



General Assembly

February Session, 2006

Raised Bill No. 5467

LCO No. 1959

01959_____PRI

Referred to Committee on Program Review and Investigations

Introduced by:
(PRI)

***AN ACT IMPLEMENTING THE RECOMMENDATIONS OF THE
LEGISLATIVE PROGRAM REVIEW AND INVESTIGATIONS
COMMITTEE RELATING TO THE TRANSFER OF THE SOLDIERS,
SAILORS AND MARINES FUND TO THE CUSTODY OF THE
AMERICAN LEGION, DEPARTMENT OF CONNECTICUT, INC.***

Be it enacted by the Senate and House of Representatives in General Assembly convened:

1 Section 1. (NEW) (*Effective from passage*) (a) In accordance with
2 sound investment criteria consistent with prudent standards of
3 fiduciary responsibility, the State Treasurer shall, within a period of
4 time not exceeding six months following the effective date of this
5 section, disinvest all currently invested funds of the Soldiers, Sailors
6 and Marines Fund, and provide for the transfer of the Soldiers, Sailors
7 and Marines Fund to the American Legion, Department of
8 Connecticut, Inc.

9 (b) On the date on which the transfer required by subsection (a) is
10 made, the State Treasurer shall certify such date to the General
11 Assembly in accordance with the provisions of section 11-4a of the
12 general statutes.

13 Sec. 2. Section 27-138 of the general statutes is repealed and the

14 following is substituted in lieu thereof (*Effective upon the transfer of the*
15 *Soldiers, Sailors and Marines Fund by the State Treasurer to the American*
16 *Legion, Department of Connecticut, Inc.*):

17 [The] On and after the transfer of the Soldiers, Sailors and Marines
18 Fund by the State Treasurer to the American Legion, Department of
19 Connecticut, Inc., hereinafter referred to as the American Legion, in
20 accordance with the provisions of section 1 of this act, the Soldiers,
21 Sailors and Marines Fund [shall remain as established and] shall be in
22 the custody of the [Treasurer as trustee of said fund] American Legion.
23 The [Treasurer] American Legion shall administer said fund [as
24 required by the provisions of this chapter,] and shall reinvest [as much
25 of said fund as is not required for current disbursement in accordance
26 with the provisions of part I of chapter 32. The interest accumulations
27 of the fund so held in trust or so much thereof as is found necessary to
28 carry out the purposes hereinafter stated shall be paid, upon the order
29 of the Comptroller, upon such statements as he may require, to the
30 treasurer of the American Legion, who shall disburse the same, and
31 the balance of said accumulations, except for a reserve of one hundred
32 thousand dollars held in custody of the trustee for contingent
33 purposes, shall at the end of each fiscal year be added to the principal
34 of the fund. If the interest accumulations of the fund, together with
35 available appropriations, if any, of other funds, are insufficient to carry
36 out the purposes of this part, the Finance Advisory Committee, upon
37 recommendation of the Governor, shall make appropriations therefor
38 from the state General Fund, limited, however, for any fiscal year to
39 amounts which, together with said interest accumulations for such
40 year, shall not exceed the annual interest on thirty-five million dollars
41 at the average rate of the investment yield earned during the preceding
42 fiscal year on the Soldiers, Sailors and Marines Fund, provided, in case
43 of disaster constituting an emergency, as declared by the Governor, the
44 Finance Advisory Committee may make additional appropriations to
45 said fund without regard to such limitation. Payments to the treasurer
46 of the American Legion shall be made at such definite and stated
47 periods as are necessary to meet the convenience of the American

48 Legion and said trustee; but each payment shall be made upon the
49 order of the treasurer of the American Legion, approved by at least
50 two of its executive officers or of a special committee thereof thereunto
51 specially authorized] the principal of said fund in accordance with the
52 Connecticut Uniform Prudent Investor Act, sections 45a-541 to 45a-
53 541l, inclusive, and with the objective of providing a secure source of
54 annual income for a program of temporary assistance for needy
55 veterans who performed service in time of war. No part of the [interest
56 accumulation] principal or income of said fund shall be expended for
57 the purpose of maintaining the American Legion, except as provided
58 in section 27-140, as amended by this act.

59 Sec. 3. Section 27-140 of the general statutes is repealed and the
60 following is substituted in lieu thereof (*Effective upon the transfer of the*
61 *Soldiers, Sailors and Marines Fund by the State Treasurer to the American*
62 *Legion, Department of Connecticut, Inc.*):

63 [All money so paid to and received] On and after the transfer of the
64 Soldiers, Sailors and Marines Fund to the American Legion pursuant
65 to section 1 of this act, all investment income of the Soldiers, Sailors
66 and Marines Fund shall be used by the American Legion [shall be
67 expended by it in furnishing food, wearing apparel, medical or
68 surgical aid or care or relief to, or in bearing the funeral expenses of,
69 soldiers, sailors or marines] for the operation of a program of
70 temporary assistance for eligible veterans who performed service in
71 time of war, as defined in subsection (a) of section 27-103, in any
72 branch of the military service of the United States, including the
73 Connecticut National Guard, or who were engaged in any of the wars
74 waged by the United States during said periods in the forces of any
75 government associated with the United States, and who have been
76 honorably discharged therefrom or honorably released from active
77 service therein. [, and who were citizens or resident aliens of the state
78 at the time of entering said armed forces of the United States, including
79 the Connecticut National Guard, or of any such government, or to
80 their] Temporary assistance may also be provided to spouses who are

81 living with [them, or to their] eligible veterans, widows or widowers
82 who were living with [them] eligible veterans at the time of their
83 death, or dependent children of eligible veterans, under eighteen years
84 of age. [, who may be in need of the same All such] All payments
85 under the program of temporary assistance shall be made by the
86 American Legion [under authority of its bylaws, which bylaws shall
87 set forth the procedure for proof of eligibility for such aid and shall be
88 approved by the trustee, provided payments made for the care and
89 treatment of any person entitled to the benefits provided for herein, at
90 any hospital receiving aid from the General Assembly unless special
91 care and treatment are required, shall be in accordance with the
92 provisions of section 17b-239, and provided the sum expended for the
93 care or treatment of such person at any other place than a state-aided
94 hospital shall in no case exceed the actual cost of supporting such
95 person at the Veterans' Home, unless special care and treatment are
96 required, when such sum as may be determined by the treasurer of
97 such organization may be paid therefor. The treasurer of such
98 organization shall account to said trustee during the months of
99 January, April, July and October for all moneys disbursed by it during
100 the three months next preceding the first day of either of said months,
101 and such account shall show the amount of and the name and address
102 of each person to whom such aid has been furnished. Upon the
103 completion of the trust provided for in section 27-138, the principal
104 fund so held by said trustee shall revert to the State Treasury] in
105 accordance with written criteria and procedures established by the
106 American Legion for the program of temporary assistance. The
107 American Legion may use a portion of the income from the fund for
108 the reasonable costs of administration of said program. On or before
109 March first of each year the American Legion shall prepare a report
110 which sets forth the program's operation during the previous calendar
111 year, including a summary of the investments and earnings of the
112 Soldiers, Sailors and Marines Fund, and data showing the number of
113 awards, and the amounts and types of awards made under the
114 program during such year.

115 Sec. 4. Section 3-13c of the 2006 supplement to the general statutes is
116 repealed and the following is substituted in lieu thereof (*Effective upon*
117 *the transfer of the Soldiers, Sailors and Marines Fund by the State Treasurer*
118 *to the American Legion, Department of Connecticut, Inc.*):

119 Trust funds as used in sections 3-13 to 3-13e, inclusive, and 3-31b
120 shall be construed to include Connecticut Municipal Employees'
121 Retirement Fund A, Connecticut Municipal Employees' Retirement
122 Fund B, [Soldiers, Sailors and Marines Fund,] State's Attorneys'
123 Retirement Fund, Teachers' Annuity Fund, Teachers' Pension Fund,
124 Teachers' Survivorship and Dependency Fund, School Fund, State
125 Employees Retirement Fund, the Hospital Insurance Fund, Policemen
126 and Firemen Survivor's Benefit Fund and all other trust funds
127 administered, held or invested by the Treasurer.

128 Sec. 5. Sections 27-138a, 27-138b and 27-138d of the general statutes
129 and section 27-138c of the 2006 supplement to the general statutes are
130 repealed. (*Effective upon the transfer of the Soldiers, Sailors and Marines*
131 *Fund to the American Legion, Department of Connecticut, Inc.*)

This act shall take effect as follows and shall amend the following sections:		
Section 1	<i>from passage</i>	New section
Sec. 2	<i>upon the transfer of the Soldiers, Sailors and Marines Fund by the State Treasurer to the American Legion, Department of Connecticut, Inc.</i>	27-138
Sec. 3	<i>upon the transfer of the Soldiers, Sailors and Marines Fund by the State Treasurer to the American Legion, Department of Connecticut, Inc.</i>	27-140

Sec. 4	<i>upon the transfer of the Soldiers, Sailors and Marines Fund by the State Treasurer to the American Legion, Department of Connecticut, Inc.</i>	3-13c
Sec. 5	<i>upon the transfer of the Soldiers, Sailors and Marines Fund to the American Legion, Department of Connecticut, Inc.</i>	Repealer section

Statement of Purpose:

To implement the recommendations of the Legislative Program Review and Investigations Committee contained in the January, 2006 report on the Soldiers, Sailors and Marines Fund.

[Proposed deletions are enclosed in brackets. Proposed additions are indicated by underline, except that when the entire text of a bill or resolution or a section of a bill or resolution is new, it is not underlined.]