

## Chapter 681

(House Bill 1390)

AN ACT concerning

### Maryland Veterans Trust and Fund – Establishment

FOR the purpose of establishing the Maryland Veterans Trust as a corporate entity; providing for the membership, terms, staffing, and reimbursement of certain expenses of the Board of Trustees of the Trust; establishing the Maryland Veterans Trust Fund and authorizing the Trust to maintain the Fund and expend money from the Fund to provide grants and loans to veterans and their families and to programs that support veterans and their families; repealing requirements for the State Treasurer to invest the money in the Fund and for any investment earnings of the Fund to be credited to the Fund; granting certain powers and duties to the Board of Trustees and the Trust, including accepting certain gifts and grants, entering into certain contracts, adopting certain bylaws, and submitting certain annual reports; authorizing the Fund to consist of certain income tax contributions; requiring money received by the Trust to be deposited in a certain manner; authorizing the Trust to establish a certain bank account and make certain investments; exempting the Trust from certain provisions of law relating to procurement; making certain provisions of this Act subject to a certain contingency; requiring a certain balance in a certain fund to transfer to a certain fund on a certain date; defining certain terms; and generally relating to the establishment of the Maryland Veterans Trust and Fund.

BY repealing and reenacting, with amendments,

Article – State Government

Section 9–912 and 9–913

Annotated Code of Maryland

(2009 Replacement Volume and 2012 Supplement)

BY adding to

Article – State Government

Section 9–914 through 9–914.3

Annotated Code of Maryland

(2009 Replacement Volume and 2012 Supplement)

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

### Article – State Government

9–912.

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

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

(1) accept a gift or grant; and

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

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

1. veterans and their families;

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

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

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

1. general obligations of the State; or

2. any other security.

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

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

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

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

9-913.

[(a) In this section, "Fund" means the Maryland Veterans Trust Fund.

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

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

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

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

(2) The Maryland Veterans Commission, the Maryland Veterans' Home Commission, and program directors shall advise the Secretary on the administration of the Fund.]

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

**(B) "BOARD" MEANS THE BOARD OF TRUSTEES OF THE MARYLAND VETERANS TRUST.**

**(C) "FUND" MEANS THE MARYLAND VETERANS TRUST FUND.**

**(D) "TRUST" MEANS THE MARYLAND VETERANS TRUST.**

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

(2) The report shall include:

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

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

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

**9-914.**

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

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

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

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

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

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

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

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

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

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

**(II) A NONPROFIT ORGANIZATION THAT SERVES VETERANS;**

**AND**

**(III) THE BUSINESS COMMUNITY;**

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

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

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

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

- (1) THE TERM OF A MEMBER IS 4 YEARS;
- (2) THE TERMS OF MEMBERS ARE STAGGERED AS REQUIRED BY THE TERMS PROVIDED FOR MEMBERS OF THE BOARD ON JULY 1, 2013;
- (3) AT THE END OF A TERM, A MEMBER CONTINUES TO SERVE UNTIL A SUCCESSOR IS APPOINTED AND QUALIFIES;
- (4) A MEMBER WHO IS APPOINTED AFTER A TERM HAS BEGUN SERVES FOR THE REST OF THE TERM AND UNTIL A SUCCESSOR IS APPOINTED AND QUALIFIES; AND
- (5) A MEMBER MAY SERVE NO MORE THAN 2 TERMS.

**9-914.1.**

- (A) THE BOARD SHALL MEET AT PLACES AND DATES TO BE DETERMINED BY THE BOARD, BUT NOT LESS THAN 2 TIMES A YEAR.
- (B) A MAJORITY OF THE TRUSTEES IS A QUORUM.
- (C) A TRUSTEE:
  - (1) MAY NOT RECEIVE COMPENSATION AS A TRUSTEE; BUT
  - (2) IS ENTITLED TO REIMBURSEMENT FOR EXPENSES UNDER THE STANDARD STATE TRAVEL REGULATIONS, AS PROVIDED IN THE STATE BUDGET.
- (D) THE DEPARTMENT SHALL PROVIDE STAFF, SUPPLIES, AND OFFICE SPACE FOR THE BOARD.

**9-914.2.**

- (A) THE TRUST SHALL HAVE THE POWERS AND DUTIES TO:
  - (1) SOLICIT AND ACCEPT ANY GIFT, GRANT, LEGACY, OR ENDOWMENT OF MONEY FROM THE FEDERAL GOVERNMENT, STATE GOVERNMENT, LOCAL GOVERNMENT, OR ANY PRIVATE SOURCE IN FURTHERANCE OF THE TRUST;

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

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

(I) VETERANS AND THEIR FAMILIES;

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

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

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

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

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

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

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

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

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

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

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

- (I) THE GROSS AMOUNT OF GIFTS AND GRANTS CREDITED TO THE TRUST;
- (II) THE COSTS OF ADMINISTRATION OF THE TRUST; AND
- (III) A DETAILED ACCOUNTING OF THE USE OF THE TRUST.

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

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

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

### 9-914.3.

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

(B) (1) EXCEPT AS PROVIDED IN PARAGRAPH (2) OF THIS SUBSECTION, ANY MONEY OF THE TRUST, IN ITS DISCRETION AND UNLESS OTHERWISE PROVIDED IN ANY AGREEMENT OR COVENANT BETWEEN THE TRUST AND THE HOLDERS OF ANY OF ITS OBLIGATIONS LIMITING OR RESTRICTING CLASSES OF INVESTMENTS, MAY BE INVESTED IN BONDS OR OTHER OBLIGATIONS OF THE UNITED STATES, THE STATE, THE POLITICAL SUBDIVISIONS OR UNITS OF THE STATE, DIRECT OR INDIRECT FEDERAL

**AGENCIES, CORPORATE BONDS WITH A RATING OF BAA3/BBB, OR MORTGAGE BACKED AND ASSET BACKED SECURITIES WITH A RATING OF AAA.**

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

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

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

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

**Article – State Government**

9–913.

(g) The Fund consists of:

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

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

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

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

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

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

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

**Approved by the Governor, May 16, 2013.**