

THE GENERAL ASSEMBLY OF PENNSYLVANIA

HOUSE BILLNo. 1820 Session of
2005

INTRODUCED BY GOODMAN, NAILOR, SEMMEL, TIGUE, ADOLPH, ALLEN, ARGALL, ARMSTRONG, BAKER, BALDWIN, BARRAR, BASTIAN, BEBKO-JONES, BELARDI, BELFANTI, BENNINGHOFF, BIANCUCCI, BIRMELIN, BISHOP, BLACKWELL, BLAUM, BOYD, BUNT, BUXTON, CALTAGIRONE, CAPPELLI, CASORIO, CAUSER, CAWLEY, CIVERA, CLYMER, COHEN, CORNELL, CORRIGAN, COSTA, CRAHALLA, CREIGHTON, CRUZ, CURRY, DALEY, DALLY, DeLUCA, DENLINGER, DERMODY, DeWEESE, DiGIROLAMO, DIVEN, DONATUCCI, EACHUS, ELLIS, D. EVANS, J. EVANS, FABRIZIO, FAIRCHILD, FEESE, FICHTER, FLEAGLE, FLICK, FORCIER, FRANKEL, FREEMAN, GABIG, GANNON, GEIST, GEORGE, GERBER, GERGELY, GILLESPIE, GINGRICH, GODSHALL, GOOD, GRELL, GRUCELA, GRUITZA, HABAY, HALUSKA, HANNA, HARHAI, HARHART, HARPER, HARRIS, HASAY, HENNESSEY, HERMAN, HERSHEY, HESS, HICKERNELL, HUTCHINSON, JAMES, JOSEPHS, KAUFFMAN, M. KELLER, W. KELLER, KENNEY, KILLION, KIRKLAND, KOTIK, LaGROTTA, LEACH, LEDERER, LEH, LESCOVITZ, LEVDANSKY, MACKERETH, MAHER, MAITLAND, MAJOR, MANDERINO, MANN, MARKOSEK, MARSICO, McCALL, McGEEHAN, McGILL, McILHATTAN, McILHINNEY, MELIO, METCALFE, MICOZZIE, MILLARD, R. MILLER, S. MILLER, MUNDY, MUSTIO, MYERS, NICKOL, O'BRIEN, OLIVER, O'NEILL, PALLONE, PAYNE, PERZEL, PETRARCA, PETRI, PETRONE, PHILLIPS, PICKETT, PISTELLA, PRESTON, PYLE, QUIGLEY, RAMALEY, RAPP, RAYMOND, READSHAW, REED, REICHLEY, RIEGER, ROBERTS, ROHRER, ROONEY, ROSS, RUBLEY, RUFFING, SAINATO, SAMUELSON, SANTONI, SATHER, SAYLOR, SCAVELLO, SCHRODER, SIPTROTH, SHANER, SHAPIRO, B. SMITH, S. H. SMITH, SOLOBAY, SONNEY, STABACK, STAIRS, STEIL, STERN, STETLER, R. STEVENSON, T. STEVENSON, STURLA, SURRA, TANGRETTI, E. Z. TAYLOR, J. TAYLOR, THOMAS, TRUE, TURZAI, VEON, VITALI, WALKO, WANSACZ, WATERS, WATSON, WHEATLEY, WILLIAMS, WILT, WOJNAROSKI, WRIGHT, YEWCIC, YOUNGBLOOD, YUDICHAK, ZUG, ROEBUCK AND BEYER, JUNE 30, 2005

AS REPORTED FROM COMMITTEE ON VETERANS AFFAIRS AND EMERGENCY
PREPAREDNESS, HOUSE OF REPRESENTATIVES, AS AMENDED,
SEPTEMBER 26, 2005

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

1 the issue and sale of bonds by the Commonwealth for the
2 payment of compensation ~~and the design and construction of a~~ <—
3 ~~memorial to veterans of this Commonwealth,~~ contingent upon
4 electorate approval; creating a special fund in the State
5 Treasury to be known as the Persian Gulf Conflict Veterans'
6 Compensation Bond Fund; imposing powers and duties on the
7 Department of General Services; making appropriations; and
8 making a related repeal.

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28 The General Assembly of the Commonwealth of Pennsylvania
29 hereby enacts as follows:

30 Section 1. Short title.

31 This act shall be known and may be cited as the Persian Gulf
32 Conflict Veterans' Benefit Act.

33 Section 2. Definitions.

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

4 "Active service." For a member of a component of the armed
5 forces of the United States, the time served on active duty for
6 which the member has received or is eligible to receive the
7 Southwest Asia Service Medal for service related to the Persian
8 Gulf Conflict Theater; for a member of the Pennsylvania National
9 Guard or a reserve component of the armed forces of the United
10 States, time served on active duty for the support of operations
11 in the Persian Gulf Conflict Theater whether or not that service
12 was in the theater. The term includes time spent in hospitals as
13 a result of service-connected wounds, diseases or injuries
14 sustained on active service. Proof of such service shall be the
15 official military records of the United States or such other
16 evidence as is deemed sufficient by the Adjutant General. The
17 term does not include time served on active duty for annual
18 training or schooling, except for training and schooling in
19 preparation for active duty in the Persian Gulf Conflict
20 Theater.

21 "Fund." The Persian Gulf Conflict Veterans' Compensation
22 Bond Fund.

23 "Issuing officials." The Governor, the Auditor General and
24 the State Treasurer.

25 "Legal resident of this Commonwealth." A member of the
26 United States Armed Forces, the reserve component of the United
27 States Armed Forces or the Pennsylvania National Guard whose
28 home of record at the time of the Persian Gulf Conflict was this
29 Commonwealth or any specific place in this Commonwealth without
30 regard to the place of enlistment, commission or induction. The

1 proof of such residence shall be the official records of the
2 United States or such other evidence as is deemed sufficient by
3 the Adjutant General.

4 "Persian Gulf Conflict Theater." The area defined as the
5 Persian Gulf Conflict Theater of Operations as established by
6 the United States Department of Defense for the awarding of the
7 Southwest Asia Service Medal for the period of time from August
8 2, 1990, through August 31, 1991.

9 "Veteran." A member of the armed forces of the United
10 States, including a member of the Army National Guard of the
11 United States, the Air National Guard of the United States or a
12 reserve component of the armed forces, who was ordered into or
13 volunteered to serve on active duty in the Persian Gulf Theater
14 of operations during the period from August 2, 1990, to August
15 31, 1991, and has received the Southwest Asia Service Medal
16 (SWASM) established by executive order 12754, 12 March 1991.
17 This term shall not include:

18 (1) any individual who, at any time during the Persian
19 Gulf Conflicts or thereafter, was separated from the armed
20 forces under other than honorable conditions; and

21 (2) any individual who has renounced his United States
22 citizenship.

23 Section 3. Computation of compensation.

24 (a) Eligibility.--Compensation shall be payable under this
25 act only to each veteran who was a legal resident of this
26 Commonwealth.

27 (b) Compensation for service in the Persian Gulf.--
28 Compensation shall be payable on the basis of \$75 for the first
29 month of eligibility with a minimum of one day of active
30 service; thereafter, it shall be computed on the basis of \$75

1 for each month or major fraction thereof.

2 (c) Compensation on behalf of deceased veteran.--In addition
3 to any other compensation authorized under this section, the
4 compensation on behalf of a veteran who died in active service
5 or as a result of service-connected wounds, diseases or injuries
6 sustained during active service shall be \$5,000.

7 (d) Compensation of prisoner of war.--In addition to any
8 compensation under the other provisions of this section, the
9 compensation of a veteran who was declared a prisoner of war,
10 regardless of the length of time spent as a prisoner of war,
11 shall, upon return, be \$5,000.

12 (e) Total amount of compensation.--The compensation provided
13 for active service under subsection (b) shall be not less than
14 \$75 and not more than \$525.

15 (f) Exclusion from compensation.--Any individual who has
16 received a bonus, gratuity or compensation of a nature similar
17 to that provided for by this act from any other state in the
18 United States is ineligible for compensation. This exclusion
19 does not apply to a similar bonus, gratuity or compensation from
20 the Federal Government.

21 Section 4. Application for compensation.

22 (a) Application to Adjutant General.--Applications shall be
23 made by a veteran, the facility entitled under section 5(a) or
24 the beneficiaries designated under section 5(b). The Adjutant
25 General shall ascertain the applicants who are veterans and, as
26 to each veteran, the number of months of service for which the
27 veteran is entitled to receive compensation.

28 (b) Time for filing application.--The Adjutant General shall
29 not accept or consider any application filed after August 31,
30 2015.

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

3 (a) Incompetence.--In a case where the veteran is
4 incompetent, if no guardian has been appointed, payment shall be
5 made for the benefit of the veteran to the person who is
6 entitled to payment under subsection (b) or, in the absence of
7 any such person and if the veteran is in a facility, to the
8 person in charge of the facility to be expended for the clothing
9 and incidental needs of the veteran. No part of the compensation
10 paid to any facility shall be used for the maintenance of the
11 veteran. A statement from the person in charge of the facility
12 in which the veteran resides shall be evidence to determine the
13 competence of the veteran.

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

16 (1) surviving spouse unless the spouse was living
17 separate and apart from the veteran at the time of departure
18 for active service;

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

20 (3) surviving parents.

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

24 "Facility." Any mental health establishment, hospital,
25 clinic, institution, center, day-care center, base service unit,
26 community mental health center or other organizational unit, or
27 part thereof, which is devoted primarily to the diagnosis,
28 treatment, care, rehabilitation or detention of mentally
29 disabled persons.

30 "Parents." Includes persons who, for a period of not less

1 than one year, acted in the capacity of a foster parent to the
2 veteran immediately prior to the veteran having attained 18
3 years of age.

4 Section 6. Applicant to designate beneficiaries.

5 Every person making application for compensation shall set
6 forth in the application the names and addresses of all persons
7 who, under this act, would be entitled to receive compensation
8 in the event of the death of the applicant. If the applicant
9 dies before the payment of the compensation, the application
10 shall be deemed to inure to the benefit of the person next
11 entitled to compensation, and payment shall be made to the
12 person upon proof of identity satisfactory to the Adjutant
13 General. If no person designated in this act as being entitled
14 to compensation survives the veteran, the right to the
15 compensation shall cease.

16 Section 7. Exemption from attachment.

17 No sum payable under this act to a veteran or to any other
18 person under this act shall be subject to attachment, levy or
19 seizure under any legal or equitable process and shall be exempt
20 from all State taxation. No right to compensation under this act
21 shall be assignable, except as otherwise provided in this act,
22 or shall serve as a security for any loan. Any assignment or
23 loan made in violation of this section shall be void.

24 Assignments to any incorporated or unincorporated organization
25 of veterans, any nonprofit corporation formed solely for the
26 purpose of aiding disabled or incapacitated veterans and the
27 State Veterans' Commission shall be valid.

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

29 A person who charges or collects or attempts to charge or
30 collect, either directly or indirectly, any fee or other

1 compensation for assisting, in any manner, a veteran in
2 obtaining any of the benefits provided under this act commits a
3 misdemeanor of the second degree.

4 Section 9. Administration of compensation program.

5 The Adjutant General shall administer the compensation
6 program. For that purpose application forms shall be prepared
7 and distributed, applications shall be investigated, and, if
8 satisfied of the proof of an application, compensation shall be
9 approved and payment of compensation shall be made. The Adjutant
10 General shall promulgate rules and regulations to implement,
11 administer and enforce this act. The Adjutant General shall, as
12 soon as practicable after the effective date of this act,
13 prepare and distribute a digest explaining the provisions of
14 this act to assist veterans in filing their applications and
15 shall from time to time prepare and distribute additional or
16 supplementary information as may be found necessary. The
17 Adjutant General shall enlist, as far as possible, the services
18 of veteran organizations in this Commonwealth in the
19 dissemination of the information.

20 Section 10. Payment of compensation.

21 The compensation payable under this act shall, upon
22 requisition by the Adjutant General, be paid by the State
23 Treasurer from the fund to be created with funds realized from a
24 proposed bond issue. Payments shall be made as soon as possible
25 after funds are available.

26 Section 11. Persian Gulf Conflict Veterans' Compensation Bond
27 Fund.

28 (a) Purpose of fund.--The Persian Gulf Conflict Veterans'
29 Compensation Bond Fund, which is hereby created in the State
30 Treasury, shall be the source from which all payments are

1 authorized with the approval of the Governor to carry out the
2 purposes of this act. The moneys in the fund shall only be
3 utilized:

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

6 ~~(2) For payment of the cost of designing and~~ <—
7 ~~constructing a patriotic monument or memorial in appreciation~~
8 ~~of veterans of this Commonwealth.~~

9 ~~(3)~~ (2) For the administrative costs incurred in any of <—
10 the purposes in paragraph (1) ~~or (2)~~, including the costs <—
11 incurred in connection with the issuance of the bonds.

12 (b) Interfund transfers authorized.--

13 (1) Whenever the cash balance and the current estimated
14 receipts of the fund shall be insufficient at any time during
15 any State fiscal year to meet promptly the obligations of the
16 Commonwealth from such fund, the State Treasurer is hereby
17 authorized and directed, from time to time during such fiscal
18 year, to transfer from the General Fund to the fund such sums
19 as the Governor directs, but in no case less than the amount
20 necessary to meet promptly the obligations to be paid from
21 the fund nor more than an amount which is the smallest of:

22 (i) the difference between the amount of debt
23 authorized to be issued under the authority of this act
24 and the aggregate principal amount of bonds and notes
25 issued, not including refunding bonds and replacement
26 notes; and

27 (ii) the difference between the aggregate principal
28 amount of bonds and notes to be issued during a State
29 fiscal year and the aggregate principal amount of bonds
30 and notes, not including refunding bonds and replacement

1 notes, issued during such State fiscal year.

2 Any sums so transferred shall be available only for the
3 purposes for which funds are appropriated from the fund. The
4 transfers shall be made under this section upon warrant of
5 the State Treasurer upon requisition of the Governor.

6 (2) In order to reimburse the General Fund for moneys
7 transferred from such funds under paragraph (1), there shall
8 be transferred to the General Fund from the fund moneys from
9 the proceeds obtained from bonds and notes issued under the
10 authority of this act or from other available funds in such
11 amounts and at such times as the Governor shall direct. The
12 retransfers shall be made upon warrant of the State Treasurer
13 upon requisition of the Governor.

14 Section 12. Commonwealth indebtedness.

15 (a) Borrowing authorized.--

16 (1) If and when the electorate approves a referendum
17 question for the incurring of indebtedness in the amount and
18 for the purposes prescribed in this act, the issuing
19 officials, pursuant to the provisions of section 7(a)(3) of
20 Article VIII of the Constitution of Pennsylvania, are
21 authorized and directed to borrow, on the credit of the
22 Commonwealth, money not exceeding in the aggregate the sum of
23 \$20,000,000, not including money borrowed to refund
24 outstanding bonds, notes or replacement notes, as may be
25 found necessary to carry out the purposes of this act.

26 (2) As evidence of the indebtedness, general obligation
27 bonds of the Commonwealth shall be issued from time to time
28 to provide moneys necessary to carry out the purposes of this
29 act for such total amounts, in such form, in such
30 denominations and subject to such terms and conditions of

1 issue, redemption and maturity, rate of interest and time of
2 payment of interest as the issuing officials direct, except
3 that the latest stated maturity date shall not exceed 20
4 years from the date of the first obligation issued to
5 evidence the debt.

6 (3) All bonds and notes issued under the authority of
7 this act shall bear facsimile signatures of the issuing
8 officials and a facsimile of the Great Seal of the
9 Commonwealth and shall be countersigned by a duly authorized
10 officer of a duly authorized loan and transfer agent of the
11 Commonwealth.

12 (4) All bonds and notes issued in accordance with the
13 provisions of this section shall be direct obligations of the
14 Commonwealth, and the full faith and credit of the
15 Commonwealth is hereby pledged for the payment of the
16 interest thereon, as it becomes due, and the payment of the
17 principal at maturity. The principal of and interest on the
18 bonds and notes shall be payable in lawful money of the
19 United States.

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

23 (6) The bonds may be issued as coupon bonds or
24 registered as to both principal and interest as the issuing
25 officials may determine. If interest coupons are attached,
26 they shall contain the facsimile signature of the State
27 Treasurer.

28 (7) The issuing officials shall provide for the
29 amortization of the bonds in substantial and regular amounts
30 over the term of the debt so that the bonds of each issue

1 allocated to the programs to be funded from the bond issue
2 shall mature within a period not to exceed the appropriate
3 amortization period for each program as specified by the
4 issuing officials but in no case in excess of 20 years. The
5 first retirement of principal shall be stated to mature prior
6 to the expiration of a period of time equal to one-tenth of
7 the time from the date of the first obligation issued to
8 evidence the debt to the date of the expiration of the term
9 of the debt. Retirements of principal shall be regular and
10 substantial if made in annual or semiannual amounts whether
11 by stated serial maturities or by mandatory sinking fund
12 retirements.

13 (8) The issuing officials are authorized to provide by
14 resolution for the issuance of refunding bonds for the
15 purpose of refunding any debt issued under the provisions of
16 this act and then outstanding, either by voluntary exchange
17 with the holders of the outstanding debt or providing funds
18 to redeem and retire the outstanding debt with accrued
19 interest, any premium payable thereon and the costs of
20 issuance and retirement of the debt, at maturity or at any
21 call date. The issuance of the refunding bonds, the
22 maturities and other details thereof, the rights of the
23 holders thereof and the duties of the issuing official in
24 respect thereto shall be governed by the provisions of this
25 section, insofar as they may be applicable. Refunding bonds,
26 which are not subject to the aggregate limitation of
27 \$20,000,000 of debt to be issued under this act, may be
28 issued by the issuing officials to refund debt originally
29 issued or to refund bonds previously issued for refunding
30 purposes.

1 (9) Whenever any action is to be taken or decision made
2 by the Governor, the Auditor General and the State Treasurer
3 acting as issuing officials and the three officers are not
4 able unanimously to agree, the action or decision of the
5 Governor and either the Auditor General or the State
6 Treasurer shall be binding and final.

7 (b) Sale of bonds.--

8 (1) Whenever bonds are issued, they shall be offered for
9 sale at not less than 98% of the principal amount and accrued
10 interest and shall be sold by the issuing officials to the
11 highest and best bidder or bidders after due public
12 advertisement on the terms and conditions and upon such open
13 competitive bidding as the issuing officials shall direct.
14 The manner and character of the advertisement and the time of
15 advertising shall be prescribed by the issuing officials. No
16 commission shall be allowed or paid for the sale of any bonds
17 issued under the authority of this act.

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

25 (3) When bonds are issued from time to time, the bonds
26 of each issue shall constitute a separate series to be
27 designated by the issuing officials or may be combined for
28 sale as one series with other general obligation bonds of the
29 Commonwealth.

30 (4) Until permanent bonds can be prepared, the issuing

1 officials may in their discretion issue, in lieu of permanent
2 bonds, temporary bonds in such form and with such privileges
3 as to registration and exchange for permanent bonds as may be
4 determined by the issuing officials.

5 (5) The proceeds realized from the sale of bonds and
6 notes, except refunding bonds and replacement notes, under
7 the provisions of this act shall be paid into the fund. The
8 proceeds shall be paid by the State Treasurer periodically to
9 those Commonwealth officers and Commonwealth agencies
10 authorized to expend them at such times and in such amounts
11 as may be necessary to satisfy the funding needs thereof. The
12 proceeds of the sale of refunding bonds and replacement notes
13 shall be paid to the State Treasurer and applied to the
14 payment of principal, the accrued interest and premium, if
15 any, and cost of redemption of the bonds and notes for which
16 the obligations shall have been issued.

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

29 (7) The Auditor General shall prepare the necessary
30 registry book to be kept in the office of the duly authorized

1 loan and transfer agent of the Commonwealth for the
2 registration of any bonds, at the request of owners thereof,
3 according to the terms and conditions of issue directed by
4 the issuing officials.

5 (8) There is hereby appropriated to the State Treasurer
6 from the fund as much money as may be necessary for all costs
7 and expenses in connection with the issue of and sale and
8 registration of the bonds and notes in connection with this
9 act and the payment of interest arbitrage rebates or proceeds
10 of such bonds and notes.

11 (c) Temporary financing authorization.--

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

29 (2) All temporary borrowings made under the
30 authorization of this section shall be evidenced by notes of

1 the Commonwealth which shall be issued from time to time for
2 amounts not exceeding in the aggregate the applicable
3 statutory and constitutional debt limitation in the form and
4 in the denominations and subject to terms and conditions of
5 sale and issue, prepayment or redemption and maturity, rate
6 or rates of interest and time of payment of interest as the
7 issuing officials shall authorize and direct and in
8 accordance with this act. The authorization and direction may
9 provide for the subsequent issuance of replacement notes to
10 refund outstanding notes or replacement notes, which
11 replacement notes shall, upon issuance thereof, evidence the
12 borrowing and may specify other terms and conditions with
13 respect to the notes and replacement notes thereby authorized
14 for issuance as the issuing officials may determine and
15 direct.

16 (3) When the authorization and direction of the issuing
17 officials provide for the issuance of replacement notes, the
18 issuing officials are hereby authorized in the name and on
19 behalf of the Commonwealth to issue, enter into or authorize
20 and direct the State Treasurer to enter into agreements with
21 any banks, trust companies, investment banking firms or other
22 institutions or persons in the United States having the power
23 to enter the same:

24 (i) To purchase or underwrite an issue or series of
25 issues or notes.

26 (ii) To credit, to enter into any purchase, loan or
27 credit agreements, to draw moneys pursuant to any such
28 agreements on the terms and conditions set forth therein
29 and to issue notes as evidence of borrowings made under
30 any such agreements.

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

3 (iv) To do such other acts as may be necessary or
4 appropriate to provide for the payment, when due, of the
5 interest on and the principal of such notes. Such
6 agreements may provide for the compensation of any
7 purchasers or underwriters of notes or replacement notes
8 by discounting the purchase price of the notes or by
9 payment of a fixed fee or commission at the time of
10 issuance thereof, and all other costs and expenses,
11 including fees for agreements related to the notes,
12 issuing and paying agent costs and costs and expenses of
13 issuance, may be paid from the proceeds of the notes.

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

29 (5) Outstanding notes evidencing such borrowings may be
30 funded and retired by the issuance and sale of the bonds of

1 the Commonwealth as hereinafter authorized. The refunding
2 bonds must be issued and sold not later than a date three
3 years after the date of issuance of the first notes
4 evidencing the borrowings to the extent that payment of such
5 notes has not otherwise been made or provided for by sources
6 other than proceeds of replacement notes.

7 (6) The proceeds of all such temporary borrowing shall
8 be paid to the State Treasurer to be held and disposed of in
9 accordance with the provisions of this act.

10 (d) Debt retirement.--

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

28 (2) The State Treasurer, with the approval of the
29 Governor, is authorized at any time to use any of the moneys
30 in the fund not necessary for the purposes of the referendum

1 authorizing the indebtedness necessary to carry out this act,
2 for the purchase and retirement of all or any part of the
3 bonds and notes issued pursuant to the authorization of this
4 act. In the event that all or any part of the bonds and notes
5 are purchased, they shall be canceled and returned to the
6 loan and transfer agent as canceled and paid bonds and notes,
7 and, thereafter, all payments of interest thereon shall
8 cease. The canceled bonds, notes and coupons, together with
9 any other canceled bonds, notes and coupons, shall be
10 destroyed as promptly as possible after cancellation but not
11 later than two years after cancellation. A certification
12 evidencing the destruction of the canceled bonds, notes and
13 coupons shall be provided by the loan and transfer agent to
14 the issuing officials. All canceled bonds, notes and coupons
15 shall be so marked as to make the canceled bonds, notes and
16 coupons nonnegotiable.

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

29 (4) The General Assembly shall appropriate an amount
30 equal to the sums as may be necessary to meet repayment

obligations for principal and interest for deposit into the Persian Gulf Conflict Veterans' Compensation Bond Sinking Fund.

(e) Expiration.--Authorization to issue bonds and notes, not including refunding bonds and replacement notes, for the purpose of this act shall expire ten years from the effective date of this section.

Section 13. Question.

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

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

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

Do you favor indebtedness by the Commonwealth of up to \$20,000,000 for the payment of compensation for service in the Persian Gulf Conflict?

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

(e) Proceeds.--Proceeds of the borrowing shall be used for the payment of compensation for service in or in support of the Persian Gulf Conflict.

Section 14. Appropriations.

(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) Continuing appropriations.--The appropriation under
9 subsection (a) shall be a continuing appropriation and shall not
10 lapse.

11 Section 15. Repeal.

12 The act of November 24, 1992 (P.L.703, No.106), known as the
13 Persian Gulf Conflict Veterans' Compensation and Bond Act, is
14 repealed.

15 Section 16. Effective date.

16 This act shall take effect as follows:

17 (1) Section 13(a), (b), (c) and (d) shall take effect
18 immediately.

19 (2) The remainder of this act shall take effect upon the
20 certification of the approval by the electorate to incur the
21 indebtedness necessary to carry out the provisions of this
22 act.