

# HOUSE BILL 1390

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By: **Chair, Health and Government Operations Committee (By Request –  
Departmental – Veterans Affairs)**

Introduced and read first time: February 14, 2013

Assigned to: Rules and Executive Nominations

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## A BILL ENTITLED

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; granting  
9 certain powers and duties to the Board of Trustees and the Trust, including  
10 accepting certain gifts and grants, entering into certain contracts, adopting  
11 certain bylaws, and submitting certain annual reports; authorizing the Fund to  
12 consist of certain income tax contributions; requiring money received by the  
13 Trust to be deposited in a certain manner; authorizing the Trust to establish a  
14 certain bank account and make certain investments; defining certain terms; and  
15 generally relating to the establishment of the Maryland Veterans Trust and  
16 Fund.

17 BY repealing and reenacting, with amendments,  
18 Article – State Government  
19 Section 9–912 and 9–913  
20 Annotated Code of Maryland  
21 (2009 Replacement Volume and 2012 Supplement)

22 BY adding to  
23 Article – State Government  
24 Section 9–914 through 9–914.3  
25 Annotated Code of Maryland  
26 (2009 Replacement Volume and 2012 Supplement)

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EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



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

3 **Article – State Government**

4 9–912.

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

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

10 (1) accept a gift or grant; and

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

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

15 1. veterans and their families;

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

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

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

21 1. general obligations of the State; or

22 2. any other security.

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

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

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

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

3 9–913.

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

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

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

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

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

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

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

16           **(B) “BOARD” MEANS THE BOARD OF TRUSTEES OF THE MARYLAND**  
17 **VETERANS TRUST.**

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

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

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

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

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

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

26           **(F) THE TRUST SHALL BE A BODY CORPORATE AND SHALL HAVE**  
27 **PERPETUAL EXISTENCE, SUBJECT TO MODIFICATION OR TERMINATION BY THE**

1 **GENERAL ASSEMBLY IF NECESSARY TO EFFECTUATE ITS PURPOSE OR IF ITS**  
2 **SUBSTANTIAL PURPOSE CEASES TO EXIST.**

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

4 (1) gifts and grants that the [Department] **TRUST** receives under [§  
5 9–912(b)] **§ 9–914.2(A)(1)** of this subtitle; [and]

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

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

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

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

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

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

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

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

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

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

26 (2) The report shall include:

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

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

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

1 **9-914.**

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

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

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

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

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

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

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

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

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

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

21 **(II) A NONPROFIT ORGANIZATION THAT SERVES VETERANS;**  
22 **AND**

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

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

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

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

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

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

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

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

9                   **(4) A MEMBER WHO IS APPOINTED AFTER A TERM HAS BEGUN**  
10 **SERVES FOR THE REST OF THE TERM AND UNTIL A SUCCESSOR IS APPOINTED**  
11 **AND QUALIFIES; AND**

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

13 **9-914.1.**

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

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

17           **(C) A TRUSTEE:**

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

19                   **(2) IS ENTITLED TO REIMBURSEMENT FOR EXPENSES UNDER THE**  
20 **STANDARD STATE TRAVEL REGULATIONS, AS PROVIDED IN THE STATE**  
21 **BUDGET.**

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

24 **9-914.2.**

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

26                   **(1) SOLICIT AND ACCEPT ANY GIFT, GRANT, LEGACY, OR**  
27 **ENDOWMENT OF MONEY FROM THE FEDERAL GOVERNMENT, STATE**

1 GOVERNMENT, LOCAL GOVERNMENT, OR ANY PRIVATE SOURCE IN  
2 FURTHERANCE OF THE TRUST;

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

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

8 (I) VETERANS AND THEIR FAMILIES;

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

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

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

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

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

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

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

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

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

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

28 (12) SUBMIT A REPORT ON OR BEFORE AUGUST 31 OF EACH YEAR  
29 TO THE GOVERNOR AND, SUBJECT TO § 2-1246 OF THIS ARTICLE, TO THE

1 GENERAL ASSEMBLY, WITH RECOMMENDATIONS OR REQUESTS DEEMED  
2 APPROPRIATE TO FURTHER THE PURPOSES OF THE TRUST, AND A DESCRIPTION  
3 OF THE ACTIVITIES OF THE TRUST DURING THE PRECEDING YEAR, INCLUDING:

4 (I) THE GROSS AMOUNT OF GIFTS AND GRANTS CREDITED  
5 TO THE TRUST;

6 (II) THE COSTS OF ADMINISTRATION OF THE TRUST; AND

7 (III) A DETAILED ACCOUNTING OF THE USE OF THE TRUST.

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

11 (C) THE TRUST MAY CARRY OUT ITS CORPORATE PURPOSES WITHOUT  
12 OBTAINING THE CONSENT OF ANY DEPARTMENT, BOARD, OR AGENCY OF THE  
13 STATE.

14 **9-914.3.**

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

27 (B) (1) EXCEPT AS PROVIDED IN PARAGRAPH (2) OF THIS  
28 SUBSECTION, ANY MONEY OF THE TRUST, IN ITS DISCRETION AND UNLESS  
29 OTHERWISE PROVIDED IN ANY AGREEMENT OR COVENANT BETWEEN THE  
30 TRUST AND THE HOLDERS OF ANY OF ITS OBLIGATIONS LIMITING OR  
31 RESTRICTING CLASSES OF INVESTMENTS, MAY BE INVESTED IN BONDS OR  
32 OTHER OBLIGATIONS OF THE UNITED STATES, THE STATE, THE POLITICAL  
33 SUBDIVISIONS OR UNITS OF THE STATE, DIRECT OR INDIRECT FEDERAL  
34 AGENCIES, CORPORATE BONDS WITH A RATING OF BAA3/BBB, OR MORTGAGE  
35 BACKED AND ASSET BACKED SECURITIES WITH A RATING OF AAA.



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

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

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

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

13           SECTION 3. AND BE IT FURTHER ENACTED, That this Act shall take effect  
14 July 1, 2013.