

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 AND ROEBUCK, JUNE 30, 2005

REFERRED TO COMMITTEE ON VETERANS AFFAIRS AND EMERGENCY  
PREPAREDNESS, JUNE 30, 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
- 4 the issue and sale of bonds by the Commonwealth for the

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

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

29 Section 1. Short title.

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

32 Section 2. Definitions.

33 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 payment of the cost of designing and  
6 constructing a patriotic monument or memorial in appreciation  
7 of veterans of this Commonwealth.

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

11 (b) Interfund transfers authorized.--

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

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

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

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

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

13 Section 12. Commonwealth indebtedness.

14 (a) Borrowing authorized.--

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

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

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

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

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

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

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

27 (7) The issuing officials shall provide for the  
28 amortization of the bonds in substantial and regular amounts  
29 over the term of the debt so that the bonds of each issue  
30 allocated to the programs to be funded from the bond issue

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

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

30 (9) Whenever any action is to be taken or decision made

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

6 (b) Sale of bonds.--

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

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

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

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

29 (4) Until permanent bonds can be prepared, the issuing  
30 officials may in their discretion issue, in lieu of permanent

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

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

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

28 (7) The Auditor General shall prepare the necessary  
29 registry book to be kept in the office of the duly authorized  
30 loan and transfer agent of the Commonwealth for the

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

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

10 (c) Temporary financing authorization.--

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

28 (2) All temporary borrowings made under the  
29 authorization of this section shall be evidenced by notes of  
30 the Commonwealth which shall be issued from time to time for

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

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

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

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

30 (iii) To appoint as issuing and payment agent or



agents with respect to notes.

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

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

(5) Outstanding notes evidencing such borrowings may be funded and retired by the issuance and sale of the bonds of the Commonwealth as hereinafter authorized. The refunding

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

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

9 (d) Debt retirement.--

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

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

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

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

28 (4) The General Assembly shall appropriate an amount  
29 equal to the sums as may be necessary to meet repayment  
30 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 for the compensation to eligible veterans, staff services,

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

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

10 Section 15. Repeal.

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

14 Section 16. Effective date.

15 This act shall take effect as follows:

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

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