with the holders of the outstanding debt or providing funds  
10 to redeem and retire the outstanding debt with accrued  
11 interest, any premium payable thereon and the costs of  
12 issuance and retirement of the debt, at maturity or at any  
13 call date. The issuance of the refunding bonds, the  
14 maturities and other details thereof, the rights of the  
15 holders thereof and the duties of the issuing official in  
16 respect thereto shall be governed by the provisions of this  
17 section, insofar as they may be applicable. Refunding bonds,  
18 which are not subject to the aggregate limitation of  
19 ~~\$50,000,000~~ \$25,000,000 of debt to be issued under this act, <—  
20 may be issued by the issuing officials to refund debt  
21 originally issued or to refund bonds previously issued for  
22 refunding purposes.

23 (9) Whenever any action is to be taken or decision made  
24 by the Governor, the Auditor General and the State Treasurer  
25 acting as issuing officials and the three officers are not  
26 able unanimously to agree, the action or decision of the  
27 Governor and either the Auditor General or the State  
28 Treasurer shall be binding and final.

29 (b) Sale of bonds.--

30 (1) Whenever bonds are issued, they shall be offered for

1 sale at not less than 98% of the principal amount and accrued  
2 interest and shall be sold by the issuing officials to the  
3 highest and best bidder or bidders after due public  
4 advertisement on the terms and conditions and upon such open  
5 competitive bidding as the issuing officials shall direct.  
6 The manner and character of the advertisement and the time of  
7 advertising shall be prescribed by the issuing officials. No  
8 commission shall be allowed or paid for the sale of any bonds  
9 issued under the authority of this act.

10 (2) Any portion of any bond issue so offered and not  
11 sold or subscribed for at public sale may be disposed of by  
12 private sale by the issuing officials in such manner and at  
13 such prices, not less than 98% of the principal amount and  
14 accrued interest, as the Governor shall direct. No commission  
15 shall be allowed or paid for the sale of any bonds issued  
16 under the authority of this act.

17 (3) When bonds are issued from time to time, the bonds  
18 of each issue shall constitute a separate series to be  
19 designated by the issuing officials or may be combined for  
20 sale as one series with other general obligation bonds of the  
21 Commonwealth.

22 (4) Until permanent bonds can be prepared, the issuing  
23 officials may in their discretion issue, in lieu of permanent  
24 bonds, temporary bonds in such form and with such privileges  
25 as to registration and exchange for permanent bonds as may be  
26 determined by the issuing officials.

27 (5) The proceeds realized from the sale of bonds and  
28 notes, except refunding bonds and replacement notes, under  
29 the provisions of this act shall be paid into the fund. The  
30 proceeds shall be paid by the State Treasurer periodically to

1 those Commonwealth officers and Commonwealth agencies  
2 authorized to expend them at such times and in such amounts  
3 as may be necessary to satisfy the funding needs thereof. The  
4 proceeds of the sale of refunding bonds and replacement notes  
5 shall be paid to the State Treasurer and applied to the  
6 payment of principal, the accrued interest and premium, if  
7 any, and cost of redemption of the bonds and notes for which  
8 the obligations shall have been issued.

9 (6) Pending their application for the purposes  
10 authorized, moneys held or deposited by the State Treasurer  
11 may be invested or reinvested as are other funds in the  
12 custody of the State Treasurer in the manner provided by law.  
13 All earnings received from the investment or deposit of the  
14 funds shall be paid into the State Treasury to the credit of  
15 the fund. The earnings in excess of bond discounts allowed,  
16 expenses paid for the issuance of bonds and notes and  
17 interest arbitrage rebates due to the Federal Government  
18 shall be transferred annually to the fund. Any interest or  
19 investment income shall be applied to assist in the payment  
20 of the debt service incurred in connection with this act.

21 (7) The Auditor General shall prepare the necessary  
22 registry book to be kept in the office of the duly authorized  
23 loan and transfer agent of the Commonwealth for the  
24 registration of any bonds, at the request of owners thereof,  
25 according to the terms and conditions of issue directed by  
26 the issuing officials.

27 (8) There is hereby appropriated to the State Treasurer  
28 from the fund as much money as may be necessary for all costs  
29 and expenses in connection with the issue of and sale and  
30 registration of the bonds and notes in connection with this

1 act and the payment of interest arbitrage rebates or proceeds  
2 of such bonds and notes.

3 (c) Temporary financing authorization.--

4 (1) Pending the issuance of bonds of the Commonwealth as  
5 authorized, the issuing officials are hereby authorized, in  
6 accordance with the provisions of this act and on the credit  
7 of the Commonwealth, to make temporary borrowings not to  
8 exceed three years in anticipation of the issue of bonds in  
9 order to provide funds in such amounts as may, from time to  
10 time, be deemed advisable prior to the issue of bonds. In  
11 order to provide for and in connection with the temporary  
12 borrowings, the issuing officials are hereby authorized in  
13 the name and on behalf of the Commonwealth to enter into any  
14 purchase, loan or credit agreement or agreements, or other  
15 agreement or agreements with any banks or trust companies or  
16 other lending institutions, investment banking firms or  
17 persons in the United States having power to enter into the  
18 same, which agreements may contain provisions not  
19 inconsistent with the provisions of this act as may be  
20 authorized by the issuing officials.

21 (2) All temporary borrowings made under the  
22 authorization of this section shall be evidenced by notes of  
23 the Commonwealth, which shall be issued, from time to time,  
24 for amounts not exceeding in the aggregate the applicable  
25 statutory and constitutional debt limitation, in the form and  
26 in the denominations and subject to terms and conditions of  
27 sale and issue, prepayment or redemption and maturity, rate  
28 or rates of interest and time of payment of interest as the  
29 issuing officials shall authorize and direct and in  
30 accordance with this act. The authorization and direction may

1 provide for the subsequent issuance of replacement notes to  
2 refund outstanding notes or replacement notes, which  
3 replacement notes shall, upon issuance thereof, evidence the  
4 borrowing, and may specify other terms and conditions with  
5 respect to the notes and replacement notes thereby authorized  
6 for issuance as the issuing officials may determine and  
7 direct.

8 (3) When the authorization and direction of the issuing  
9 officials provide for the issuance of replacement notes, the  
10 issuing officials are hereby authorized in the name and on  
11 behalf of the Commonwealth to issue, enter into or authorize  
12 and direct the State Treasurer to enter into agreements with  
13 any banks, trust companies, investment banking firms or other  
14 institutions or persons in the United States having the power  
15 to enter the same:

16 (i) To purchase or underwrite an issue or series of  
17 issues or notes.

18 (ii) To credit, to enter into any purchase, loan or  
19 credit agreements, to draw moneys pursuant to any such  
20 agreements on the terms and conditions set forth therein  
21 and to issue notes as evidence of borrowings made under  
22 any such agreements.

23 (iii) To appoint as issuing and payment agent or  
24 agents with respect to notes.

25 (iv) To do such other acts as may be necessary or  
26 appropriate to provide for the payment, when due, of the  
27 interest on and the principal of such notes. Such  
28 agreements may provide for the compensation of any  
29 purchasers or underwriters of notes or replacement notes  
30 by discounting the purchase price of the notes or by



1 payment of a fixed fee or commission at the time of  
2 issuance thereof, and all other costs and expenses,  
3 including fees for agreements related to the notes,  
4 issuing and paying agent costs and costs and expenses of  
5 issuance, may be paid from the proceeds of the notes.

6 (4) When the authorization and direction of the issuing  
7 officials provide for the issuance of replacement notes, the  
8 State Treasurer shall, at or prior to the time of delivery of  
9 these notes or replacement notes, determine the principal  
10 amounts, dates of issue, interest rate or rates, or  
11 procedures for establishing such rates from time to time,  
12 rates of discount, denominations and all other terms and  
13 conditions relating to the issuance and shall perform all  
14 acts and things necessary to pay or cause to be paid, when  
15 due, all principal of and interest on the notes being  
16 refunded by replacement notes and to assure that the same may  
17 draw upon any moneys available for that purpose pursuant to  
18 any purchase, loan or credit agreements established with  
19 respect thereto, all subject to the authorization and  
20 direction of the issuing officials.

21 (5) Outstanding notes evidencing such borrowings may be  
22 funded and retired by the issuance and sale of the bonds of  
23 the Commonwealth as hereinafter authorized. The refunding  
24 bonds must be issued and sold not later than a date three  
25 years after the date of issuance of the first notes  
26 evidencing the borrowings to the extent that payment of such  
27 notes has not otherwise been made or provided for by sources  
28 other than proceeds of replacement notes.

29 (6) The proceeds of all such temporary borrowing shall  
30 be paid to the State Treasurer to be held and disposed of in

1       accordance with the provisions of this act.

2       (d) Debt retirement.--

3           (1) All bonds issued under the authority of this act  
4       shall be redeemed at maturity, together with all interest  
5       due, from time to time, on the bonds, and these principal and  
6       interest payments shall be paid from the Persian Gulf  
7       Conflict Veterans' Compensation Bond Sinking Fund, which is  
8       hereby created. For the specific purpose of redeeming the  
9       bonds at maturity and paying all interest thereon in  
10      accordance with the information received from the Governor,  
11      the General Assembly shall appropriate moneys to the Persian  
12      Gulf Conflict Veterans' Compensation Bond Sinking Fund for  
13      the payment of interest on the bonds and notes and the  
14      principal thereof at maturity. All moneys paid into the  
15      Persian Gulf Conflict Veterans' Compensation Bond Sinking  
16      Fund and all of the moneys not necessary to pay accruing  
17      interest shall be invested by the State Treasurer in such  
18      securities as are provided by law for the investment of the  
19      sinking funds of the Commonwealth.

20          (2) The State Treasurer, with the approval of the  
21      Governor, is authorized at any time to use any of the moneys  
22      in the fund not necessary for the purposes of the referendum  
23      authorizing the indebtedness necessary to carry out this act,  
24      for the purchase and retirement of all or any part of the  
25      bonds and notes issued pursuant to the authorization of this  
26      act. In the event that all or any part of the bonds and notes  
27      are purchased, they shall be canceled and returned to the  
28      loan and transfer agent as canceled and paid bonds and notes,  
29      and thereafter all payments of interest thereon shall cease.  
30      The canceled bonds, notes and coupons, together with any

1 other canceled bonds, notes and coupons, shall be destroyed  
2 as promptly as possible after cancellation but not later than  
3 two years after cancellation. A certification evidencing the  
4 destruction of the canceled bonds, notes and coupons shall be  
5 provided by the loan and transfer agent to the issuing  
6 officials. All canceled bonds, notes and coupons shall be so  
7 marked as to make the canceled bonds, notes and coupons  
8 nonnegotiable.

9 (3) The State Treasurer shall determine and report to  
10 the Secretary of the Budget by November 1 of each year, the  
11 amount of money necessary for the payment of interest on  
12 outstanding obligations and the principal of the obligations,  
13 if any, for the following fiscal year and the times and  
14 amounts of the payments. It shall be the duty of the Governor  
15 to include in every budget submitted to the General Assembly  
16 full information relating to the issuance of bonds and notes  
17 under the provisions of this act and the status of the  
18 Persian Gulf Conflict Veterans' Compensation Bond Sinking  
19 Fund of the Commonwealth for the payment of interest on the  
20 bonds and notes and the principal thereof at maturity.

21 (4) The General Assembly shall appropriate an amount  
22 equal to the sums as may be necessary to meet repayment  
23 obligations for principal and interest for deposit into the  
24 Persian Gulf Conflict Veterans' Compensation Bond Sinking  
25 Fund.

26 ~~(c) Annual limitation on debt obligations issued.~~ <—

27 ~~(1) Except as provided in paragraph (2), bonds and~~  
28 ~~notes, not including refunding bonds or replacement notes, as~~  
29 ~~authorized herein, shall not be issued in the aggregate~~  
30 ~~principal amount of more than \$25,000,000 during any one~~

1 ~~State fiscal year. Any interfund transfers made or to be made~~  
2 ~~pursuant to section 11(b)(1) during any State fiscal year may~~  
3 ~~not be made, or cause to be outstanding at any time, in any~~  
4 ~~amount greater than the difference between \$25,000,000 and~~  
5 ~~the aggregate principal amount of bonds and notes, not~~  
6 ~~including refunding bonds or replacement notes, issued under~~  
7 ~~the authority of this act during that State fiscal year.~~

8 ~~(2) Notwithstanding the limitation of paragraph (1), the~~  
9 ~~issuing officials may authorize the issuance of an additional~~  
10 ~~\$10,000,000, or such lesser amount as they deem appropriate,~~  
11 ~~of the \$50,000,000 authorized by this act if the Adjutant~~  
12 ~~General submits satisfactory evidence of a need for such~~  
13 ~~additional sum during any one State fiscal year.~~

14 ~~(f)~~ (E) Expiration.--Authorization to issue bonds and notes, <—  
15 not including refunding bonds and replacement notes, for the  
16 purpose of this act shall expire ten years from the effective  
17 date of this section.

18 Section 13. Question.

19 (a) Submission of question to electorate.--The question of  
20 incurring indebtedness of up to ~~\$50,000,000~~ \$25,000,000 for the <—  
21 purposes set forth in this act shall be submitted to the  
22 electors at the next primary, municipal or general election  
23 following enactment of this act.

24 (b) Certification.--The Secretary of the Commonwealth shall  
25 certify the question to the county boards of elections.

26 (c) Form of question.--The question shall be in  
27 substantially the following form:

28 Do you favor indebtedness by the Commonwealth of up to  
29 ~~\$50,000,000~~ \$25,000,000 for the payment of compensation <—  
30 for service in the Persian Gulf Conflict, including

1       ~~\$250,000 for the cost of preserving and maintaining~~       <—  
2       ~~records relating to applications for compensation in~~  
3       ~~connection with any war or armed conflict and \$1,500,000~~  
4       for the cost of designing and constructing a patriotic  
5       monument or memorial in appreciation of Pennsylvania's  
6       veterans?

7       (d) Election.--The election shall be conducted in accordance  
8       with the act of June 3, 1937 (P.L.1333, No.320), known as the  
9       Pennsylvania Election Code, except that the time limits for  
10      advertisement of notice of the election may be waived as to the  
11      question.

12      (e) Proceeds.--Proceeds of the borrowing shall be used for  
13      the payment of compensation for service in or in support of the  
14      Persian Gulf Conflict, including \$250,000 for the cost of  
15      preserving and maintaining records relating to applications for  
16      compensation in connection with any war or armed conflict and  
17      \$1,500,000 for the cost of designing and constructing a  
18      patriotic monument or memorial in appreciation of veterans of  
19      this Commonwealth.

20      Section 14. Armed Conflict Service Medal.

21      (a) General.--The General Assembly hereby authorizes an  
22      Armed Conflict Service Medal which shall be issued by the  
23      Adjutant General to eligible Pennsylvania veterans in accordance  
24      with this section.

25      (b) Award of Pennsylvania Armed Conflict Service Medal.--

26           (1) The Pennsylvania Armed Conflict Service Medal, to  
27      include a corresponding ribbon and lapel pin, shall be  
28      presented by the Governor in the name of the Commonwealth to  
29      each qualifying veteran who is a legal resident of this  
30      Commonwealth. In the case of death, the medal shall be

1 awarded to the surviving spouse.

2 (2) The Adjutant General shall provide for the design  
3 and procurement of the Pennsylvania Armed Conflict Service  
4 Medal to include a corresponding ribbon and lapel pin.

5 (3) The Adjutant General shall establish a procedure for  
6 receiving and reviewing applications for receipt of the  
7 Pennsylvania Armed Conflict Service Medal and for determining  
8 eligibility for such medal. Proof of qualifying service shall  
9 be the official military records of the United States or such  
10 other evidence as may be deemed sufficient by the Adjutant  
11 General.

12 (4) Those costs which are associated with the issuance  
13 of the Armed Conflict Service Medal shall be borne by  
14 eligible veterans.

15 (c) Definitions.--As used in this section, the following  
16 words and phrases shall have the meanings given to them in this  
17 subsection:

18 "Armed conflict." The military operations that occurred in  
19 World War II, Korea, the Dominican Republic, Vietnam, Grenada,  
20 Panama and the Persian Gulf and all armed conflicts occurring  
21 thereafter. The period of time defined as armed conflict and the  
22 area defined as the theater of operations shall be established  
23 by the United States Department of Defense for the awarding of  
24 combat pay.

25 "Legal resident of this Commonwealth." An individual who  
26 gave this Commonwealth or any specific place in this  
27 Commonwealth as his place of residence or home address when  
28 entering the armed forces of the United States without regard to  
29 the place of enlistment, commission or induction. The proof of  
30 such residence shall be either the official records of the

1 United States or such other evidence of bona fide residence as  
2 may be deemed sufficient by the Adjutant General. The term shall  
3 include a person who became a veteran while serving as a member  
4 of the Pennsylvania Army National Guard or the Pennsylvania Air  
5 National Guard.

6 "Veteran." A member of the active component of the armed  
7 forces of the United States who served in the theater of  
8 operations during armed conflict. In addition, the term shall  
9 also include a member of the Pennsylvania Army National Guard,  
10 the Pennsylvania Air National Guard or a reserve component of  
11 the armed forces who was called to serve on active duty for the  
12 support of armed conflict, whether that service was in the  
13 theater of operations or not. The term shall also include a  
14 member of any active component of the armed forces of the United  
15 States, any member of the Pennsylvania Army National Guard or  
16 Pennsylvania Air National Guard or a reserve component of the  
17 armed forces called to serve on active duty who, during periods  
18 not defined as armed conflict and while performing official  
19 military duties or being present on military property, was  
20 wounded or killed as a result of hostile action or who became a  
21 captive of hostile forces. In relation to World War II, the term  
22 shall include only those veterans of that conflict who did not  
23 receive an analogous medal authorized under the laws of this  
24 Commonwealth. The term shall not include:

25 (1) An individual who was separated from the armed  
26 forces under other than honorable conditions.

27 (2) An individual who has renounced his United States  
28 citizenship.

29 Section 15. Appropriations.

30 (a) Compensation appropriation.--For the purpose of payment

1 for the compensation to eligible veterans, staff services,  
2 postage and other necessary expenses incurred by the Adjutant  
3 General in the administration of this compensation program, such  
4 sums, or as much thereof as may be necessary, are specifically  
5 appropriated to the Adjutant General out of any moneys which  
6 have been deposited in the Persian Gulf Conflict Veterans'  
7 Compensation Bond Fund.

8 ~~(b) Preservation and maintenance of records. For the~~ <—  
9 ~~purpose of providing for the preservation and maintenance of~~  
10 ~~records relating to applications for compensation in connection~~  
11 ~~with any war or armed conflict, sums as may be necessary, in an~~  
12 ~~amount not to exceed \$250,000, are specifically appropriated to~~  
13 ~~the Adjutant General out of any moneys which have been deposited~~  
14 ~~in the fund for transfer to the Pennsylvania Historical and~~  
15 ~~Museum Commission at such times and in such amounts as the~~  
16 ~~Adjutant General deems reasonable and appropriate.~~

17 ~~(e)~~ (B) Veterans' memorial.--For the purpose of designing <—  
18 and constructing a patriotic monument or memorial on the grounds  
19 of Indiantown Gap National Cemetery in appreciation of veterans  
20 of this Commonwealth as authorized by 51 Pa.C.S. Ch. 19  
21 (relating to Pennsylvania Veterans' Memorial Commission), a sum  
22 not to exceed \$1,500,000 is hereby appropriated to the Adjutant  
23 General from the fund for transfer at such times and in such  
24 amounts as the Adjutant General deems reasonable and appropriate  
25 to the Veterans' Memorial Trust Fund.

26 ~~(d)~~ (C) Continuing appropriations.--The appropriations under <—  
27 subsections (a), ~~(b)~~ and ~~(e)~~ AND (B) shall be continuing <—  
28 appropriations and shall not lapse.

29 Section 16. Effective date.

30 This act shall take effect as follows:



1           (1) Sections 13(a), (b), (c) and (d) and 14 of this act  
2 shall take effect immediately.

3           (2) The remainder of this act shall take effect upon the  
4 certification of the approval by the electorate to incur the  
5 indebtedness necessary to carry out the provisions of this  
6 act.