
THE GENERAL ASSEMBLY OF PENNSYLVANIA

HOUSE BILL

No. 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

SENATOR WENGER, APPROPRIATIONS, IN SENATE, RE-REPORTED AS
AMENDED, APRIL 3, 2006

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

the issue and sale of bonds by the Commonwealth for the payment of compensation contingent upon electorate approval; creating a special fund in the State Treasury to be known as the Persian Gulf Conflict Veterans' Compensation Bond Fund; imposing powers and duties on the Department of General Services; making appropriations; and making a related repeal.

TABLE OF CONTENTS

Section 1. Short title

Section 2. Definitions.

Section 3. Computation of compensation.

Section 4. Application for compensation.

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

Section 6. Applicant to designate beneficiaries.

Section 7. Exemption from attachment.

Section 8. Penalty for charging fees for assisting veterans.

Section 9. Administration of compensation program.

Section 10. Payment of compensation.

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

Section 12. Commonwealth indebtedness.

Section 13. Question.

Section 14. Appropriations.

Section 15. Repeal.

Section 16. Effective date.

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

Section 1. Short title.

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

Section 2. Definitions.

The following words and phrases when used in this act shall

1 have the meanings given to them in this section unless the
2 context clearly indicates otherwise:

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

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

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

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

1 United States or such other evidence as is deemed sufficient by
2 the Adjutant General.

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

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

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

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

22 Section 3. Computation of compensation.

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

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

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

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

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

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

20 Section 4. Application for compensation.

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

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

30 Section 5. Persons to whom payments shall be made in case of

1 incompetence or death.

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

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

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

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

19 (3) surviving parents.

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

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

29 "Parents." Includes persons who, for a period of not less
30 than one year, acted in the capacity of a foster parent to the

1 veteran immediately prior to the veteran having attained 18
2 years of age.

3 Section 6. Applicant to designate beneficiaries.

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

15 Section 7. Exemption from attachment.

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

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

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

28 A person who charges or collects or attempts to charge or
29 collect, either directly or indirectly, any fee or other
30 compensation for assisting, in any manner, a veteran in

1 obtaining any of the benefits provided under this act commits a
2 misdemeanor of the second degree.

3 Section 9. Administration of compensation program.

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

19 Section 10. Payment of compensation.

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

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

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

1 purposes of this act. The moneys in the fund shall only be
2 utilized:

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

5 (2) For the administrative costs incurred in any of the
6 purposes in paragraph (1) including the costs incurred in
7 connection with the issuance of the bonds.

8 (b) Interfund transfers authorized.--

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

18 (i) the difference between the amount of debt
19 authorized to be issued under the authority of this act
20 and the aggregate principal amount of bonds and notes
21 issued, not including refunding bonds and replacement
22 notes; and

23 (ii) the difference between the aggregate principal
24 amount of bonds and notes to be issued during a State
25 fiscal year and the aggregate principal amount of bonds
26 and notes, not including refunding bonds and replacement
27 notes, issued during such State fiscal year.

28 Any sums so transferred shall be available only for the
29 purposes for which funds are appropriated from the fund. The
30 transfers shall be made under this section upon warrant of

1 the State Treasurer upon requisition of the Governor.

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

10 Section 12. Commonwealth indebtedness.

11 (a) Borrowing authorized.--

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

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

1 evidence the debt.

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

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

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

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

24 (7) The issuing officials shall provide for the
25 amortization of the bonds in substantial and regular amounts
26 over the term of the debt so that the bonds of each issue
27 allocated to the programs to be funded from the bond issue
28 shall mature within a period not to exceed the appropriate
29 amortization period for each program as specified by the
30 issuing officials but in no case in excess of 20 years. The

1 first retirement of principal shall be stated to mature prior
2 to the expiration of a period of time equal to one-tenth of
3 the time from the date of the first obligation issued to
4 evidence the debt to the date of the expiration of the term
5 of the debt. Retirements of principal shall be regular and
6 substantial if made in annual or semiannual amounts whether
7 by stated serial maturities or by mandatory sinking fund
8 retirements.

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

27 (9) Whenever any action is to be taken or decision made
28 by the Governor, the Auditor General and the State Treasurer
29 acting as issuing officials and the three officers are not
30 able unanimously to agree, the action or decision of the

1 Governor and either the Auditor General or the State
2 Treasurer shall be binding and final.

3 (b) Sale of bonds.--

4 (1) Whenever bonds are issued, they shall be offered for
5 sale at not less than 98% of the principal amount and accrued
6 interest and shall be sold by the issuing officials to the
7 highest and best bidder or bidders after due public
8 advertisement on the terms and conditions and upon such open
9 competitive bidding as the issuing officials shall direct.

10 The manner and character of the advertisement and the time of
11 advertising shall be prescribed by the issuing officials. No
12 commission shall be allowed or paid for the sale of any bonds
13 issued under the authority of this act.

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

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

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

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

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

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

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

7 (c) Temporary financing authorization.--

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

25 (2) All temporary borrowings made under the
26 authorization of this section shall be evidenced by notes of
27 the Commonwealth which shall be issued from time to time for
28 amounts not exceeding in the aggregate the applicable
29 statutory and constitutional debt limitation in the form and
30 in the denominations and subject to terms and conditions of

1 sale and issue, prepayment or redemption and maturity, rate
2 or rates of interest and time of payment of interest as the
3 issuing officials shall authorize and direct and in
4 accordance with this act. The authorization and direction may
5 provide for the subsequent issuance of replacement notes to
6 refund outstanding notes or replacement notes, which
7 replacement notes shall, upon issuance thereof, evidence the
8 borrowing and may specify other terms and conditions with
9 respect to the notes and replacement notes thereby authorized
10 for issuance as the issuing officials may determine and
11 direct.

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

20 (i) To purchase or underwrite an issue or series of
21 issues or notes.

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

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

29 (iv) To do such other acts as may be necessary or
30 appropriate to provide for the payment, when due, of the

1 interest on and the principal of such notes. Such
2 agreements may provide for the compensation of any
3 purchasers or underwriters of notes or replacement notes
4 by discounting the purchase price of the notes or by
5 payment of a fixed fee or commission at the time of
6 issuance thereof, and all other costs and expenses,
7 including fees for agreements related to the notes,
8 issuing and paying agent costs and costs and expenses of
9 issuance, may be paid from the proceeds of the notes.

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

25 (5) Outstanding notes evidencing such borrowings may be
26 funded and retired by the issuance and sale of the bonds of
27 the Commonwealth as hereinafter authorized. The refunding
28 bonds must be issued and sold not later than a date three
29 years after the date of issuance of the first notes
30 evidencing the borrowings to the extent that payment of such

1 notes has not otherwise been made or provided for by sources
2 other than proceeds of replacement notes.

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

6 (d) Debt retirement.--

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

24 (2) The State Treasurer, with the approval of the
25 Governor, is authorized at any time to use any of the moneys
26 in the fund not necessary for the purposes of the referendum
27 authorizing the indebtedness necessary to carry out this act,
28 for the purchase and retirement of all or any part of the
29 bonds and notes issued pursuant to the authorization of this
30 act. In the event that all or any part of the bonds and notes

1 are purchased, they shall be canceled and returned to the
2 loan and transfer agent as canceled and paid bonds and notes,
3 and, thereafter, all payments of interest thereon shall
4 cease. The canceled bonds, notes and coupons, together with
5 any other canceled bonds, notes and coupons, shall be
6 destroyed as promptly as possible after cancellation but not
7 later than two years after cancellation. A certification
8 evidencing the destruction of the canceled bonds, notes and
9 coupons shall be provided by the loan and transfer agent to
10 the issuing officials. All canceled bonds, notes and coupons
11 shall be so marked as to make the canceled bonds, notes and
12 coupons nonnegotiable.

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

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

30 (e) Expiration.--Authorization to issue bonds and notes, not

1 including refunding bonds and replacement notes, for the purpose
2 of this act shall expire ten years from the effective date of
3 this section.

4 Section 13. Question.

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

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

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

14 Do you favor indebtedness by the Commonwealth of up to
15 \$20,000,000 for the payment of compensation for service
16 in the Persian Gulf Conflict?

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

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

25 Section 14. Appropriations.

26 (a) Compensation appropriation.--For the purpose of payment
27 for the compensation to eligible veterans, staff services,
28 postage and other necessary expenses incurred by the Adjutant
29 General in the administration of this compensation program, such
30 sums, or as much thereof as may be necessary, are specifically

1 appropriated to the Adjutant General out of any moneys which
2 have been deposited in the Persian Gulf Conflict Veterans'
3 Compensation Bond Fund.

4 (b) Continuing appropriations.--The appropriation under
5 subsection (a) shall be a continuing appropriation and shall not
6 lapse.

7 Section 15. Repeal.

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

11 Section 16. Effective date.

12 This act shall take effect as follows:

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

15 (2) The remainder of this act shall take effect upon the
16 certification of the approval by the electorate to incur the
17 indebtedness necessary to carry out the provisions of this
18 act.