



General Assembly

Substitute Bill No. 5467

February Session, 2006

* HB05467PRI 031006 *

**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) The American Legion,
2 Department of Connecticut, Inc., hereinafter referred to as the
3 American Legion, shall submit a plan for the management and
4 implementation of the Soldiers, Sailors and Marines Fund, to the
5 Legislative Program Review and Investigations Committee, hereinafter
6 referred to as the committee, by September 1, 2006. The committee
7 shall approve, modify or reject the plan by October 15, 2006. If the
8 committee rejects the plan, the American Legion shall submit an
9 amended plan not later than twenty days following the date of such
10 rejection. The committee shall act on the amended plan within twenty
11 days following its receipt of the amended plan.

12 (b) In accordance with sound investment criteria consistent with
13 prudent standards of fiduciary responsibility, the State Treasurer shall,
14 within a period of time not exceeding sixty days following the
15 approval of a plan as provided in subsection (a) of this section,
16 disinvest all currently invested funds of the Soldiers, Sailors and
17 Marines Fund, and provide for the transfer of the Soldiers, Sailors and

18 Marines Fund to the American Legion.

19 (c) In the event that the Comptroller has used state funds to make
20 up the difference between the expenditures from the Soldiers, Sailors
21 and Marines Fund and the interest income of said fund, the state shall
22 be reimbursed for any such amount from the principal of the Soldiers,
23 Sailors and Marines Fund prior to the transfer as provided in
24 subsection (b) of this section.

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

29 Sec. 2. Section 27-138 of the general statutes is repealed and the
30 following is substituted in lieu thereof (*Effective upon the transfer of the*
31 *Soldiers, Sailors and Marines Fund by the State Treasurer to the American*
32 *Legion, Department of Connecticut, Inc.*):

33 [The] On and after the transfer of the Soldiers, Sailors and Marines
34 Fund by the State Treasurer to the American Legion, in accordance
35 with the provisions of section 1 of this act, the Soldiers, Sailors and
36 Marines Fund [shall remain as established and] shall be in the custody
37 of the [Treasurer as trustee of said fund] American Legion. The
38 [Treasurer] American Legion shall administer said fund [as required
39 by the provisions of this chapter,] and shall reinvest [as much of said
40 fund as is not required for current disbursement in accordance with
41 the provisions of part I of chapter 32. The interest accumulations of the
42 fund so held in trust or so much thereof as is found necessary to carry
43 out the purposes hereinafter stated shall be paid, upon the order of the
44 Comptroller, upon such statements as he may require, to the treasurer
45 of the American Legion, who shall disburse the same, and the balance
46 of said accumulations, except for a reserve of one hundred thousand
47 dollars held in custody of the trustee for contingent purposes, shall at
48 the end of each fiscal year be added to the principal of the fund. If the
49 interest accumulations of the fund, together with available

50 appropriations, if any, of other funds, are insufficient to carry out the
51 purposes of this part, the Finance Advisory Committee, upon
52 recommendation of the Governor, shall make appropriations therefor
53 from the state General Fund, limited, however, for any fiscal year to
54 amounts which, together with said interest accumulations for such
55 year, shall not exceed the annual interest on thirty-five million dollars
56 at the average rate of the investment yield earned during the preceding
57 fiscal year on the Soldiers, Sailors and Marines Fund, provided, in case
58 of disaster constituting an emergency, as declared by the Governor, the
59 Finance Advisory Committee may make additional appropriations to
60 said fund without regard to such limitation. Payments to the treasurer
61 of the American Legion shall be made at such definite and stated
62 periods as are necessary to meet the convenience of the American
63 Legion and said trustee; but each payment shall be made upon the
64 order of the treasurer of the American Legion, approved by at least
65 two of its executive officers or of a special committee thereof thereunto
66 specially authorized] the principal of said fund in accordance with the
67 Connecticut Uniform Prudent Investor Act, sections 45a-541 to 45a-
68 541l, inclusive, and with the objective of providing a secure source of
69 annual income for a program of temporary assistance for needy
70 veterans who performed service in time of war. No part of the [interest
71 accumulation] principal or income of said fund shall be expended for
72 the purpose of maintaining the American Legion, except as provided
73 in section 27-140, as amended by this act.

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

78 [All money so paid to and received] On and after the transfer of the
79 Soldiers, Sailors and Marines Fund to the American Legion pursuant
80 to section 1 of this act, all investment income of the Soldiers, Sailors
81 and Marines Fund shall be used by the American Legion [shall be
82 expended by it in furnishing food, wearing apparel, medical or
83 surgical aid or care or relief to, or in bearing the funeral expenses of,

84 soldiers, sailors or marines] for the operation of a program of
85 temporary assistance for eligible veterans who performed service in
86 time of war, as defined in subsection (a) of section 27-103, in any
87 branch of the military service of the United States, including the
88 Connecticut National Guard, or who were engaged in any of the wars
89 waged by the United States during said periods in the forces of any
90 government associated with the United States, and who have been
91 honorably discharged therefrom or honorably released from active
92 service therein, [, and who were citizens or resident aliens of the state
93 at the time of entering said armed forces of the United States, including
94 the Connecticut National Guard, or of any such government, or to
95 their] Temporary assistance may also be provided to spouses who are
96 living with [them, or to their] eligible veterans, widows or widowers
97 who were living with [them] eligible veterans at the time of their
98 death, or dependent children of eligible veterans, under eighteen years
99 of age. [, who may be in need of the same All such] All payments
100 under the program of temporary assistance shall be made by the
101 American Legion [under authority of its bylaws, which bylaws shall
102 set forth the procedure for proof of eligibility for such aid and shall be
103 approved by the trustee, provided payments made for the care and
104 treatment of any person entitled to the benefits provided for herein, at
105 any hospital receiving aid from the General Assembly unless special
106 care and treatment are required, shall be in accordance with the
107 provisions of section 17b-239, and provided the sum expended for the
108 care or treatment of such person at any other place than a state-aided
109 hospital shall in no case exceed the actual cost of supporting such
110 person at the Veterans' Home, unless special care and treatment are
111 required, when such sum as may be determined by the treasurer of
112 such organization may be paid therefor. The treasurer of such
113 organization shall account to said trustee during the months of
114 January, April, July and October for all moneys disbursed by it during
115 the three months next preceding the first day of either of said months,
116 and such account shall show the amount of and the name and address
117 of each person to whom such aid has been furnished. Upon the
118 completion of the trust provided for in section 27-138, the principal

119 fund so held by said trustee shall revert to the State Treasury] in
 120 accordance with written criteria and procedures established by the
 121 American Legion for the program of temporary assistance. The
 122 American Legion may use a portion of the income from the fund for
 123 the reasonable costs of administration of said program. On or before
 124 March first of each year the American Legion shall prepare a report
 125 which sets forth the program's operation during the previous calendar
 126 year, including a summary of the investments and earnings of the
 127 Soldiers, Sailors and Marines Fund, and data showing the number of
 128 awards, and the amounts and types of awards made under the
 129 program during such year.

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

134 Trust funds as used in sections 3-13 to 3-13e, inclusive, and 3-31b
 135 shall be construed to include Connecticut Municipal Employees'
 136 Retirement Fund A, Connecticut Municipal Employees' Retirement
 137 Fund B, [Soldiers, Sailors and Marines Fund,] State's Attorneys'
 138 Retirement Fund, Teachers' Annuity Fund, Teachers' Pension Fund,
 139 Teachers' Survivorship and Dependency Fund, School Fund, State
 140 Employees Retirement Fund, the Hospital Insurance Fund, Policemen
 141 and Firemen Survivor's Benefit Fund and all other trust funds
 142 administered, held or invested by the Treasurer.

143 Sec. 5. Sections 27-138a, 27-138b and 27-138d of the general statutes
 144 and section 27-138c of the 2006 supplement to the general statutes are
 145 repealed. (*Effective upon the transfer of the Soldiers, Sailors and Marines*
 146 *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 Legislative Commissioners:

In subsection (c) of section 1, "appropriation" was changed to "expenditures" for clarity and accuracy.

PRI *Joint Favorable Subst.*