SENATE FILE 321
BY COMMITTEE ON VETERANS AFFAIRS

(SUCCESSOR TO SSB 1135)

(As Amended and Passed by the Senate March 10, 2021)

ALL New Language by the Senate

A BILL FOR

An Act relating to the investment and use of funds in the veterans trust fund.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

Section 1. Section 12B.10, subsection 6, Code 2021, is amended by adding the following new paragraph:

NEW PARAGRAPH. *n.* Investments by the veterans trust fund established in section 35A.13.

Sec. 2. Section 12B.10C, subsection 4, Code 2021, is amended by adding the following new paragraph:

NEW PARAGRAPH. *k.* The veterans trust fund established in section 35A.13.

Sec. 3. Section 35A.13, subsection 3, Code 2021, is amended to read as follows:

3. Moneys credited to the trust fund shall not be transferred, used, obligated, appropriated, or otherwise encumbered, except as provided in this section. ~~Moneys in the trust fund may be used for cash flow purposes during a fiscal year provided that any moneys so allocated are returned to the trust fund by the end of that fiscal year.~~ Moneys in the trust fund may also be used for cemetery grant development purposes provided that any moneys so allocated, except for moneys used for department of administrative services expenditures related to the grant, are returned to the trust fund upon receipt of federal funds received for such purposes.

Sec. 4. Section 35A.13, Code 2021, is amended by adding the following new subsection:

NEW SUBSECTION. 3A. *a.* Notwithstanding subsection 4, moneys in the fund, except so much of the fund as may be necessary to be kept on hand for the making of disbursements under this section, shall be invested by the treasurer of state, in consultation with the commission, in any investments authorized for the Iowa public employees' retirement system in section 97B.7A, including common stock, and subject to the requirements of chapters 12F, 12H, and 12J, and the earnings therefrom shall be credited to the fund. The treasurer of state may execute contracts and agreements with investment advisors, consultants, and investment management and benefit consultant firms in the administration of investments of moneys

in the fund.

b. Investment management expenses shall be charged to the investment income of the fund and there is appropriated to the treasurer of state from the investment income of the fund an amount required for the investment management expenses.

c. For purposes of this subsection, investment management expenses are limited to the following:

(1) Fees for investment advisors, consultants, and investment management and benefit consultant firms hired by the treasurer of state in administering the investments of the fund.

(2) Fees and costs for safekeeping fund assets.

(3) Costs for performance and compliance monitoring, and accounting for fund investments.

(4) Any other costs necessary to prudently invest or protect the assets of the fund.

d. The commission and the treasurer of state, and their employees, are not personally liable for claims based upon an act or omission of the person performed in the discharge of the person's duties concerning the veterans trust fund, except for acts or omissions which involve malicious or wanton misconduct.

Sec. 5. Section 35A.13, subsection 4, Code 2021, is amended by striking the subsection and inserting in lieu thereof the following:

4. *a.* For each fiscal year that the balance of the trust fund on July 1 is below fifty million dollars, the interest and earnings on moneys in the fund and the first five hundred thousand dollars transferred pursuant to section 99G.39 from the lottery fund are appropriated to the commission to be used to achieve the purposes of subsection 6. Moneys appropriated to the commission under this paragraph that remain unencumbered or unobligated at the end of the fiscal year shall revert to the fund.

b. For each fiscal year that the balance of the trust fund on July 1 is above fifty million dollars but the balance of the

fund was below fifty million dollars on July 1 of the previous fiscal year, moneys transferred pursuant to section 99G.39 from the lottery fund are appropriated to the commission to be used to achieve the purposes of subsection 6. Moneys appropriated to the commission under this paragraph that remain unencumbered or unobligated at the end of the fiscal year shall revert to the fund.

c. For each fiscal year that the balance of the trust fund on July 1 is above fifty million dollars and the balance of the fund was above fifty million dollars on July 1 of the previous fiscal year, moneys equal to the net income the fund received in the previous fiscal year are appropriated to the commission to be used to achieve the purposes of subsection 6. Moneys appropriated to the commission under this paragraph that remain unencumbered or unobligated at the end of the fiscal year shall revert to the fund. For the purposes of this paragraph, "*income*" means moneys credited to the veterans trust fund pursuant to subsection 2 and moneys transferred pursuant to section 99G.39.

d. Notwithstanding paragraphs "*a*", "*b*", and "*c*", moneys credited to the war orphans educational assistance account shall be expended as provided in subsection 7.