

THE GENERAL ASSEMBLY OF PENNSYLVANIA

HOUSE BILL

No. 802 Session of
1991

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MARCH 18, 1991

REFERRED TO COMMITTEE ON MILITARY AND VETERANS AFFAIRS,
MARCH 18, 1991

AN ACT

1 Providing compensation to persons in active service in
2 connection with the Persian Gulf Conflict or certain
3 representatives of such persons; authorizing the issue and
4 sale of bonds by the Commonwealth of Pennsylvania for the
5 payment of compensation for active service in connection with
6 the Persian Gulf Conflict, for the cost of Armed Conflict
7 Service Medals and for the cost of constructing and
8 maintaining a monument or memorial to Pennsylvania's
9 veterans; creating a special fund in the State Treasury to be
10 known as the Persian Gulf Conflict Compensation and Veterans'
11 Bond Fund; making an appropriation; and making this act
12 contingent upon electorate approval of a referendum question
13 for incurring the indebtedness necessary to carry out the
14 purposes of this act.

15 TABLE OF CONTENTS

16 Section 1. Short title.
17 Section 2. Definitions.
18 Section 3. Computation of compensation.
19 Section 4. Application for compensation.

1 Section 5. Persons to whom payments shall be made in case of
2 death or mental incompetency or missing in
3 action.

4 Section 6. Applicant to designate beneficiaries.

5 Section 7. Exemption from attachment, etc.

6 Section 8. Penalties.

7 Section 9. Ascertainment of service.

8 Section 10. Administration of compensation program.

9 Section 11. Pamphlets.

10 Section 12. Payment.

11 Section 13. Persian Gulf Conflict Compensation and Veterans'
12 Bond Fund.

13 Section 14. Commonwealth indebtedness.

14 Section 15. Appropriation.

15 Section 16. Effective date.

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

18 Section 1. Short title.

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

21 Section 2. Definitions.

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

25 "Active service." For a member of the active component of
26 the Armed Forces of the United States, this term means the time
27 served during which the member received combat pay for service
28 related to the Persian Gulf Conflict. For a member of the
29 Pennsylvania Army National Guard, the Pennsylvania Air National
30 Guard or a reserve component of the armed forces of the United

1 States, this term means the time served on active duty for the
2 support of the Persian Gulf Conflict. It does not include time
3 served on active duty for annual training or schooling.

4 "Issuing officials." The Governor, the Auditor General and
5 the State Treasurer.

6 "Legal resident of this Commonwealth." An individual who
7 gave this Commonwealth or any specific place in this
8 Commonwealth as his or her place of residence or home address
9 when entering the armed forces of the United States without
10 regard to the place of enlistment, commission or induction. The
11 term shall include a person who became a veteran while serving
12 as a member of the Pennsylvania Army National Guard or the
13 Pennsylvania Air National Guard. The proof of such residence
14 shall be either the official records of the United States, or
15 such other evidence of bona fide residence as may be deemed
16 sufficient by the Adjutant General.

17 "Persian Gulf Conflict." The area defined as the Persian
18 Gulf theater of operations and the period of time defined as
19 armed conflict as established by the United States Department of
20 Defense for the awarding of combat pay. The proof of such
21 service shall be the official military records of the United
22 States or such other evidence as may be deemed sufficient by the
23 Adjutant General.

24 "Veteran." A member of the active component of the armed
25 forces of the United States who served in the Persian Gulf
26 theater of operations during armed conflict. In addition, the
27 term shall also include a member of the Pennsylvania Army
28 National Guard, the Pennsylvania Air National Guard or a reserve
29 component of the armed forces who was called to serve on active
30 duty for the support of the Persian Gulf Conflict, whether that

1 service was in the Persian Gulf theater of operations or not.

2 The term does not include:

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

5 (2) An individual who has renounced his United States
6 citizenship.

7 (3) An individual who was called to active duty for the
8 purpose of annual training or schooling.

9 Section 3. Computation of compensation.

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

13 (b) Compensation.--Compensation shall be computed on the
14 basis of \$200 for every month, or major fraction thereof, of
15 active service, or time spent in military hospitals as a result
16 of service-connected wounds, diseases or injuries sustained
17 during the Persian Gulf Conflict.

18 (c) Compensation of deceased veteran.--The compensation of a
19 veteran who died in the active service or as a result of
20 service-connected wounds, diseases or injuries sustained during
21 the Persian Gulf Conflict, or those missing in action who have
22 not been declared dead or captured shall be \$10,000.

23 (d) Compensation of prisoner of war.--In addition to any
24 compensation under the other provisions of this section, the
25 compensation of a veteran who has been declared a prisoner of
26 war, regardless of the length of time spent as a prisoner of
27 war, shall, upon return, be \$5,000.

28 Section 4. Application for compensation.

29 (a) Application to Adjutant General.--Applications for
30 compensation shall be made to the Adjutant General on forms and

1 in the manner as he shall prescribe.

2 (b) Manner of making application.--All applications shall be
3 made personally by the veteran. In the case of death or mental
4 incompetency, mentally incompetent or missing in action, the
5 application shall be made by such representative of the veteran
6 as the Adjutant General shall by regulation prescribe. An
7 application made by a representative other than one authorized
8 by regulation shall be void.

9 (c) Time for filing application.--The Adjutant General shall
10 not accept or consider any application filed or mailed after
11 four years beyond the date on which hostilities ended, as
12 defined by the Department of Defense. The Adjutant General shall
13 have the power to make additional compensation payments to
14 hospitalized veterans. In the case of hospitalized veterans, the
15 initial application shall be filed in accordance with this
16 subsection but subsequent applications may be filed beyond the
17 four-year time limitation.

18 Section 5. Persons to whom payments shall be made in case of
19 death or mental incompetency or missing in
20 action.

21 (a) Proceedings not required.--If, prior to the date of
22 distribution of compensation under this act, a veteran entitled
23 to compensation dies or is determined to be legally dead by the
24 Federal authorities under any act for the payment of Federal
25 benefits or becomes mentally incapable of receiving his or her
26 compensation, payment shall be made by the Adjutant General
27 without proceedings in this Commonwealth.

28 (b) Mental capacity.--In case of mental incapacity, payment
29 shall be made to the guardian or committee, if any, of the
30 veteran, or in case of a veteran who is hospitalized in a

1 Federal, State or county facility for treatment of mental
2 disability, upon order of the Adjutant General, without regard
3 to the residence of the veteran, payment shall be made to the
4 person who would be entitled to payment under this act if the
5 veteran were deceased and in the absence of any such claimant,
6 to the superintendent, manager or person in charge of such
7 Federal, State or county facility to be expended for the
8 clothing and incidental needs of the veteran. No part of the
9 compensation shall be paid to any State or county facility for
10 the maintenance of the veterans. A statement from the manager,
11 superintendent or person in charge of any Federal, State or
12 county facility, in which the veteran is a patient, shall be
13 admitted in evidence to determine the mental condition of the
14 veteran. The statement shall set forth that the veteran due to
15 mental disability is likely to dissipate such funds as may be
16 due him under this act and is apt to become the victim of
17 designing persons.

18 (c) Death or missing in action.--In the case of a death or a
19 veteran missing in action, who has not been declared dead or
20 captured, payment shall be made to the following persons in the
21 order named: surviving spouse if the spouse was living with the
22 veteran at the time of death or departure, or if not living with
23 the veteran at the time of death or departure or if the spouse
24 establishes to the satisfaction of the Adjutant General that the
25 living apart was not due to the willful act of such spouse and
26 that the spouse was actually dependent upon the veteran at the
27 time of death or departure or at any time thereafter and before
28 the final payment is made by the designated authorities, or
29 surviving minor child or surviving minor children, share, and
30 share alike or surviving mother and/or surviving father.

1 (d) Definitions.--As used in this section, the following
2 words and phrases shall have the meanings given to them in this
3 subsection:

4 "Child." Includes an adopted child.

5 "Mother" and "father." Includes mothers and fathers through
6 adoption and persons who have for a period of not less than one
7 year acted in the capacity of a foster parent to the veteran
8 immediately prior to the veteran having attained 18 years of
9 age.

10 Section 6. Applicant to designate beneficiaries.

11 Every person making application for compensation, shall set
12 forth in the application the names and addresses of all persons
13 who under this act would be entitled to receive compensation in
14 the event of the death of the applicant, and if the applicant
15 dies before the payment of the compensation, then the
16 application shall be deemed to inure to the benefit of the
17 person next entitled to compensation, and payment shall be made
18 to the person upon proof of identity satisfactory to the
19 Adjutant General. If all persons designated in this act as being
20 entitled to compensation die before payment, the right to the
21 compensation shall cease and determine. Application for
22 compensation, made on behalf of minor children, shall be made by
23 the duly appointed guardian of the children or by any person who
24 stands in loco parentis to the minor children, and payments
25 shall be made to the guardian or person who stands in loco
26 parentis.

27 Section 7. Exemption from attachment, etc.

28 No sum payable under this act to a veteran or to any other
29 person under this act shall be subject to attachment, levy or
30 seizure under any legal or equitable process, and shall be

1 exempt from all State taxation. No right to compensation under
2 this act shall be assignable, except as otherwise provided in
3 this act, or shall serve as a security for any loan. Any
4 assignment or loan made in violation of this section shall be
5 void. Assignments to any group or organization of veterans,
6 incorporated or unincorporated, or to any nonprofit corporation
7 heretofore formed, solely for aiding disabled or incapacitated
8 veterans and assignments to the State Veterans' Commission shall
9 be valid. The State Veterans' Commission is hereby authorized to
10 accept the assignments which shall be treated as confidential,
11 and the funds realized from them shall be expended by the
12 commission solely for the aid of needy veterans and their
13 families. Except as provided in this section, the Adjutant
14 General shall not direct the payment nor shall payment be made
15 under this act to any person other than a veteran or the
16 representative of a veteran.

17 Section 8. Penalties.

18 (a) Charging fees for assisting veterans.--A person who
19 charges or collects, or attempts to charge or collect, either
20 directly or indirectly, any fee or other compensation for
21 assisting, in any manner, a veteran in obtaining any of the
22 benefits to which the veteran is entitled under this act,
23 commits a misdemeanor, and shall, upon conviction, be sentenced
24 to pay a fine of not more than \$2,500 or to imprisonment for not
25 more than one year, or both.

26 (b) False or fraudulent statements.--A person who knowingly
27 makes any false or fraudulent statement of a material fact in
28 any application, certificate or document made under this act, or
29 of any regulation made by the Adjutant General in administering
30 this act, commits a misdemeanor, and shall, upon conviction, be

1 sentenced to pay a fine of not more than \$1,000 or to
2 imprisonment for not more than five years, or both.

3 Section 9. Ascertainment of service.

4 Immediately upon the effective date of this section and at
5 such other times as the Adjutant General may deem necessary, the
6 Adjutant General shall ascertain the individuals who are
7 veterans and as to each veteran, the number of months of service
8 for which the veteran is entitled to receive compensation.

9 Section 10. Administration of compensation program.

10 (a) Duties of Adjutant General.--The Adjutant General shall
11 administer the compensation program and for that purpose, he
12 shall prepare and distribute application blanks, investigate all
13 claims and applications filed with him, and if satisfied of the
14 proof of a claim or application, approve the claim or
15 application and direct payment of compensation. The Adjutant
16 General shall promulgate rules and regulations to implement,
17 administer and enforce the compensation program prescribed by
18 this act.

19 (b) Permanent records.--The books, papers and records,
20 together with the filing cases and equipment procured and used
21 in the administration of this compensation program, shall become
22 a part of the permanent records of the office of Adjutant
23 General.

24 (c) Printing.--All printing necessary to carry out the
25 compensation provisions of this act shall be done by the
26 Department of General Services upon requisition of the Adjutant
27 General.

28 (d) Staff.--The Adjutant General may employ the necessary
29 staff help and fix their salaries and pay for postage and other
30 expenses incurred in the administration of this act. In all

1 appointments under this act, preference shall, so far as
2 practicable, be given to veterans as defined in this act.

3 (e) Administration of oaths.--Employees of the Department of
4 Military Affairs of the Commonwealth, whose specific duty is to
5 aid and assist veterans and their widows, children and
6 dependents in the prosecution of claims before the Veterans'
7 Administration or other branch of the Federal Government, are
8 hereby authorized and empowered to administer oaths and
9 affirmations in all matters pertaining to and concerning such
10 claims.

11 Section 11. Pamphlets.

12 (a) Preparation of pamphlet.--The Adjutant General shall, as
13 soon as practicable after the effective date of this act,
14 prepare and publish a pamphlet or pamphlets containing a digest
15 and explanation of the provisions of this act, accompanied by
16 statements which he believes may be of assistance to the
17 veterans in filing their applications and shall, from time to
18 time, prepare and publish any additional or supplementary
19 information as may be found necessary.

20 (b) Distribution.--The pamphlet or pamphlets shall be
21 distributed in a manner determined by the Adjutant General to be
22 most effective to inform veterans of their rights under this
23 act. The Adjutant General shall enlist as far as possible the
24 services of veteran organizations in this Commonwealth in the
25 dissemination of the information.

26 Section 12. Payment.

27 (a) Compensation payable from proposed bond issue.--The
28 compensation payable under this act shall be, upon requisition
29 by the Adjutant General, paid by the State Treasurer from the
30 Persian Gulf Conflict Compensation and Veterans' Bond Fund, to

1 be created with funds realized from a proposed bond issue, if
2 and when the referendum question on the incurring of
3 indebtedness therefor has been approved by the electorate.

4 (b) Prompt payment.--Payments under this act shall be made
5 as soon as possible after funds are available.

6 Section 13. Persian Gulf Conflict Compensation and Veterans'
7 Bond Fund.

8 (a) Purpose of fund.--The Persian Gulf Conflict Compensation
9 and Veterans' Bond Fund, which is hereby created in the State
10 Treasury, shall be the source from which all payments are
11 authorized with the approval of the Governor to carry out the
12 purpose of this act. The moneys in the fund shall only be
13 utilized:

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

16 (2) For payment of the cost of Armed Conflict Service
17 Medals.

18 (3) For payment of the cost of selecting, designing,
19 instructing and maintaining a patriotic monument or memorial
20 in appreciation of Pennsylvania's veterans.

21 (4) For the administrative costs incurred in any of the
22 foregoing purposes.

23 (b) Interfund transfers authorized.--

24 (1) Whenever the cash balance and the current estimated
25 receipts of the Persian Gulf Conflict Compensation and
26 Veterans' Bond Fund shall be insufficient at any time during
27 any State fiscal year to meet promptly the obligations of the
28 Commonwealth from such fund, the State Treasurer is hereby
29 authorized and directed, from time to time during such fiscal
30 year, to transfer from the General Fund to the Persian Gulf

1 Conflict Compensation and Veterans' Bond Fund such sums as
2 the Governor directs, but in no case less than the amount
3 necessary to meet promptly the obligations to be paid from
4 such fund nor more than an amount which is the smallest of:

5 (i) the difference between the amount of debt
6 authorized to be issued under the authority of this act
7 and the aggregate principal amount of bonds and notes
8 (not including refunding bonds and replacement notes)
9 issued; and

10 (ii) the difference between the aggregate principal
11 amount of bonds and notes permitted under Section 14(e)
12 to be issued during a State fiscal year and the aggregate
13 principal amount of bonds and notes (not including
14 refunding bonds and replacement notes) issued during such
15 State fiscal year.

16 Any sums so transferred shall be available only for the
17 purposes for which funds are appropriated from the Persian
18 Gulf Conflict Compensation and Veterans' Bond Fund. Such
19 transfers shall be made hereunder upon warrant of the State
20 Treasurer upon requisition of the Governor.

21 (2) In order to reimburse the General Fund for moneys
22 transferred from such fund under paragraph (1), there shall
23 be transferred to the General Fund from the Persian Gulf
24 Conflict Compensation and Veterans' Bond Fund moneys from the
25 proceeds obtained from bonds and notes issued under the
26 authority of this act or from other available funds in such
27 amounts and at such times as the Governor shall direct. Such
28 retransfers shall be made upon warrant of the State Treasurer
29 upon requisition of the Governor.

30 Section 14. Commonwealth indebtedness.

1 (a) Borrowing authorized.--

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

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

22 (3) All bonds and notes issued under the authority of
23 this act shall bear facsimile signatures of the issuing
24 official and a facsimile of the great seal of the
25 Commonwealth and shall be countersigned by a duly authorized
26 officer of a duly authorized loan and transfer agent of the
27 Commonwealth.

28 (4) All bonds and notes issued in accordance with the
29 provisions of this section shall be direct obligations of the
30 Commonwealth, and the full faith and credit of the

1 Commonwealth are hereby pledged for the payment of the
2 interest thereon, as it becomes due, and the payment of the
3 principal at maturity. The principal of and interest on the
4 bonds and notes shall be payable in lawful money of the
5 United States.

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

9 (6) The bonds may be issued as coupon bonds or
10 registered as to both principal and interest as the issuing
11 officials may determine. If interest coupons are attached,
12 they shall contain the facsimile signature of the State
13 Treasurer.

14 (7) The issuing officials shall provide for the
15 amortization of the bonds in substantial and regular amounts
16 over the term of the debt so that the bonds of each issue
17 allocated to the programs to be funded from the bond issue
18 shall mature within a period not to exceed the appropriate
19 amortization period for each program as specified by the
20 issuing officials but in no case in excess of 20 years. The
21 first retirement of principal shall be stated to mature prior
22 to the expiration of a period of time equal to one-tenth of
23 the time from the date of the first obligation issued to
24 evidence the debt to the date of the expiration of the term
25 of the debt. Retirements of principal shall be regular and
26 substantial if made in annual or semiannual amounts whether
27 by stated serial maturities or by mandatory sinking fund
28 retirements.

29 (8) The issuing officials are authorized to provide by
30 resolution, for the issuance of refunding bonds for the

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

17 (9) Whenever any action is to be taken or decision made
18 by the Governor, the Auditor General and the State Treasurer
19 acting as issuing officials and the three officers are not
20 able unanimously to agree, the action or decision of the
21 Governor and either the Auditor General or the State
22 Treasurer shall be binding and final.

23 (b) Sale of bonds.--

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

30 The manner and character of the advertisement and the time of

1 advertising shall be prescribed by the issuing officials. No
2 commission shall be allowed or paid for the sale of any bonds
3 issued under the authority of this act.

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

11 (3) When bonds are issued from time to time, the bonds
12 of each issue shall constitute a separate series to be
13 designated by the issuing officials or may be combined for
14 sale as one series with other general obligation bonds of the
15 Commonwealth.

16 (4) Until permanent bonds can be prepared, the issuing
17 officials may in their discretion issue, in lieu of permanent
18 bonds, temporary bonds in such form and with such privileges
19 as to registration and exchange for permanent bonds as may be
20 determined by the issuing officials.

21 (5) The proceeds realized from the sale of bonds and
22 notes, except refunding bonds and replacement notes, under
23 the provisions of this act shall be paid into the Persian
24 Gulf Conflict Compensation and Veterans' Bond Fund. The
25 proceeds shall be paid by the State Treasurer periodically to
26 those Commonwealth officers and Commonwealth agencies
27 authorized to expend them at such times and in such amounts
28 as may be necessary to satisfy the funding needs thereof. The
29 proceeds of the sale of refunding bonds and replacement notes
30 shall be paid to the State Treasurer and applied to the

1 payment of principal, the accrued interest and premium, if
2 any, and cost of redemption of the bonds and notes for which
3 such obligations shall have been issued.

4 (6) Pending their application for the purposes
5 authorized, moneys held or deposited by the State Treasurer
6 may be invested or reinvested as are other funds in the
7 custody of the State Treasurer in the manner provided by law.
8 All earnings received from the investment or deposit of such
9 funds shall be paid into the State Treasury to the credit of
10 the fund. Such earnings in excess of bond discounts allowed,
11 expenses paid for the issuance of bonds and notes, and
12 interest arbitrage rebates due to the Federal Government,
13 shall be transferred annually to the Persian Gulf Conflict
14 Compensation and Veterans' Bond Sinking Fund.

15 (7) The Auditor General shall prepare the necessary
16 registry book to be kept in the office of the duly authorized
17 loan and transfer agent of the Commonwealth for the
18 registration of any bonds, at the request of owners thereof,
19 according to the terms and conditions of issue directed by
20 the issuing officials.

21 (8) There is hereby appropriated to the State Treasurer
22 from the Persian Gulf Conflict Compensation and Veterans'
23 Bond Fund as much money as may be necessary for all costs and
24 expenses in connection with the issue of and sale and
25 registration of the bonds and notes in connection with this
26 act and the payment of interest arbitrage rebates or proceeds
27 of such bonds and notes.

28 (c) Temporary financing authorization.--

29 (1) Pending the issuance of bonds of the Commonwealth as
30 authorized, the issuing officials are hereby authorized, in

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

16 (2) All temporary borrowings made under the
17 authorization of this section shall be evidenced by notes of
18 the Commonwealth, which shall be issued, from time to time,
19 for such amounts not exceeding in the aggregate the
20 applicable statutory and constitutional debt limitation, in
21 such form and in such denominations and subject to terms and
22 condition of sale and issue, prepayment or redemption and
23 maturity, rate or rates of interest and time of payment of
24 interest as the issuing officials shall authorize and direct
25 and in accordance with this act. Such authorization and
26 direction may provide for the subsequent issuance of
27 replacement notes to refund outstanding notes or replacement
28 notes, which replacement notes shall, upon issuance thereof,
29 evidence such borrowing, and may specify such other terms and
30 conditions with respect to the notes and replacement notes

1 thereby authorized for issuance as the issuing officials may
2 determine and direct.

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

11 (i) To purchase or underwrite an issue or series of
12 issues or notes.

13 (ii) To credit, to enter into any purchase, loan or
14 credit agreements, to draw moneys pursuant to any such
15 agreements on the terms and conditions set forth therein
16 and to issue notes as evidence of borrowings made under
17 any such agreements.

18 (iii) To appoint as issuing and paying agent or
19 agents with respect to notes.

20 (iv) To do such other acts as may be necessary or
21 appropriate to provide for the payment, when due, of the
22 interest on and the principal of such notes.

23 Such agreements may provide for the compensation of any
24 purchasers or underwriters of notes or replacement notes by
25 discounting the purchase price of the notes or by payment of
26 a fixed fee or commission at the time of issuance thereof,
27 and all other costs and expenses, including fees for
28 agreements related to the notes, issuing and paying agent
29 costs and costs and expenses of issuance, may be paid from
30 the proceeds of the notes.

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

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

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

27 (d) Debt retirement.--

28 (1) All bonds issued under the authority of this act
29 shall be redeemed at maturity, together with all interest
30 due, from time to time, on the bonds, and these principal and

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

15 (2) The State Treasurer, with the approval of the
16 Governor, is authorized at any time to use any of the moneys
17 in the fund not necessary for the purposes of the referendum
18 authorizing the indebtedness necessary to carry out this act,
19 for the purchase and retirement of all or any part of the
20 bonds and notes issued pursuant to the authorization of this
21 act. In the event that all or any part of the bonds and notes
22 are purchased, they shall be canceled and returned to the
23 loan and transfer agent as canceled and paid bonds and notes,
24 and thereafter all payments of interest thereon shall cease
25 and the canceled bonds, notes and coupons, together with any
26 other canceled bonds, notes and coupons, shall be destroyed
27 as promptly as possible after cancellation but not later than
28 two years after cancellation. A certificate evidencing the
29 destruction of the canceled bonds, notes and coupons shall be
30 provided by the loan and transfer agent to the issuing

1 officials. All canceled bonds, notes and coupons shall be so
2 marked as to make the canceled bonds, notes and coupons
3 nonnegotiable.

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

16 (4) The General Assembly shall appropriate an amount
17 equal to such sums as may be necessary to meet repayment
18 obligations for principal and interest for deposit into the
19 Persian Gulf Conflict Compensation and Veterans' Bond Sinking
20 Fund.

21 (e) Annual limitation on debt obligations issued.--Bonds and
22 notes (not including refunding bonds or replacement notes), as
23 authorized herein, shall not be issued in the aggregate
24 principal amount of more than \$25,000,000 during any one State
25 fiscal year. Any interfund transfers made or to be made pursuant
26 to section 13(b)(1) during any State fiscal year may not be
27 made, or cause to be outstanding at any time, in any amount
28 greater than the difference between \$25,000,000 and the
29 aggregate principal amount of bonds and notes (not including
30 refunding bonds or replacement notes) issued under the authority

1 of this act during such State fiscal year.

2 (f) Expiration.--Authorization to issue bonds and notes (not
3 including refunding bonds and replacement notes) for the
4 purposes of this act shall expire ten years from the effective
5 date of this section.

6 Section 15. Appropriation.

7 (a) Compensation appropriation.--For the purpose of payment
8 for the compensation to eligible veterans, staff services,
9 postage and other necessary expenses incurred by the Adjutant
10 General in the administration of this compensation program, such
11 sums or as much thereof as may necessary, are specifically
12 appropriated to the Adjutant General out of any moneys which
13 have been deposited in the Persian Gulf Conflict Compensation
14 and Veterans' Bond Fund.

15 (b) Armed Conflict Service Medals.--For the purpose of the
16 implementation and administration of the program for Armed
17 Conflict Service Medals if and when authorized by law, such
18 sums, or as much thereof as may be necessary, are specifically
19 appropriated to the Adjutant General out of any moneys which
20 have been deposited in the Persian Gulf Conflict Compensation
21 and Veterans' Bond Fund.

22 (c) Veterans' Memorial.--For the purpose of selecting,
23 designing, constructing and maintaining a patriotic monument or
24 memorial on the grounds of Indiantown Gap National Cemetery in
25 appreciation of Pennsylvania's veterans, such sums, or as much
26 thereof as may be necessary, are specifically appropriated to
27 the Adjutant General from the Persian Gulf Conflict Compensation
28 and Veterans' Bond Fund for transfer at such times and in such
29 amounts as the Adjutant General deems reasonable and appropriate
30 to the Veterans' Memorial Trust Fund.

1 (d) Continuing appropriations.--The appropriations under
2 subsections (a), (b) and (c) shall be continuing appropriations
3 and shall not lapse.

4 Section 16. Effective date.

5 This act shall take effect and apply upon the certification
6 of an approval by the electorate to incur the indebtedness
7 necessary to carry out the purposes of this act.