

RELATING TO THE DISPOSITION OF PERSONAL PROPERTY OF
CERTAIN DECEASED PATIENTS OR MEMBERS OF UNITED
STATES VETERANS' ADMINISTRATION FACILITIES

DECEMBER 12, 1941.—Ordered to be printed

Mr. CLARK of Missouri, from the Committee on Finance, submitted
the following

REPORT

[To accompany H. R. 4692]

The Committee on Finance, having considered the bill (H. R. 4692) relating to the disposition of personal property of certain deceased patients or members of the United States Veterans' Administration facilities, report back to the Senate and recommend that the bill do pass.

The bill has the approval of the Veterans' Administration and the Bureau of the Budget, as shown in the letter addressed to the Speaker of the House of Representatives by the Administrator of Veterans' Affairs. A similar letter was addressed to the President of the Senate.

The purpose and effects of the bill are clearly set forth in House report 609, which reads as follows:

[H. Rept. No. 609, 77th Cong., 1st sess.]

The Committee on World War Veterans' Legislation, to whom was referred the bill (H. R. 4692) relating to the disposition of personal property of certain deceased patients or members of United States Veterans' Administration facilities, respectfully submit the following report, without amendment, with the recommendation that the bill (H. R. 4692) do pass.

This bill has the approval of the Veterans' Administration and the Bureau of the Budget as shown in the letter addressed to the Speaker of the House of Representatives by the Administrator of Veterans' Affairs. This letter fully explains the intent and purpose of this legislation and is as follows:

VETERANS' ADMINISTRATION,
Washington, May 5, 1941.

HON. SAM RAYBURN,
The Speaker's Rooms, House of Representatives,
Washington, D. C.

MY DEAR MR. SPEAKER: There is transmitted herewith a draft of a proposed bill relating to the disposition of personal property of certain deceased patients or members of United States Veterans' Administration facilities.

The purpose of the proposed legislation is to amend the act of June 25, 1910 (36 Stat. 736; 24 U. S. C. 136), so as to make its provisions applicable to those

receiving hospital treatment as well as those receiving domiciliary care in Veterans' Administration facilities, authorize sale or use of assets other than cash and specify the purposes for which the post fund may be used.

The act of July 3, 1930, authorized the President to consolidate and coordinate Government activities affecting war veterans. Under this act, the Bureau of Pensions, the National Home for Disabled Volunteer Soldiers, and the United States Veterans' Bureau were consolidated under the jurisdiction of the Veterans' Administration. Prior to this consolidation the National Home for Disabled Volunteer Soldiers provided domiciliary care for veterans eligible to such care and the United States Veterans' Bureau provided hospital treatment generally for war veterans. After this consolidation the Veterans' Administration established Veterans' Administration facilities in which veterans received domiciliary care or hospitalization, whichever was appropriate. In certain instances, veterans who entered a facility for domiciliary care have required hospitalization and other veterans who entered for hospital treatment have been retained for domiciliary care. The act of June 25, 1910, applies in terms only to those who are receiving domiciliary care. This results in lack of uniformity as to those maintained in Veterans' Administration facilities, and necessitates distinction between veterans maintained for domiciliary care and those receiving hospital treatment. The proposed amendment will eliminate the present lack of uniformity and benefit the general post fund which is maintained for the benefit of those maintained in Veterans' Administration facilities. The proposed amendment will also more clearly specify the purposes for which the general post fund may be used and more clearly define the authority of the Administrator of Veterans' Affairs to make use or other disposition of assets accruing to the benefit of said fund.

Section 1 of the bill provides that the personal property of an intestate veteran who dies while a member or patient of a facility and is not survived by spouse, next of kin, or heirs entitled to such personal property shall immediately vest in and become the property of the United States as trustee for the sole use and benefit of the general post fund, and that the admittance to or remaining of a veteran in a facility for care or treatment 90 days after date of approval of this act shall constitute acceptance of the provisions in the act.

Section 2 provides that the fact of death of a veteran in a facility leaving no spouse, next of kin, or heirs, shall give rise to a conclusive presumption of a valid contract for the disposition of his personal property as to which he dies intestate in accordance with the proposed act.

Section 3 provides for the use or disposition of such personal property by sale or otherwise and credit of the proceeds of the sale to the general post fund.

Section 4 authorizes disbursements from the general post fund for the benefit of members or patients of a facility or hospital and authorizes the payment of claims of creditors out of the assets of decedents provided such claims are presented to the Veterans' Administration within 1 year of the decedent's death or within the time and in the manner required by the laws of the State wherein administration, if any, is had upon the estate of the deceased veteran.

Section 5 provides that the assets remaining after payment of claims shall be retained in the post fund and authorizes the administrator of the decedent's estate to transfer the assets of the estate to the Administrator of Veterans' Affairs.

Section 6 authorizes the Administrator of Veterans' Affairs to prosecute appropriate actions at law or take other legal proceedings, and to pay costs and other expenses in connection therewith as administrative expenses of the Veterans' Administration.

Section 7 authorizes payment of the net assets of a deceased veteran's estate to any person entitled to the same if claim therefor is made within 5 years after the death of the decedent, or if under legal disability at the day of the death of the decedent, within 5 years after termination or removal of legal disability.

Section 7 further authorizes participation in any legal proceedings involving adjudication of rights to the assets of a decedent's estate, and payment of costs or expenses incurred in connection therewith.

Section 8 provides that the form of application for hospital or domiciliary care shall include notice of provisions of this proposed legislation and requires similar notice to each veteran maintained in the facility at the time of enactment within 90 days thereafter.

Section 9 provides that moneys in the general post fund not required for current disbursement may be invested and reinvested by the Secretary of the Treasury in interest-bearing obligations of the United States or in obligations guaranteed as to both principal and interest by the United States.

Section 10 provides for modification of any law in conflict with the proposed amendment and specifically provides that nothing therein shall be construed to

repeal or modify Public Law No. 262, Seventy-fourth Congress, August 12, 1935, or any amendment thereto, or Public Law No. 734, Seventy-fifth Congress, June 25, 1938.

Section 11 provides that the Administrator of Veterans' Affairs shall have power to issue rules and regulations necessary or appropriate to carry out this proposed measure.

Advice has been received from the Bureau of the Budget that there would be no objection to the submission of the enclosed draft to the Congress.

It will be appreciated very much if you will cause this draft to be referred to the appropriate committee with the request that the bill be introduced and considered for passage at an early date.

Very truly yours,

FRANK T. HINES, *Administrator.*

CHANGES IN EXISTING LAW

In compliance with paragraph 2-A of rule XIII, of the Rules of the House of Representatives, changes in existing law and amendments thereto made by this bill are shown in the following manner (by setting out in parallel columns the existing law in the column on the left and the proposed law showing the changes made in the existing law in the column on the right):

EXISTING LAW

DISPOSITION OF PERSONAL PROPERTY OF
DECEASED MEMBERS OF VETERANS'
ADMINISTRATION HOMES (ACT OF JUNE
25, 1910) 36 STAT. 736, 24 U. S. C. 130.

Hereafter the application of any person for membership in the National Homes for Disabled Volunteer Soldiers (Veterans' Administration Homes) and the admission of the applicant thereunder shall be and constitute a valid and binding contract between such applicant and the Board of Managers (Administrator) of said home that on the death of said applicant while a member of such home, leaving no heirs at law nor next of kin, all personal property owned by said applicant at the time of his death, including money or choses in action held by him and not disposed of by will, whether such property be the proceeds of pensions or otherwise derived, shall vest in and become the property of said Board of Managers (Veterans' Administration) for the sole use and benefit of the post fund of said home, the proceeds to be disposed of and distributed among the several branches as may be ordered by said board of managers (administrator), and that all personal property of said applicant shall, upon his death, while a member, at once pass to and vest in said Board of Managers (Administrator), subject to be reclaimed by any legatee or person entitled to take the same by inheritance at any time within five years after the death of such member. The Board of Managers (Administrator) is directed to so change the form of application for membership as to give reasonable notice of this provision to each applicant and as to

PROPOSED LAW

SECTION 1. Effective ninety days after the approval of this Act, whenever any veteran (admitted as a veteran) shall die while a member or patient in any facility, or any hospital while being furnished care or treatment therein by the Veterans' Administration, and shall not leave surviving him any spouse, next of kind, or heirs entitled, under the laws of his domicile, to his personal property as to which he dies intestate, all such property, including money and choses in action, owned by said decedent at the time of death and not disposed of by will or otherwise, shall immediately vest in and become the property of the United States as trustee for the sole use and benefit of the General Post Fund, a trust fund prescribed by section 20 (b) (45) of Public Law Numbered 473 of the Seventy-third Congress (31 U. S. C. 725s).

"The foregoing provisions are conditions precedent to the initial and also to the further furnishing of care or treatment by the Veterans' Administration in a facility or hospital. The acceptance of care or treatment by any veteran admitted as such to any Veterans' Administration facility or hospital after ninety days from the date of approval of this Act, and as well the continued acceptance of care of treatment furnished by the Veterans' Administration after said ninety days by any veteran who is then receiving the same shall constitute an acceptance of the provisions and conditions of this

4 DISPOSITION OF PERSONAL PROPERTY OF DECEASED VETERANS

EXISTING LAW

contain the consent of the applicant to accept membership upon the conditions herein provided. (June 25, 1910, c. 384, s. 1, 36 Stat. 736, 24 U. S. C. 136.)

PROPOSED LAW

Act and have the effect of an assignment, effective at his death, of such assets in accordance with and subject to the terms and provisions of this Act and the regulations issued in accordance with and pursuant thereto. Said Act of June 25, 1910, shall be and remain in effect during such ninety-day period except as modified by sections 3 to 10 of this enactment, which sections shall be effective upon approval of this enactment.

SEC. 2. The fact of death of the veteran (admitted as such) in a facility or hospital, while being furnished care or treatment therein by the Veterans' Administration, leaving no spouse, next of kin, or heirs, shall give rise to a conclusive presumption of a valid contract for the disposition in accordance with this Act, but subject to its conditions, of all property described in section 1 of this Act owned by said decedent at death and as to which he dies intestate.

SEC. 3. Any assets heretofore or hereafter accruing to the benefit of the said General Post Fund, other than money, but including jewelry and other personal effects, may be sold at the times and places and in the manner prescribed by regulations to be issued by the Administrator of Veterans' Affairs. Upon receipt of the purchase price he is authorized to deliver at the place of sale, said property sold, and upon request to execute and deliver appropriate assignments or other conveyances thereof in the name of the United States, which shall pass to the purchaser such title as decedent had at date of death. The net proceeds after paying any proper sales expenses as determined by the Administrator of Veterans' Affairs shall forthwith be paid to the Treasurer of the United States to the credit of said General Post Fund; and may be disbursed as other moneys in said fund by the Division of Disbursements, Treasury Department, upon order of said Administrator: *Provided*, That articles of personal adornment which are obviously of sentimental value, shall be retained and not sold or otherwise disposed of until the expiration of five years from the date of death of the veteran, without a claim therefor, unless for sanitary or other proper reasons it is deemed unsafe to retain same, in which event they may be destroyed forthwith. Any other articles coming into possession of the Administrator of Veterans' Affairs or his representatives by virtue of this Act which, under regulations to be promulgated by said Administrator, are determined to be unsalable may be de-

EXISTING LAW

PROPOSED LAW

stroyed forthwith or at the time prescribed by regulations, or may be used for the purposes for which disbursements might properly be made from said fund, or if not usable, otherwise disposed of in accordance with regulations.

SEC. 4. Disbursements from the General Post Fund shall be made by the Division of Disbursements, Treasury Department, upon the order and within the discretion of the Administrator of Veterans' Affairs, for the benefit of members and patients while being supplied care or treatment by the Veterans' Administration in any facility or hospital, and this authority is not limited to facilities or hospitals under direct administrative control of the Veterans' Administration: *Provided, however,* That there shall be paid out of the assets of the decedent so far as may be the valid claims of creditors against his estate that would be legally payable therefrom in the absence of this Act and without the benefit of any exemption statute, and which may be presented to the Veterans' Administration within one year from the date of death, or within the time, to the person, and in the manner required or permitted by the law of the State wherein administration, if any, is had upon the estate of the deceased veteran; and also the proper expenses and costs of administration if any: *And provided further,* That if the decedent's estate be insolvent the distribution to creditors shall be in accordance with the laws of his domicile, and the preferences and priorities prescribed thereby shall govern, subject to any applicable law of the United States.

SEC. 5. The remainder of such assets or their proceeds shall become assets of the United States as trustee for said Post Fund and disposed of in accordance with this Act. If there be administration upon the decedent's estate such assets, other than money, upon claim therefor within the time required by law, shall be by the administrator of the estate delivered to the Administrator of Veterans' Affairs or his authorized representative, as upon final distribution; and upon the same claim there shall be paid to the Treasurer of the United States for credit to said Post Fund any such money available for final distribution. In the absence of administration any money, chose in action, or other property of the deceased veteran held by any person shall be paid or transferred to the Administrator of Veterans' Affairs upon demand by him

EXISTING LAW

PROPOSED LAW

or his duly authorized representative, who shall deliver itemized receipt therefor. Such payment or transfer shall constitute a complete acquittance of the transferor with respect to any claims by any administrator, creditor, or next of kin of such decedent.

SEC. 6. If necessary to obtain such assets the Administrator of Veterans' Affairs, through his authorized attorneys, may bring and prosecute appropriate actions at law or other legal proceedings, the costs and expenses thereof to be paid as other administrative expenses of the Veterans' Administration.

SEC. 7. Notwithstanding the crediting to said Post Fund of the assets, or proceeds thereof, of any decedent, whether upon determination by a court or the Veterans' Administration pursuant to the provisions of section 1 hereof, any person claiming a right to such assets may within five years after the death of the decedent file a claim on behalf of himself or any others claiming with the Administrator of Veterans' Affairs who, upon receipt of due proof that any person was at date of death of the veteran entitled to his personal property, or a part thereof, under the laws of the State or domicile of the decedent, may pay out of the Post Fund, but not to exceed the net amount credited thereto from said decedent's estate less any necessary expenses, the amount to which such person, or persons, was or were so entitled, and upon similar claim any assets of the decedent which shall not have been disposed of shall be delivered in kind to the parties legally entitled thereto: *Provided*, That if any person so entitled be under legal disability at the date of death of such decedent said five-year period of limitation shall run from the termination or removal of legal disability. In the event of doubt as to entitlement the Administrator of Veterans' Affairs may cause administration or other appropriate proceedings to be instituted in any court having jurisdiction. In determining questions of fact or law involved in the adjudication of claims made under this section no judgment, decree or order entered in any action at law, suit in equity, or other legal proceedings of any character purporting to determine entitlement to said assets or any part thereof shall be binding upon the United States or the Administrator of Veterans' Affairs or determinative of any fact or question involving entitlement to any such property or the proceeds thereof, or any part of said Post Fund, unless the Administrator of

EXISTING LAW

PROPOSED LAW

Veterans' Affairs has been seasonably served with notice and permitted to become a party to such suit or proceeding if he make request therefor within thirty days after such notice. Notice may be served in person or by registered mail upon said Administrator of Veterans' Affairs, or upon his authorized attorney in the State wherein the action or proceedings may be pending: *Provided, however,* That notice may be waived by the Administrator of Veterans' Affairs or by his authorized attorney, in which event the finding, judgment, or decree shall have the same effect as if said Administrator were a party and served with notice. Any necessary court costs or expenses if authorized by the Administrator may be paid as are other administrative expenses of the Veterans' Administration.

SEC. 8. The Administrator of Veterans' Affairs shall prescribe a form of application for hospital treatment and domiciliary care which shall include notice of the provisions of this Act. Within ninety days after approval hereof similar notice shall be given to each veteran then receiving care in any facility or hospital as described in this Act: *Provided, however,* That this requirement shall be met by posting of said notice with a copy of the prescribed form in a prominent place in each building wherein patients or members are housed.

SEC. 9. Moneys in the General Post Fund not required for current disbursement may be invested and reinvested by the Secretary of the Treasury in interest-bearing obligations of the United States or in obligations guaranteed as to both principal and interest by the United States.

SEC. 10. Any provision of law in conflict with this Act is modified accordingly, but nothing herein shall be construed to repeal or modify Public Law Numbered 262, approved August 12, 1935 (49 Stat. 607; 38 U. S. C. 450), or any amendments thereto, or Public Law Numbered 734, approved June 25, 1938 (52 Stat. 1189; 38 U. S. C. 16).

SEC. 11. The Administrator of Veterans' Affairs shall have power to issue rules or regulations necessary or appropriate to carry out the purposes of this Act.