

HOUSE BILL 1390

P1

(3lr0114)

ENROLLED BILL

— *Health and Government Operations/Education, Health, and Environmental Affairs* —

Introduced by **Chair, Health and Government Operations Committee (By Request – Departmental – Veterans Affairs) and Delegates Bromwell, Costa, Cullison, Elliott, Frank, Hammen, Hubbard, A. Kelly, Kipke, McDonough, Morhaim, Murphy, Nathan–Pulliam, Pena–Melnik, Pendergrass, Ready, Tarrant, and V. Turner**

Read and Examined by Proofreaders:

Proofreader.

Proofreader.

Sealed with the Great Seal and presented to the Governor, for his approval this

_____ day of _____ at _____ o'clock, _____ M.

Speaker.

CHAPTER _____

1 AN ACT concerning

2 **Maryland Veterans Trust and Fund – Establishment**

3 FOR the purpose of establishing the Maryland Veterans Trust as a corporate entity;
4 providing for the membership, terms, staffing, and reimbursement of certain
5 expenses of the Board of Trustees of the Trust; establishing the Maryland
6 Veterans Trust Fund and authorizing the Trust to maintain the Fund and
7 expend money from the Fund to provide grants and loans to veterans and their
8 families and to programs that support veterans and their families; repealing
9 requirements for the State Treasurer to invest the money in the Fund and for
10 any investment earnings of the Fund to be credited to the Fund; granting
11 certain powers and duties to the Board of Trustees and the Trust, including

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.

Underlining indicates amendments to bill.

~~Strike out~~ indicates matter stricken from the bill by amendment or deleted from the law by amendment.

Italics indicate opposite chamber/conference committee amendments.



1 accepting certain gifts and grants, entering into certain contracts, adopting
 2 certain bylaws, and submitting certain annual reports; authorizing the Fund to
 3 consist of certain income tax contributions; requiring money received by the
 4 Trust to be deposited in a certain manner; authorizing the Trust to establish a
 5 certain bank account and make certain investments; exempting the Trust from
 6 certain provisions of law relating to procurement; making certain provisions of
 7 this Act subject to a certain contingency; requiring a certain balance in a certain
 8 fund to transfer to a certain fund on a certain date; defining certain terms; and
 9 generally relating to the establishment of the Maryland Veterans Trust and
 10 Fund.

11 BY repealing and reenacting, with amendments,
 12 Article – State Government
 13 Section 9–912 and 9–913
 14 Annotated Code of Maryland
 15 (2009 Replacement Volume and 2012 Supplement)

16 BY adding to
 17 Article – State Government
 18 Section 9–914 through 9–914.3
 19 Annotated Code of Maryland
 20 (2009 Replacement Volume and 2012 Supplement)

21 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF
 22 MARYLAND, That the Laws of Maryland read as follows:

23 **Article – State Government**

24 9–912.

25 (a) To carry out the responsibilities and goals of the Department, the
 26 Department may acquire, hold, use, improve, and convey property.

27 [(b) In addition to any other power under this section and subject to Title 7 of
 28 the State Finance and Procurement Article, to carry out the purposes or goals of the
 29 Department, the Department may:

30 (1) accept a gift or grant; and

31 (2) unless the terms of a gift or grant require otherwise, and subject to
 32 the approval of the Secretary:

33 (i) spend the principal and income of the gift or grant through
 34 grants or loans to:

35 1. veterans and their families;

1 2. public and private programs that support veterans
2 and their families; or

3 3. any other programs that the Secretary considers
4 appropriate; or

5 (ii) invest all or part of the principal and income in:

6 1. general obligations of the State; or

7 2. any other security.

8 (c) (1) Gifts and grants that the Department accepts under subsection (b)
9 of this section shall be deposited in the Maryland Veterans Trust Fund under § 9–913
10 of this subtitle.

11 (2) The Secretary shall adopt regulations to implement a program for
12 gifts and grants made under subsection (b)(2) of this section.】

13 **[(d) (B)** (1) In addition to any other power under this section, the
14 Department may lease any part of the home property for use as a concession or other
15 commercial purpose that is consistent with the purposes of the Department. However,
16 the Department may not lease its property merely for investment purposes.

17 (2) Notwithstanding any other law, unless the lease expressly provides
18 for redemption by the tenant, the lease is not subject to redemption.

19 9–913.

20 **[(a)** In this section, “Fund” means the Maryland Veterans Trust Fund.

21 (b) There is a Maryland Veterans Trust Fund in the Department.

22 (c) (1) The Fund is a special, nonlapsing fund that is not subject to
23 reversion under § 7–302 of the State Finance and Procurement Article.

24 (2) The State Treasurer shall hold the Fund separately, and the
25 Comptroller shall account for the Fund.

26 (d) (1) The Secretary shall administer the Fund.

27 (2) The Maryland Veterans Commission, the Maryland Veterans’
28 Home Commission, and program directors shall advise the Secretary on the
29 administration of the Fund.】

1 **(A) IN THIS SUBTITLE THE FOLLOWING WORDS HAVE THE MEANINGS**
 2 **INDICATED.**

3 **(B) “BOARD” MEANS THE BOARD OF TRUSTEES OF THE MARYLAND**
 4 **VETERANS TRUST.**

5 **(C) “FUND” MEANS THE MARYLAND VETERANS TRUST FUND.**

6 **(D) “TRUST” MEANS THE MARYLAND VETERANS TRUST.**

7 **(E) (1) THERE IS A MARYLAND VETERANS TRUST ESTABLISHED FOR**
 8 **THE PURPOSE OF PROVIDING MONETARY AND OTHER ASSISTANCE TO:**

9 **(I) VETERANS AND THEIR FAMILIES; AND**

10 **(II) PUBLIC AND PRIVATE PROGRAMS THAT SUPPORT**
 11 **VETERANS AND THEIR FAMILIES.**

12 **(2) THERE IS A MARYLAND VETERANS TRUST FUND.**

13 **(F) THE TRUST SHALL BE A BODY CORPORATE AND SHALL HAVE**
 14 **PERPETUAL EXISTENCE, SUBJECT TO MODIFICATION OR TERMINATION BY THE**
 15 **GENERAL ASSEMBLY IF NECESSARY TO EFFECTUATE ITS PURPOSE OR IF ITS**
 16 **SUBSTANTIAL PURPOSE CEASES TO EXIST.**

17 **[(e)] (G) The Fund consists of:**

18 (1) gifts and grants that the [Department] **TRUST** receives under [§
 19 9–912(b)] **§ 9–914.2(A)(1)** of this subtitle; ~~[and]~~

20 (2) contributions to the Fund from the sale of tickets from instant
 21 ticket lottery machines under § 9–112(d) of this title; ~~AND~~

22 ~~**(3) CONTRIBUTIONS TO THE FUND FROM THE INCOME TAX**~~
 23 ~~**CHECKOFF SYSTEM ESTABLISHED UNDER § 2-114 OF THE TAX GENERAL**~~
 24 ~~**ARTICLE.**~~

25 **[(f)] (H) Money in the Fund may only be used to:**

26 (1) make grants and loans under [§ 9–912(b)(2)(i)] **§ 9–914.2(A)(3)** of
 27 this subtitle;

28 (2) be invested under [§ 9–912(b)(2)(ii)] **§ 9–914.3(B)** of this subtitle;
 29 and

1 (3) pay the costs of administering the Fund through distribution to an
2 administrative cost account in the Department.

3 ~~[(c)] (1) (1) The State Treasurer shall invest the money in the Fund in~~
4 ~~the same manner as other State money may be invested.~~

5 ~~(2) Any investment earnings of the Fund shall be credited to the Fund.~~

6 ~~[(h)] (I) Money expended from the Fund is supplemental to and is not~~
7 ~~intended to take the place of funding that would otherwise be appropriated to the~~
8 ~~Department.~~

9 [(i) (1) On or before August 31 of each year, the Secretary shall submit a
10 report to the General Assembly, in accordance with § 2-1246 of this article, on the
11 status of the Fund.

12 (2) The report shall include:

13 (i) the gross amount of gifts and grants credited to the Fund;

14 (ii) the costs of administration of the Fund; and

15 (iii) a detailed accounting of the use of the Fund.]

16 **9-914.**

17 **(A) THE POWERS AND DUTIES OF THE TRUST SHALL REST IN AND BE**
18 **EXERCISED BY A BOARD OF TRUSTEES.**

19 **(B) THE BOARD OF TRUSTEES SHALL CONSIST OF THE FOLLOWING 11**
20 **MEMBERS:**

21 **(1) THE SECRETARY OF VETERANS AFFAIRS, EX OFFICIO, OR THE**
22 **SECRETARY'S DESIGNEE, WHO SHALL SERVE AS THE CHAIR;**

23 **(2) THE SECRETARY OF AGING, EX OFFICIO, OR THE**
24 **SECRETARY'S DESIGNEE;**

25 **(3) THE SECRETARY OF LABOR, LICENSING, AND REGULATION,**
26 **EX OFFICIO, OR THE SECRETARY'S DESIGNEE;**

27 **(4) THE SECRETARY OF HEALTH AND MENTAL HYGIENE, EX**
28 **OFFICIO, OR THE SECRETARY'S DESIGNEE;**

1 **(5) THE SECRETARY OF HUMAN RESOURCES, EX OFFICIO, OR**
2 **THE SECRETARY'S DESIGNEE;**

3 **(6) THE ADJUTANT GENERAL OF THE MILITARY DEPARTMENT,**
4 **EX OFFICIO, OR THE ADJUTANT GENERAL'S DESIGNEE;**

5 **(7) ONE REPRESENTATIVE OF EACH OF THE FOLLOWING**
6 **ORGANIZATIONS, APPOINTED BY THE GOVERNOR:**

7 **(I) A VETERANS SERVICE ORGANIZATION;**

8 **(II) A NONPROFIT ORGANIZATION THAT SERVES VETERANS;**
9 **AND**

10 **(III) THE BUSINESS COMMUNITY;**

11 **(8) A MEMBER OF THE HOUSE OF DELEGATES APPOINTED BY THE**
12 **SPEAKER OF THE HOUSE; AND**

13 **(9) A MEMBER OF THE SENATE APPOINTED BY THE PRESIDENT**
14 **OF THE SENATE.**

15 **(C) THE GOVERNOR SHALL CONSIDER GEOGRAPHICAL BALANCE IN**
16 **MAKING APPOINTMENTS TO THE BOARD OF TRUSTEES.**

17 **(D) EXCEPT FOR THE EX OFFICIO MEMBERS OR THEIR DESIGNEES:**

18 **(1) THE TERM OF A MEMBER IS 4 YEARS;**

19 **(2) THE TERMS OF MEMBERS ARE STAGGERED AS REQUIRED BY**
20 **THE TERMS PROVIDED FOR MEMBERS OF THE BOARD ON JULY 1, 2013;**

21 **(3) AT THE END OF A TERM, A MEMBER CONTINUES TO SERVE**
22 **UNTIL A SUCCESSOR IS APPOINTED AND QUALIFIES;**

23 **(4) A MEMBER WHO IS APPOINTED AFTER A TERM HAS BEGUN**
24 **SERVES FOR THE REST OF THE TERM AND UNTIL A SUCCESSOR IS APPOINTED**
25 **AND QUALIFIES; AND**

26 **(5) A MEMBER MAY SERVE NO MORE THAN 2 TERMS.**

27 **9-914.1.**

1 **(A) THE BOARD SHALL MEET AT PLACES AND DATES TO BE**
2 **DETERMINED BY THE BOARD, BUT NOT LESS THAN 2 TIMES A YEAR.**

3 **(B) A MAJORITY OF THE TRUSTEES IS A QUORUM.**

4 **(C) A TRUSTEE:**

5 **(1) MAY NOT RECEIVE COMPENSATION AS A TRUSTEE; BUT**

6 **(2) IS ENTITLED TO REIMBURSEMENT FOR EXPENSES UNDER THE**
7 **STANDARD STATE TRAVEL REGULATIONS, AS PROVIDED IN THE STATE**
8 **BUDGET.**

9 **(D) THE DEPARTMENT SHALL PROVIDE STAFF, SUPPLIES, AND OFFICE**
10 **SPACE FOR THE BOARD.**

11 **9-914.2.**

12 **(A) THE TRUST SHALL HAVE THE POWERS AND DUTIES TO:**

13 **(1) SOLICIT AND ACCEPT ANY GIFT, GRANT, LEGACY, OR**
14 **ENDOWMENT OF MONEY FROM THE FEDERAL GOVERNMENT, STATE**
15 **GOVERNMENT, LOCAL GOVERNMENT, OR ANY PRIVATE SOURCE IN**
16 **FURTHERANCE OF THE TRUST;**

17 **(2) MAINTAIN THE FUND, WHICH SHALL CONSIST OF ANY GIFT,**
18 **GRANT, LEGACY, OR ENDOWMENT PROVIDED TO THE TRUST UNDER (A)(1) OF**
19 **THIS SECTION;**

20 **(3) EXPEND MONEY FROM THE FUND TO PROVIDE GRANTS OR**
21 **LOANS TO:**

22 **(I) VETERANS AND THEIR FAMILIES;**

23 **(II) PUBLIC AND PRIVATE PROGRAMS THAT SUPPORT**
24 **VETERANS AND THEIR FAMILIES; OR**

25 **(III) ANY OTHER PROGRAMS THAT THE TRUST CONSIDERS**
26 **TO BE WITHIN THE PURPOSE FOR WHICH THE TRUST IS ESTABLISHED;**

27 **(4) DEVELOP PROJECTS FOR SPONSORSHIP BY CORPORATE AND**
28 **BUSINESS ORGANIZATIONS OR PRIVATE INDIVIDUALS;**

1 **(5) MAKE, EXECUTE, AND ENTER INTO ANY CONTRACT OR OTHER**
2 **LEGAL INSTRUMENT;**

3 **(6) RECEIVE APPROPRIATIONS AS PROVIDED IN THE STATE**
4 **BUDGET;**

5 **(7) ACQUIRE, HOLD, USE, IMPROVE, AND CONVEY PROPERTY;**

6 **(8) LEASE AND MAINTAIN AN OFFICE AT A PLACE WITHIN THE**
7 **STATE THAT THE TRUST DESIGNATES;**

8 **(9) ADOPT BYLAWS FOR THE REGULATION OF ITS AFFAIRS AND**
9 **THE CONDUCT OF ITS BUSINESS;**

10 **(10) TAKE ANY OTHER ACTION NECESSARY TO CARRY OUT THE**
11 **PURPOSES OF THE TRUST;**

12 **(11) SUE AND BE SUED, BUT ONLY TO ENFORCE CONTRACTUAL OR**
13 **SIMILAR AGREEMENTS WITH THE TRUST; AND**

14 **(12) SUBMIT A REPORT ON OR BEFORE ~~AUGUST~~ AUGUST 31 OF**
15 **EACH YEAR TO THE GOVERNOR AND, SUBJECT TO § 2-1246 OF THIS ARTICLE,**
16 **TO THE GENERAL ASSEMBLY, WITH RECOMMENDATIONS OR REQUESTS**
17 **DEEMED APPROPRIATE TO FURTHER THE PURPOSES OF THE TRUST, AND A**
18 **DESCRIPTION OF THE ACTIVITIES OF THE TRUST DURING THE PRECEDING**
19 **YEAR, INCLUDING:**

20 **(I) THE GROSS AMOUNT OF GIFTS AND GRANTS CREDITED**
21 **TO THE TRUST;**

22 **(II) THE COSTS OF ADMINISTRATION OF THE TRUST; AND**

23 **(III) A DETAILED ACCOUNTING OF THE USE OF THE TRUST.**

24 ~~**(B) MONEY EXPENDED FROM THE FUND IS NOT INTENDED TO TAKE THE**~~
25 ~~**PLACE OF FUNDING THAT WOULD OTHERWISE BE APPROPRIATED TO THE**~~
26 ~~**DEPARTMENT.**~~

27 ~~**(B)**~~ **(B) THE TRUST MAY CARRY OUT ITS CORPORATE PURPOSES**
28 **WITHOUT OBTAINING THE CONSENT OF ANY DEPARTMENT, BOARD, OR AGENCY**
29 **OF THE STATE.**

1 **(C) IN EXERCISING ITS POWERS, THE TRUST IS EXEMPT FROM THE**
2 **PROVISIONS OF DIVISION II OF THE STATE FINANCE AND PROCUREMENT**
3 **ARTICLE.**

4 **9-914.3.**

5 **(A) ALL MONEY RECEIVED BY THE TRUST SHALL BE DEPOSITED, AS**
6 **DIRECTED BY THE TRUST, IN ANY STATE OR NATIONAL BANK, OR FEDERALLY OR**
7 **STATE INSURED SAVINGS AND LOAN ASSOCIATIONS LOCATED IN THE STATE**
8 **HAVING A TOTAL PAID-IN CAPITAL OF AT LEAST \$1,000,000. THE TRUST**
9 **DEPARTMENT OF ANY STATE OR NATIONAL BANK OR SAVINGS AND LOAN**
10 **ASSOCIATION MAY BE DESIGNATED AS A DEPOSITORY TO RECEIVE ANY**
11 **SECURITIES ACQUIRED OR OWNED BY THE TRUST. THE RESTRICTION WITH**
12 **RESPECT TO PAID-IN CAPITAL MAY BE WAIVED FOR ANY QUALIFYING BANK OR**
13 **SAVINGS AND LOAN ASSOCIATION THAT AGREES TO PLEDGE SECURITIES OF THE**
14 **STATE OR OF THE UNITED STATES TO PROTECT THE FUNDS AND SECURITIES OF**
15 **THE TRUST IN AMOUNTS AND UNDER ARRANGEMENTS ACCEPTABLE TO THE**
16 **TRUST.**

17 **(B) (1) EXCEPT AS PROVIDED IN PARAGRAPH (2) OF THIS**
18 **SUBSECTION, ANY MONEY OF THE TRUST, IN ITS DISCRETION AND UNLESS**
19 **OTHERWISE PROVIDED IN ANY AGREEMENT OR COVENANT BETWEEN THE**
20 **TRUST AND THE HOLDERS OF ANY OF ITS OBLIGATIONS LIMITING OR**
21 **RESTRICTING CLASSES OF INVESTMENTS, MAY BE INVESTED IN BONDS OR**
22 **OTHER OBLIGATIONS OF THE UNITED STATES, THE STATE, THE POLITICAL**
23 **SUBDIVISIONS OR UNITS OF THE STATE, DIRECT OR INDIRECT FEDERAL**
24 **AGENCIES, CORPORATE BONDS WITH A RATING OF BAA3/BBB, OR MORTGAGE**
25 **BACKED AND ASSET BACKED SECURITIES WITH A RATING OF AAA.**

26 **(2) THE OVERALL INVESTMENT PORTFOLIO OF THE TRUST MUST**
27 **HAVE A RATING OF AT LEAST AA.**

28 **(C) THE TRUST SHALL MAKE PROVISION FOR A SYSTEM OF FINANCIAL**
29 **ACCOUNTING, CONTROLS, AUDITS, AND REPORTS.**

30 **(D) THE BOOKS, RECORDS, AND ACCOUNTS OF THE TRUST ARE**
31 **SUBJECT TO AUDIT BY THE STATE.**

32 SECTION 2. AND BE IT FURTHER ENACTED, That the Laws of Maryland
33 read as follows:

34 Article – State Government

35 9-913.

1 (g) The Fund consists of:

2 (1) gifts and grants that the Trust receives under § 9-914.2(a)(1) of
3 this subtitle; [and]

4 (2) contributions to the Fund from the sale of tickets from instant
5 ticket lottery machines under § 9-112(d) of this title; AND

6 (3) CONTRIBUTIONS TO THE FUND FROM THE INCOME TAX
7 CHECKOFF SYSTEM ESTABLISHED UNDER § 2-114 OF THE TAX – GENERAL
8 ARTICLE.

9 SECTION 3. AND BE IT FURTHER ENACTED, That Section 2 of this Act is
10 contingent on the taking effect of Chapter (H.B. 750) of the Acts of the General
11 Assembly of 2013, and if Chapter (H.B. 750) does not become effective, Section 2 of
12 this Act shall be null and void without the necessity of further action by the General
13 Assembly.

14 SECTION ~~2~~ 4. AND BE IT FURTHER ENACTED, That: (1) of the members
15 initially appointed by the Governor to the Board of Trustees, 1 member shall have a
16 term of 2 years, 1 member shall have a term of 3 years, and 1 member shall have a
17 term of 4 years; and (2) of the members initially appointed by the Speaker of the
18 House and the President of the Senate, the member of the House of Delegates shall
19 have a term of 2 years and the member of the Senate shall have a term of 4 years.

20 SECTION 5. AND BE IT FURTHER ENACTED, That any balance remaining
21 in the Maryland Veterans Trust Fund in the Department of Veterans Affairs at the end
22 of June 30, 2013, shall transfer on July 1, 2013, to the Maryland Veterans Trust Fund
23 established by Section 1 of this Act.

24 SECTION ~~3~~ ~~5~~ 6. AND BE IT FURTHER ENACTED, That, except as provided
25 in Section 3 of this Act, this Act shall take effect July 1, 2013.

Approved:

Governor.

Speaker of the House of Delegates.

President of the Senate.