
OLR BILL ANALYSIS

HB 6395

AN ACT CONCERNING INTEREST EARNED ON THE SOLDIERS', SAILORS' AND MARINES' FUND.

SUMMARY:

This bill sets conditions under which General Fund (GF) appropriations made to the Soldiers', Sailors', and Marines' Fund (SSMF) must be paid back to the fund. By law, if the SSMF accumulated interest and earnings cannot provide necessary benefits (see BACKGROUND), the Finance Advisory Committee is authorized to make GF appropriations to the SSMF. The bill requires repayments (1) in any fiscal year when interest earned on the SSMF principal exceeds its expenditures and (2) there remains an outstanding balance in the total amount to be repaid to the GF.

It allows the Comptroller to transfer interest earned on the SSMF's principal in any fiscal year when these conditions are met. The bill explicitly prohibits such SSMF transfers to the GF for any other reason than to repay the cumulative balance appropriated from GF to SSMF.

EFFECTIVE DATE: July 1, 2011

BACKGROUND

The Soldiers', Sailors' and Marines' Fund is a self-sustaining trust fund created by the legislature in 1919 to provide benefits, such as food, clothing, medical, surgical, and funeral assistance to needy wartime veterans honorably discharged from active service in the U.S. Armed Forces, their spouses living with them or who lived with them when they died, and dependent children under age 18.