



House of Representatives

General Assembly

File No. 649

January Session, 2005

Substitute House Bill No. 6626

House of Representatives, May 3, 2005

The Committee on Appropriations reported through REP. MERRILL of the 54th Dist., Chairperson of the Committee on the part of the House, that the substitute bill ought to pass.

AN ACT PROVIDING IMMEDIATE ASSISTANCE TO MEMBERS OF THE ARMED FORCES AND THEIR FAMILIES.

Be it enacted by the Senate and House of Representatives in General Assembly convened:

1 Section 1. (NEW) (*Effective July 1, 2005*) (a) If any member of the
2 armed forces of the United States or of any state or of any reserve
3 component thereof who is domiciled in this state and who is called to
4 active service and deployed to Southwest Asia in support of Operation
5 Enduring Freedom or Operation Iraqi Freedom is, on or after
6 September 11, 2001, and before July 1, 2006, killed in action or dies as a
7 result of an accident or illness sustained while performing active
8 military duty with the armed forces of the United States and is
9 survived by:

10 (1) A spouse and a dependent child or children under eighteen
11 years of age, the Comptroller shall draw (A) an order on the Treasurer
12 for the sum of one hundred thousand dollars, payable in equal
13 monthly installments over a period of not less than ten years to such

14 member's spouse, except that any such payments shall terminate on
15 the death or remarriage of such spouse during said ten-year period,
16 and (B) an order on the Treasurer for monthly payments of fifty dollars
17 for each dependent child under eighteen years of age, payable to such
18 spouse or the guardian of each such child, until such child reaches
19 eighteen years of age;

20 (2) No spouse and a dependent child or children under eighteen
21 years of age, the Comptroller shall draw (A) an order on the Treasurer
22 for the sum of one hundred thousand dollars, payable in equal
23 monthly installments over a period of not less than ten years to the
24 guardian of such child or children on behalf of and for the care of such
25 child or children, except that any such payments shall terminate when
26 the youngest of such children reaches eighteen years of age during
27 said ten-year period, and (B) an order on the Treasurer for monthly
28 payments of fifty dollars for each dependent child under eighteen
29 years of age, payable to the guardian of such child, on behalf of and for
30 the care of such child, until such child reaches eighteen years of age;

31 (3) A spouse and no child or children under eighteen years of age,
32 the Comptroller shall draw an order on the Treasurer for the sum of
33 fifty thousand dollars payable in equal monthly installments over a
34 period of not less than five years, to such spouse, except that any such
35 payments shall terminate on the death or remarriage of such spouse
36 during such five-year period;

37 (4) No spouse and no child or children under eighteen years of age
38 but a parent or parents dependent upon such member, the
39 Comptroller shall draw an order on the Treasurer for the sum of fifty
40 thousand dollars, payable to such member's parent or parents in equal
41 monthly installments over a period of not less than five years, except
42 that (A) on the death of one such parent, the surviving parent shall
43 continue to receive the entire monthly payments under the provisions
44 of this subdivision, and (B) on the death of such surviving parent
45 during such five-year period, such payments shall cease.

46 (b) The amount paid to any person under this section shall be

47 reduced by the amount of any death benefit that is paid to such person
48 for the death of such member under any federal law that is enacted on
49 or after the effective date of this section.

50 Sec. 2. (NEW) (*Effective from passage*) (a) As used in this section, (1)
51 "department" means the Military Department, (2) "fund" means the
52 Service Members' Life Insurance Reimbursement Fund established in
53 accordance with this section, and (3) "eligible member of the armed
54 forces" means a member of the armed forces of the United States or of
55 any state or of any reserve component thereof who is domiciled in this
56 state and who is on active duty during a time of war declared by
57 Congress.

58 (b) There is established, within the General Fund, a separate,
59 nonlapsing account to be known as the "Service Members' Life
60 Insurance Reimbursement Fund". The fund shall contain (1) any
61 amounts appropriated or otherwise made available by the state for the
62 purposes of this section, (2) any moneys required by law to be
63 deposited in the fund, and (3) gifts, grants, donations or bequests made
64 for the purposes of this section. Investment earnings credited to the
65 assets of the fund shall become part of the assets of the fund. Any
66 balance remaining in the account at the end of any fiscal year shall be
67 carried forward in the account for the fiscal year next succeeding. The
68 State Treasurer shall administer the fund. All moneys deposited in the
69 fund shall be used by the Military Department for the purposes of this
70 section. On and after July 1, 2006, the Military Department may deduct
71 and retain from the moneys in the fund an amount equal to the costs
72 incurred by the department in administering the provisions of this
73 section, except that said amount shall not exceed two per cent of the
74 moneys deposited in the fund in any fiscal year.

75 (c) On and after July 1, 2006, the Military Department shall use the
76 Service Members' Life Insurance Reimbursement Fund to reimburse
77 each eligible member of the armed forces for premiums paid by such
78 member for up to one hundred thousand dollars in benefits under the
79 Servicemembers Group Life Insurance program pursuant to 38 USC

80 1965, et seq., as amended from time to time.

81 (d) The department shall adopt regulations, in accordance with the
82 provisions of chapter 54 of the general statutes, to implement the
83 provisions of this section.

84 (e) Nothing in this section shall be deemed to alter, amend or
85 change the eligibility or applicability of the Servicemembers Group
86 Life Insurance program pursuant to 38 USC 1965, et seq., as amended
87 from time to time, or any rights, responsibilities or benefits thereunder.

88 (f) The amount paid to any eligible member under this section for
89 any premium paid by such member for any time period shall be
90 reduced by the amount of any payments made under any federal law
91 enacted on or after the effective date of this act to such member for life
92 insurance premiums for the same time period.

93 Sec. 3. (NEW) (*Effective from passage*) (a) As used in this section, (1)
94 "department" means the Military Department, (2) "fund" means the
95 Military Relief Fund established in accordance with this section, (3)
96 "eligible member of the armed forces" and "eligible member" means a
97 member of the armed forces, as defined in subsection (a) of section 27-
98 103 of the general statutes, including the Connecticut National Guard,
99 who is on active duty and who is domiciled in this state, (4)
100 "immediate family member" means an eligible member's spouse, child
101 or parent who is domiciled in this state, or any other member of an
102 eligible member's family who lives in the same household as the
103 eligible member, and (5) "essential personal or household goods or
104 services" includes, but is not limited to, repairs, medical services that
105 are not covered by insurance, transportation, babysitting, clothing,
106 school supplies or any other goods or services that are essential to the
107 well-being of an eligible member's immediate family.

108 (b) There is established, within the General Fund, a separate,
109 nonlapsing account to be known as the "Military Relief Fund". The
110 fund shall contain (1) any amounts appropriated or otherwise made
111 available by the state for the purposes of this section, (2) any moneys

112 required by law to be deposited in the fund, and (3) gifts, grants,
113 donations or bequests made for the purposes of this section.
114 Investment earnings credited to the assets of the fund shall become
115 part of the assets of the fund. Any balance remaining in the account at
116 the end of any fiscal year shall be carried forward in the account for
117 the fiscal year next succeeding. The State Treasurer shall administer
118 the fund. All moneys deposited in the fund shall be used by the
119 Military Department for the purposes of this section. The Military
120 Department may deduct and retain from the moneys in the fund an
121 amount equal to the costs incurred by the department in administering
122 the provisions of this section, except that said amount shall not exceed
123 two per cent of the moneys deposited in the fund in any fiscal year.

124 (c) The Military Department shall use the Military Relief Fund to
125 make grants to immediate family members of eligible members of the
126 armed forces for essential personal or household goods or services if
127 the payment for such goods or services would be a hardship for such
128 family member because of the military service of the eligible member.
129 The department shall not make any grant that exceeds the balance
130 available for grants in the fund.

131 (d) The department shall establish an application process that is
132 simple for immediate family members. The department shall act on
133 each application no later than seven days after the date on which the
134 completed application is submitted to the department.

135 (e) On or after six months from the effective date of this section,
136 after evaluating the performance of the program during the preceding
137 six months, including available resources and applications received,
138 the department may commence the process to adopt regulations, in
139 accordance with the provisions of chapter 54 of the general statutes,
140 that would facilitate the purposes of this act, including, but not limited
141 to, establishing a maximum amount of each grant, of each type of grant
142 or of grants to the immediate family members of any eligible member,
143 and establishing criteria for the approval of grant applications. The
144 department may implement the policies and procedures contained in

145 such proposed regulations while in the process of adopting such
146 proposed regulations, provided the department publishes notice of
147 intention to adopt the regulations in the Connecticut Law Journal no
148 later than twenty days after implementing such policies and
149 procedures. Policies and procedures implemented pursuant to this
150 subsection shall be valid until the earlier of the date on which such
151 regulations are effective or one year after the publication of such notice
152 of intention.

153 (f) On or before July 15, 2005, and on or before the fifteenth day
154 following the close of each calendar quarter thereafter, the department
155 shall submit a report to the select committee of the General Assembly
156 having cognizance of matters relating to veterans' and military affairs,
157 in accordance with section 11-4a of the general statutes, that contains
158 the following information for the preceding calendar quarter: (1) The
159 number of applications received, (2) the number of eligible members
160 whose immediate family members received payments under this
161 section, (3) the amount in payments made to the immediate family of
162 each such eligible member, (4) the uses for such payments, and (5) any
163 recommendations regarding the Military Relief Fund, including any
164 proposed legislation to facilitate the purposes of this section. Such
165 reports shall not identify the name of any eligible member or of any
166 immediate family member. Notwithstanding the provisions of
167 subsection (a) of section 1-210 of the general statutes, all information
168 obtained by the Military Department that contains the name or address
169 of, or other information that could be used to identify, an eligible
170 member or an eligible member's immediate family member shall be
171 confidential.

172 Sec. 4. (NEW) (*Effective July 1, 2005, and applicable to taxable years*
173 *commencing on or after January 1, 2005*) (a) (1) Any taxpayer filing a
174 return under chapter 229 of the general statutes for taxable years
175 commencing on or after January 1, 2005, may contribute all or part of a
176 refund under chapter 229 of the general statutes to the Military Relief
177 Fund established in section 3 of this act, by indicating on the tax return
178 the amount to be contributed to the fund.

179 (2) Any taxpayer filing a return under chapter 229 of the general
180 statutes for taxable years commencing on or after January 1, 2005,
181 whose income tax liability for the taxable year, before applying any
182 credit under section 12-704c of the general statutes, is five dollars or
183 more, may designate that five dollars of such tax liability shall be paid
184 over to the fund by so indicating on the tax return. In the case of a
185 husband and wife filing a joint return with an income tax liability of
186 ten dollars or more, each spouse may designate that five dollars of
187 such tax liability shall be paid over to the fund by so indicating on the
188 tax return. Any designation made pursuant to this subdivision shall
189 not increase the taxpayer's income tax liability.

190 (3) Any taxpayer filing a return under chapter 229 of the general
191 statutes may contribute an additional amount to the Military Relief
192 Fund established in section 3 of this act, by indicating on the tax return
193 the amount to be contributed to the fund. Any contribution made
194 pursuant to this subdivision shall be in addition to the amount of tax
195 reported to be due on such return and shall be paid at the same time as
196 the tax due on such return is paid and in the manner prescribed by the
197 Commissioner of Revenue Services.

198 (b) A contribution or designation made pursuant to this section shall
199 be irrevocable upon the filing of the return. A taxpayer making a
200 contribution or designation pursuant to this subsection shall so
201 indicate on the tax return in a manner provided for by the
202 Commissioner of Revenue Services pursuant to subsection (c) of this
203 section.

204 (c) The Commissioner of Revenue Services shall revise the income
205 tax return form to implement the provisions of subsection (a) of this
206 section. Such form shall include (1) a space on the return in which
207 taxpayers may indicate their intention to make a contribution or
208 designation in accordance with this section, and (2) instructions for
209 payment of any contribution under subdivision (3) of subsection (a) of
210 this section. The commissioner shall include in the instructions
211 accompanying the tax return a description of the purposes for which

212 the Military Relief Fund was established.

213 (d) A contribution of all or part of a refund shall be made in the full
214 amount indicated if the refund found due the taxpayer upon the initial
215 processing of the return, and after any deductions required by chapter
216 229 of the general statutes, is greater than or equal to the indicated
217 contribution. If the refund due, as determined upon initial processing,
218 and after any deductions required by said chapter 229, is less than the
219 indicated contribution, the contribution shall be made in the full
220 amount of the refund. The Commissioner of Revenue Services shall
221 subtract the amount of any contribution of all or part of a refund from
222 the amount of the refund initially found due the taxpayer and shall
223 certify (1) the amount of the refund initially found due the taxpayer,
224 (2) the amount of any such contribution, and (3) the amount of the
225 difference to the Secretary of the Office of Policy and Management and
226 the State Treasurer for payment to the taxpayer in accordance with
227 said chapter 229. For the purposes of any subsequent determination of
228 the taxpayer's net tax payment, such contribution shall be considered a
229 part of the refund paid to the taxpayer.

230 (e) The Commissioner of Revenue Services, after notification of and
231 approval by the Secretary of the Office of Policy and Management,
232 may deduct and retain from the moneys collected under subsections
233 (a) to (d), inclusive, of this section an amount equal to the costs of
234 administering this section, but not to exceed four per cent of such
235 moneys collected in any fiscal year. The Commissioner of Revenue
236 Services shall deposit the remaining moneys collected in the Military
237 Relief Fund.

238 Sec. 5. (NEW) (*Effective July 1, 2005, and applicable to taxable years*
239 *commencing on or after January 1, 2005*) (a) (1) Any taxpayer filing a
240 return under chapter 208 of the general statutes for taxable years
241 commencing on or after January 1, 2005, may contribute all or part of a
242 refund under said chapter 208 to the Military Relief Fund established
243 in section 3 of this act, by indicating on the tax return the amount to be
244 contributed to the fund.

245 (2) Any taxpayer filing a return under chapter 208 of the general
246 statutes for taxable years commencing on or after January 1, 2005,
247 whose income tax liability for the taxable year, before applying any
248 credits under chapter 208 of the general statutes, is five dollars or
249 more, may designate that two hundred dollars of such tax liability or,
250 if such tax liability is less than two hundred dollars, the full amount of
251 such tax liability, shall be paid over to the Military Relief Fund
252 established in section 3 of this act, by so indicating on the tax return.
253 Any designation made pursuant to this subdivision shall not increase
254 the taxpayer's income tax liability.

255 (3) Any taxpayer filing a return under chapter 208 of the general
256 statutes may contribute an additional amount to the Military Relief
257 Fund established in section 3 of this act, by indicating on the tax return
258 the amount to be contributed to the fund. Any contribution made
259 pursuant to this subdivision shall be in addition to the amount of tax
260 reported to be due on such return and shall be paid at the same time as
261 the tax due on such return is paid and in the manner prescribed by the
262 Commissioner of Revenue Services.

263 (b) A contribution or designation made pursuant to this section shall
264 be irrevocable upon the filing of the return. A taxpayer making a
265 contribution or designation pursuant to this subsection shall so
266 indicate on the tax return in a manner provided for by the
267 Commissioner of Revenue Services pursuant to subsection (c) of this
268 section.

269 (c) The Commissioner of Revenue Services shall revise the income
270 tax return form to implement the provisions of subsection (a) of this
271 section. Such form shall include (1) a space on the return in which
272 taxpayers may indicate their intention to make a contribution or
273 designation in accordance with this section, and (2) instructions for
274 payment of any contribution under subdivision (3) of subsection (a) of
275 this section. The commissioner shall include in the instructions
276 accompanying the tax return a description of the purposes for which
277 the Military Relief Fund was established.

278 (d) A contribution of all or part of a refund shall be made in the full
279 amount indicated if the refund found due the taxpayer upon the initial
280 processing of the return, and after any deductions required by chapter
281 208 of the general statutes, is greater than or equal to the indicated
282 contribution. If the refund due, as determined upon initial processing
283 and after any deductions required by said chapter 208, is less than the
284 indicated contribution, the contribution shall be made in the full
285 amount of the refund. The Commissioner of Revenue Services shall
286 subtract the amount of any contribution of all or part of a refund from
287 the amount of the refund initially found due the taxpayer and shall
288 certify (1) the amount of the refund initially due the taxpayer, (2) the
289 amount of any such contribution, and (3) the amount of the difference
290 to the Secretary of the Office of Policy and Management and the State
291 Treasurer for payment to the taxpayer in accordance with said chapter
292 208. For the purposes of any subsequent determination of the
293 taxpayer's net tax payment, such contribution shall be considered a
294 part of the refund paid to the taxpayer.

295 (e) The Commissioner of Revenue Services, after notification of and
296 approval by the Secretary of the Office of Policy and Management,
297 may deduct and retain from the moneys collected under subsections
298 (a) to (d), inclusive, of this section an amount equal to the costs of
299 administering this section, but not to exceed four per cent of such
300 moneys collected in any fiscal year. The Commissioner of Revenue
301 Services shall deposit the remaining moneys collected in the Military
302 Relief Fund.

303 Sec. 6. (NEW) (*Effective July 1, 2005*) The Department of Veterans'
304 Affairs shall provide a toll-free telephone number for use as a
305 clearinghouse by active members of the armed forces in this state,
306 including the National Guard, and their families to obtain, in response
307 to their requests about benefits or services that may be available to
308 such members or their families, referrals to entities that provide such
309 benefits or services. The toll-free telephone number shall be staffed by
310 employees of or trained volunteers working at the Department of
311 Veterans' Affairs on weekdays during regular business hours, and on

312 weekends and holidays from nine o'clock a.m. to five o'clock p.m.

313 Sec. 7. (NEW) (*Effective July 1, 2005*) (a) As used in this section, (1)
314 "department" means the Department of Veterans' Affairs, (2) "service
315 member" means a member of the armed forces, as defined in
316 subsection (a) of section 27-103 of the general statutes, including the
317 Connecticut National Guard, (3) "veteran" has the same meaning as
318 provided in subsection (a) of section 27-103 of the general statutes, and
319 (4) "committee" means the select committee of the General Assembly
320 having cognizance of matters relating to veterans' and military affairs.

321 (b) The Department of Veterans' Affairs shall develop and maintain
322 a service members' and veterans' contact list, consisting of only the
323 names and mailing addresses of service members and veterans who
324 reside in this state, using information in the department's records and
325 information submitted to the department by (1) the Military
326 Department, as provided in subsection (c) of this section, (2) the
327 assessor of each town, as provided in subsection (d) of this section, or
328 (3) service members or veterans, as provided in subsection (e) of this
329 section.

330 (c) On or before September 1, 2005, the Military Department shall
331 submit to the Department of Veterans' Affairs a list of the name and
332 mailing address, but no other information, of each service member
333 who is a resident of this state that is in the records of the Military
334 Department.

335 (d) On or before the sixtieth day following the date on which an
336 exemption pursuant to subdivision (19) of section 12-81 of the general
337 statutes takes effect, as provided in section 12-95 of the general
338 statutes, the assessor of each town that granted any such exemption
339 shall submit to the Department of Veterans' Affairs a list of the name
340 and mailing address, but no other information, of each individual who
341 has such exemption.

342 (e) A service member or veteran who is a resident of this state may
343 add his or her name and mailing address to the contact list by

344 submitting such information to the Department of Veterans' Affairs in
345 person or by mail. A service member shall include a copy of his or her
346 military identification card and a veteran shall include a copy of his or
347 her military discharge document, as defined in section 1-219 of the
348 general statutes.

349 (f) Any individual who is included in the contact list may cause his
350 or her name to be removed from the contact list by notifying the
351 Department of Veterans' Affairs in writing.

352 (g) (1) The Department of Veterans' Affairs, the Military Department
353 and the select committee of the General Assembly having cognizance
354 of matters relating to veterans' and military affairs may use the contact
355 list solely for the purposes of notifying service members or veterans of
356 benefits, proposed or enacted legislation that affects service members
357 or veterans or their families, or other information that the Department
358 of Veterans' Affairs, the Military Department or the committee believes
359 will be helpful to veterans or their families. The Department of
360 Veterans' Affairs shall provide a copy of the contact list to the Military
361 Department, upon receipt of a written request signed by the Adjutant
362 General, or to the select committee, upon receipt of a written request
363 signed by either chairperson of the committee.

364 (2) Notwithstanding the provisions of subsection (a) of section 1-210
365 of the general statutes, the Department of Veterans' Affairs, the
366 Military Department and the select committee shall not disclose any
367 information in the contact list to any person other than as provided in
368 this subsection. No person shall use the contact list for any purpose
369 other than as provided in subdivision (1) of this subsection.

370 Sec. 8. (NEW) (*Effective from passage*) (a) As used in this section, (1)
371 "member" means a member of the armed forces, as defined in section
372 27-103 of the general statutes, including the Connecticut National
373 Guard, who is on active duty and who is a resident of this state, (2)
374 "services" includes, but is not limited to, repairs, gardening,
375 transportation, babysitting, tutoring, cooking or any other services that
376 a member or member's family would find helpful, and (3) "local

377 organizations" includes not-for-profit organizations that serve
378 members and veterans and their families, and other organizations that
379 seek to volunteer services to members and their families.

380 (b) The Family Program of the Connecticut National Guard shall
381 establish a volunteer service program in which a volunteer service
382 coordinator coordinates with municipalities and local organizations
383 throughout the state to provide services by volunteers to members and
384 their families. No person shall volunteer any services for which a
385 license, certificate of registration, permit or other credentials issued by
386 a state agency is required unless such person holds such license,
387 certificate of registration, permit or other credentials.

388 (c) The volunteer services coordinator shall identify municipalities
389 and local organizations that provide volunteer services to members
390 and their families in communities throughout the state and shall assist
391 such municipalities and local organizations.

392 (d) On or before January 31, 2006, and annually thereafter, the
393 Family Program of the Connecticut National Guard shall report to the
394 select committee of the General Assembly having cognizance of
395 matters related to veterans' and military affairs, in accordance with
396 section 11-4a of the general statutes, on the services provided by
397 volunteers to service members throughout the state, including, but not
398 limited to, the level of services in different geographical areas.

399 Sec. 9. (NEW) (*Effective from passage*) The Family Program of the
400 Connecticut National Guard shall publicize to all members of the
401 armed forces, as defined in subsection (a) of section 27-103 of the
402 general statutes, including the Connecticut National Guard, and their
403 families the availability throughout the state of therapy support
404 groups for such members and their families. The publicity shall
405 include contact information for referral to support groups in locations
406 that are convenient for such members and their families.

This act shall take effect as follows and shall amend the following sections:

Section 1	<i>July 1, 2005</i>	New section
Sec. 2	<i>from passage</i>	New section
Sec. 3	<i>from passage</i>	New section
Sec. 4	<i>July 1, 2005, and applicable to taxable years commencing on or after January 1, 2005</i>	New section
Sec. 5	<i>July 1, 2005, and applicable to taxable years commencing on or after January 1, 2005</i>	New section
Sec. 6	<i>July 1, 2005</i>	New section
Sec. 7	<i>July 1, 2005</i>	New section
Sec. 8	<i>from passage</i>	New section
Sec. 9	<i>from passage</i>	New section

VA *Joint Favorable Subst. C/R*

APP

APP *Joint Favorable Subst.*

The following fiscal impact statement and bill analysis are prepared for the benefit of members of the General Assembly, solely for the purpose of information, summarization, and explanation, and do not represent the intent of the General Assembly or either House thereof for any purpose:

OFA Fiscal Note

State Impact:

Agency Affected	Fund-Effect	FY 06 \$	FY 07 \$
Military Dept.	GF - Cost	1.425 million	650,000
Department of Revenue Services	GF - Revenue Loss	Significant	Significant
Military Dept.	Military Relief Fund - Revenue Gain	30,000- 150,000	30,000- 150,000
Department of Revenue Services	GF - Cost	550,000	250,000
Department of Veterans' Affairs	GF - Cost	35,000- 70,000	30,000- 60,000
Comptroller Misc. Accounts (Fringe Benefits)	GF - Cost	16,000- 32,000	16,000- 32,000

Note: GF=General Fund

Municipal Impact: None

Explanation

Section 1 results in an estimated cost of \$300,000 to the state by creating a death benefit (\$100,000 for families; \$50,000 for spouses/dependent parents), payable over not less than 10 years, to members of the military deployed in Southwest Asia.

Section 2 creates a new revolving fund, the Service Members' Life Insurance Reimbursement Fund (SMLIRF), to pay the premiums for life insurance (up to \$100,000) of eligible armed forces members. It allows up to 2% of deposits to the fund to be used by the Military Department for expenses of the fund.

Section 3 creates a new revolving fund, the Military Relief Fund (MRF), to make grants for families of eligible members of the armed forces for essential hardship personal or household goods or services due to military service. It allows up to 2% of deposits to the fund to be used by the Military Department for expenses of the fund.

It should be noted that \$1.4 million in FY 06 and \$625,000 in FY 07 are contained in sHB 6671, the Appropriations Act as approved by the Appropriations Committee for **sections 1-3** of the bill.

Section 4 of the bill permits individual income tax payers to designate \$5 of their liability (\$10 for both husband and wife that file a joint return) to the Military Relief Fund. The taxpayer must have a liability of at least \$5 (or \$10) before individuals apply the property tax credit. The designation does not increase the amount of taxes due. The bill also creates a personal income tax add-on system, which taxpayers can use to contribute to the Military Relief Fund. A taxpayer can contribute an amount from their tax refund, an additional amount of money, or both, by indicating the amount on their tax returns, beginning with tax year 2005.

Establishing a check off program is expected to result in a significant revenue loss to the General Fund and a significant revenue gain to the Military Relief Fund beginning in FY 06. There are 1.4 million personal income tax returns filed annually. Therefore, for every 10% of the returns that dedicate \$5 (or \$10) of their liability to the fund it will result in a \$1.0 million loss to the General Fund. While it is not known what portion of taxpayers will decide to affirmatively participate it is likely to be robust.

Establishing a tax-add on to the personal income tax is anticipated to generate between \$30,000 and \$150,000 per year. The estimate is based on the experience of the other tax-add on programs (AIDS, Organ Transplant, Wildlife Fund, Breast Cancer, Safety Net).

Section 5 of the bill permits companies subject to the corporation business tax to designate up to \$200 of their liability to the Military Relief Fund. The designation does not increase the amount of taxes due. The bill also creates a personal income tax add-on system, which taxpayers can use to contribute to the Military Relief Fund. A taxpayer can contribute an amount from their tax refund, an additional amount of money, or both, by indicating the amount on their tax returns, beginning with tax year 2005.

Establishing a corporation business tax check off program is expected to result in a significant revenue loss to the General Fund and a significant revenue gain to the Military Relief Fund beginning in FY 06. While it is not known what portion of taxpayers will decide to affirmatively participate it is likely to be robust.

Establishing a tax-add on to the corporation business tax will generate revenue to the Military Relief Fund, which is anticipated to be greater than \$100,000/yr.

Implementing the provisions contained in sections **4 and 5** of the bill are expected to cost the Department of Revenue Services (DRS) \$550,000 in FY 06 and \$250,000 in FY 07. The FY 06 cost is composed of a \$300,000 one-time expenditure to: (1) make necessary programming changes, and (2) modify tax forms and publications. There will also be on-going costs of approximately \$250,000 for administrative expenses, which include processing costs, accounting and auditing contributions made by taxpayers, and additional postage and printing. The bill permits DRS to retain up to 4% of the amount received from the check off and tax-add on programs for administrative costs.

Sections 6 and 7 would result in additional staff and one-time operating costs to the Department of Veterans' Affairs. The required additional hours of operation and anticipated increased volume of phone inquiries (from the toll-free number) along with the development and maintaining of a service members and veterans contact list, is anticipated to result in 1 - 2 additional positions along with minimal one-time operating costs. The cost to implement these provisions will vary depending on the volume of inquiries, available volunteers, workload to develop and maintain the contact list and timing of implementation. One position would result in an annual salary of \$30,000 (annual fringe benefit cost of \$16,000¹) with one-time

¹ The fringe benefit costs for state employees are budgeted centrally in the Miscellaneous Accounts administered by the Comptroller. The estimated fringe benefit reimbursement rate as a percentage of payroll is 53.91%, effective July 1, 2004. However, first year fringe benefit costs for new positions do not include pension

costs of \$5,000. An additional position, if needed, and associated expenses would result in similar costs.

Sections 8-9 create a volunteer services coordinator for the Connecticut National Guard to coordinate volunteer services available to service members. One position and \$25,000 are contained in sHB 6671, the Appropriations Act as approved by the Appropriations Committee.

costs lowering the rate to 22.65%. The state's pension contribution is based upon the prior year's certification by the actuary for the State Employees Retirement System.

OLR Bill Analysis

sHB 6626

AN ACT PROVIDING IMMEDIATE ASSISTANCE TO MEMBERS OF THE ARMED FORCES AND THEIR FAMILIES**SUMMARY:**

This bill provides death benefits to dependent survivors of certain military personnel who are killed in action or die from an illness or accident sustained while performing active duty service in Southwest Asia in support of Operation Enduring Freedom (Afghanistan) or Operation Iraqi Freedom between September 11, 2001 and July 1, 2006. The amount is up to \$100,000 for a surviving spouse and \$50 monthly for each dependent child under age 18.

The bill establishes the Service Members' Life Insurance Reimbursement Fund to reimburse Connecticut-domiciled, armed forces members, including reservists, on active duty in wartime for premiums they pay for up to \$100,000 of federal Servicemembers Group Life Insurance (SGLI) benefits.

The bill establishes a military relief fund to provide grants to immediate relatives of Connecticut-domiciled, active-duty armed forces members, including guardsmen, to pay for personal or household goods and services in hardship cases. Funding is from voluntary taxpayer donations made under a program that allows taxpayers to (1) contribute all or part of a refund; (2) designate up to \$5 or \$10 of any taxes they owe, depending on their filing status; and (3) designate an additional amount. Similar provisions apply to corporate filers, who may make larger contributions and designations.

The bill requires the Department of Veterans' Affairs (DOVA) to create a registry of veterans and armed forces members to facilitate notification of listed persons about benefits and services available to, and legislation affecting, them. It requires DOVA to provide a toll-free number that military personnel and their families can call every day, including holidays, for information about, and referrals to entities that provide, such benefits and services.

The bill requires the National Guard to create a volunteer program to

provide free services to families of resident, active-duty service members, including guardsmen. These include babysitting, gardening, and repair services. It requires the National Guard to publicize to members of the armed forces, including guardsmen and their families, the availability of therapy support groups.

EFFECTIVE DATE: The volunteer program, therapy program, SGLI premium reimbursement, and Military Relief Fund are effective upon passage; the other provisions are effective July 1, 2005 and the tax provisions apply to taxable years commencing on or after January 1, 2005.

DEATH BENEFITS

This bill gives death benefits to certain survivors of Connecticut-domiciled, armed forces members and reservists who are killed in action or die from illness or accident suffered while deployed in active duty service in Southwest Asia in support of Operation Enduring Freedom or Operation Iraqi Freedom after September 11, 2001 and before July 1, 2006. It requires the state treasurer to make the payments and reduce payments by any amount paid under federal law enacted after July 1, 2005.

The amount of payments and qualified survivors are shown in Table 1 below.

Table 1: Death Benefits for Service in Afghanistan and Iraq

<i>Survivor</i>	<i>Amount Payable to Spouse, Guardian, or Dependent Parent</i>	<i>Amount Payable for Dependent Child</i>
Spouse and dependent child or children under age 18	\$100,000 payable in equal monthly installments over at least 10 years and terminating on spouse's death or remarriage in the 10-year period	\$50 per month for each dependent child until the child reaches age 18, payable to the member's spouse or child's guardian
A dependent child or children under age 18 and no spouse	\$100,000 payable in equal monthly installments over at least 10 years to the	\$50 monthly for each dependent child payable to the guardian until the

	child's or children's guardian until the youngest child reaches age 18 during the 10-year period	child reaches age 18
A spouse and no child or dependent children under age 18	\$50,000 payable in equal monthly installments over at least five years and terminating on the spouse's death or remarriage during the five-year period	NA
No spouse and no children under age 18 but dependent parents	\$50,000 payable to the parent(s) in equal monthly installments over at least five years; if one parent dies, the payment continues for the other parent and ends with the death of the last surviving parent in the five-year period	NA

Servicemembers Life Insurance Reimbursement Fund and Military Relief Fund (§§ 2 & 3)

The bill establishes the Service Members' Life Insurance Reimbursement Fund and the Military Relief Fund as separate, nonlapsing General Fund accounts. They contain (1) state appropriations; (2) any statutorily required deposits; and (3) gifts, grants, donations, or bequests made for the fund's purposes. Investment earnings credited to the assets of the fund become part of its assets. Any fiscal year-end balance must be carried over to the next year.

The state treasurer administers both funds. The Military Department must use the funds for the bill's purposes and may keep up to two percent of the money deposited in each fund in any fiscal year for administrative expenses.

Reimbursement Fund. Beginning July 1, 2006, the Military Department must use this fund to reimburse Connecticut-domiciled, armed forces members and reservists on active duty during a time of war for premiums paid for up to \$100,000 of federal SGLI benefits (see BACKGROUND). It must reduce reimbursements by any amount paid under any federal law enacted on or after the bill's effective date. The bill does not affect eligibility for, or applicability of, SGLI or any related rights, responsibilities, or benefits. The department must adopt implementing regulations.

Military Relief Fund. The Military Department must use this fund to make grants to immediate relatives of Connecticut-domiciled, armed forces members on active duty, including guardsmen, to pay for essential personal or household goods or services, if paying for them would be a hardship for the relatives because of the member's service. "Immediate relatives" are an eligible member's spouse, child, or parent domiciled in Connecticut or other relatives living in his household. The services include repairs, medical services not covered by insurance, transportation, babysitting, clothing, and school supplies, or other goods or services essential to the relatives' well being.

The department must establish a simple grant application process and process applications within seven days after they are submitted. It cannot make grants that exceed what is in the fund.

The bill allows the department to adopt implementing regulations after evaluating the program in its first six months. The regulations may (1) establish a maximum amount of each grant, each type of grant, or grants to immediate relatives and (2) establish grant approval criteria. The department may implement the policies and procedures contained in the proposed regulations while in the process of adopting the regulations. To do so, it must publish notice of intent to adopt regulations in the Connecticut Law Journal no later than 20 days after implementing the policies and procedures, which are valid when the regulations take effect or one year after the publication of the notice of intention, whichever is sooner.

By July 15, 2005 and by the 15th day following the close of each calendar quarter thereafter, the department must submit a report to the Veterans' Affairs Committee for the previous quarter showing (1) the number of applications received, (2) the number of members whose relatives received grants, (3) the amount they got and for what

purposes, and (4) any recommendations for the fund. It must not include the names of eligible members or recipients in the reports, and any information it gets with their names and addresses or that could be used to identify them is confidential and exempt from disclosure under the Freedom of Information Act (FOIA).

Tax Payer Contributions to the Fund

The bill allows taxpayers filing returns for taxable years starting on or after January 1, 2005 to contribute all or part of their personal income tax or corporation business tax refund to the military relief fund by indicating this on their tax returns.

If the amount of refund due to the taxpayer is at least as large as the contribution, the contribution must be for the full amount designated by the taxpayer. If the actual refund is less than the indicated amount the actual refund must be contributed to the fund. The revenue services (DRS) commissioner must certify to the Office of Policy and Management (OPM) secretary and state treasurer (1) the amount of the refund initially owing to the taxpayer, (2) the amount of any such contribution, and (3) the amount of the difference. For the purposes of any subsequent determination of the taxpayers' net payment, such contribution must be considered a part of the refund paid to the taxpayer.

The bill allows personal filers who owe \$5 or more for the taxable year to designate that \$5 be paid to the fund. Spouses filing jointly, who owe \$10 or more, each may designate \$5. Corporate filers may designate \$200 or, if they owe less than \$200, the full amount. The designation cannot increase the taxpayer's tax liability.

Taxpayers may contribute an additional amount to the fund by so indicating on the return. This is in addition to the amount of taxes reported due and must be paid at the same time as the taxes due on the return.

Contributions and designations are irrevocable once the return is filed. Filers must make both in a manner the DRS commissioner prescribes. The commissioner must (1) revise the income tax return forms to include a space for taxpayers to indicate their intent to make a contribution or designation and (2) provide instructions for making the additional contributions and designations described above. He must

include a description of the fund's purposes in the instructions.

The commissioner, after notifying the OPM secretary and with his approval, may keep up to 4% of the amount designated or contributed each fiscal year for administrative costs.. The balance goes into the fund.

Service Members' Registry (§ 7)

The bill requires DOVA to develop and maintain a contact list of armed forces members, including guardsmen, and honorably discharged veterans living in Connecticut. The list must include only their names and mailing addresses. DOVA must compile the list from its own records and information it gets from the Military Department, town assessors, and servicemembers or veterans.

By September 1, 2005, the Military Department must give DOVA a list of the names and mailing addresses, but no other information, of each resident service member in its record. By the 16th day after a veterans' property tax exemption takes effect, the town assessor must DOVA the name and mailing address of each individual who has such an exemption. Veterans and service members living in Connecticut may get listed by submitting their names and addresses to DOVA in person or by mail. The former must provide a copy of their military discharge document (DD 214); the latter, their military identification card.

DOVA, the Military Department, and the Veterans' Affairs Committee may use the list only for notifying listed people of benefits, proposed or enacted legislation that affect them or their families, or other information that the departments or committee believes will help them. DOVA must give a copy of the list to the (1) Military Department upon receipt of a written, signed request from the adjutant general and (2) the committee on receipt of a written, signed request from either chairperson. The bill prohibits disclosure on information in the contact list except as it provides. It is not subject to FOIA disclosure.

Anyone can get his name removed from the list by notifying DOVA in writing.

Volunteer Service Program (§ 8)

The bill requires the Family Program of the National Guard to establish a volunteer service program for armed forces members, including guardsmen, on active duty and residing in Connecticut. The services may include gardening, transportation, babysitting, tutoring, cooking, or other services the recipient finds helpful.

Under the program, a volunteer service coordinator coordinates with towns and local organizations throughout the state to provide volunteer services to the members and their families. Local organizations include nonprofit organizations that serve members, veterans and their families and other organizations that seek to volunteer their services to such people. The volunteer services coordinator must identify and help towns and organizations that provide volunteer services to members and their families in communities throughout the state.

By January 31, 2006, and annually thereafter, the National Guard must report to the Veterans' Affairs Committee on the services and level of services the volunteers provide in different geographical areas.

The bill prohibits anyone from volunteering any services for which a license, certificate of registration, permit, or other credentials issued by a state agency is required unless such person holds the pertinent credential.

Therapy Support Groups (§ 9)

The bill requires the National Guard to publicize to all members of the armed forces, including guardsmen, and their families the availability throughout the state of therapy support groups for them. The publicity must include contact information for referral to support groups in locations that are convenient for them.

Veterans' Information Clearinghouse (§ 6)

The bill requires DOVA to provide a toll-free number for use as a clearinghouse by active members of the armed forces in this state, including guardsmen, and their families to obtain information about benefits or services available to them, and referrals to entities that provide such benefits or services. The number must be "staffed" by trained volunteers or DOVA employees working on weekdays during regular business hours, and on weekends and holidays from 9 a.m. to 5

p.m.

BACKGROUND

SGLI

SGLI is a U.S. Department of Veterans' Affairs (VA) term life insurance plan that provides up to \$250,000 coverage, in increments of \$10,000, to servicemen. Coverage of \$250,000 is automatic, but members may decline it or elect reduced coverage, in writing. Proceeds are payable to beneficiaries on the servicemember's death.

Servicemembers and the federal government, but not states, share SGLI's cost. Service members pay the premiums, and the federal government pays the cost of all death claims above the level of death claims that would result from normal peacetime service in the uniformed services.

The premium for full-time coverage for members on active duty and members of the Ready Reserves is \$16.25 per month for \$250,000 coverage and 65 cents per month for \$10,000 for lesser amounts.

The premium for part-time coverage is \$16.25 per year for \$250,000 insurance and 65 cents per \$10,000 for lesser amounts. Members of the Individual Ready Reserves pay a \$1.00 premium for \$250,000 insurance for one-day call-ups.

The SGLI program is under the VA's purview and administered by the Office of Servicemembers Group Life Insurance (38 USC § 1965 *et. seq.*).

COMMITTEE ACTION

Select Committee on Veterans' Affairs

Joint Favorable Substitute Change of Reference

Yea 13 Nay 0

Appropriations Committee

Joint Favorable Report

Yea 49 Nay 0