



House of Representatives

General Assembly

File No. 819

January Session, 2005

Substitute House Bill No. 6626

House of Representatives, May 31, 2005

The Committee on Finance, Revenue and Bonding reported through REP. STAPLES of the 96th 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.

71 (c) On and after July 1, 2006, the Military Department shall use the
72 Service Members' Life Insurance Reimbursement Fund to reimburse
73 each eligible member of the armed forces for premiums paid by such
74 member for up to one hundred thousand dollars in benefits under the
75 Servicemembers Group Life Insurance program pursuant to 38 USC
76 1965, et seq., as amended from time to time.

77 (d) The department shall adopt regulations, in accordance with the
78 provisions of chapter 54 of the general statutes, to implement the

79 provisions of this section.

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

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

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

104 (b) There is established, within the General Fund, a separate,
105 nonlapsing account to be known as the "Military Relief Fund". The
106 fund shall contain (1) any amounts appropriated or otherwise made
107 available by the state for the purposes of this section, (2) any moneys
108 required by law to be deposited in the fund, and (3) gifts, grants,
109 donations or bequests made for the purposes of this section.
110 Investment earnings credited to the assets of the fund shall become
111 part of the assets of the fund. Any balance remaining in the account at

112 the end of any fiscal year shall be carried forward in the account for
113 the fiscal year next succeeding. The State Treasurer shall administer
114 the fund. All moneys deposited in the fund shall be used by the
115 Military Department for the purposes of this section. The Military
116 Department may deduct and retain from the moneys in the fund an
117 amount equal to the costs incurred by the department in administering
118 the provisions of this section, except that said amount shall not exceed
119 two per cent of the moneys deposited in the fund in any fiscal year.

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

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

131 (e) On or after six months from the effective date of this section,
132 after evaluating the performance of the program during the preceding
133 six months, including available resources and applications received,
134 the department may commence the process to adopt regulations, in
135 accordance with the provisions of chapter 54 of the general statutes,
136 that would facilitate the purposes of this act, including, but not limited
137 to, establishing a maximum amount of each grant, of each type of grant
138 or of grants to the immediate family members of any eligible member,
139 and establishing criteria for the approval of grant applications. The
140 department may implement the policies and procedures contained in
141 such proposed regulations while in the process of adopting such
142 proposed regulations, provided the department publishes notice of
143 intention to adopt the regulations in the Connecticut Law Journal no
144 later than twenty days after implementing such policies and

145 procedures. Policies and procedures implemented pursuant to this
146 subsection shall be valid until the earlier of the date on which such
147 regulations are effective or one year after the publication of such notice
148 of intention.

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

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

175 (2) Any taxpayer filing a return under chapter 229 of the general
176 statutes may contribute an additional amount 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. Any contribution made
179 pursuant to this subdivision shall be in addition to the amount of tax
180 reported to be due on such return and shall be paid at the same time as
181 the tax due on such return is paid and in the manner prescribed by the
182 Commissioner of Revenue Services.

183 (b) A contribution or designation made pursuant to this section shall
184 be irrevocable upon the filing of the return. A taxpayer making a
185 contribution or designation pursuant to this subsection shall so
186 indicate on the tax return in a manner provided for by the
187 Commissioner of Revenue Services.

188 (c) A contribution of all or part of a refund shall be made in the full
189 amount indicated if the refund found due the taxpayer upon the initial
190 processing of the return, and after any deductions required by chapter
191 229 of the general statutes, is greater than or equal to the indicated
192 contribution. If the refund due, as determined upon initial processing,
193 and after any deductions required by said chapter 229, is less than the
194 indicated contribution, the contribution shall be made in the full
195 amount of the refund. The Commissioner of Revenue Services shall
196 subtract the amount of any contribution of all or part of a refund from
197 the amount of the refund initially found due the taxpayer and shall
198 certify (1) the amount of the refund initially found due the taxpayer,
199 (2) the amount of any such contribution, and (3) the amount of the
200 difference to the Secretary of the Office of Policy and Management and
201 the State Treasurer for payment to the taxpayer in accordance with
202 said chapter 229. For the purposes of any subsequent determination of
203 the taxpayer's net tax payment, such contribution shall be considered a
204 part of the refund paid to the taxpayer.

205 (d) The Commissioner of Revenue Services, after notification of and
206 approval by the Secretary of the Office of Policy and Management,
207 may deduct and retain from the moneys collected under subsections
208 (a) to (c), inclusive, of this section an amount equal to the costs of
209 administering this section, but not to exceed four per cent of such
210 moneys collected in any fiscal year. The Commissioner of Revenue

211 Services shall deposit the remaining moneys collected in the Military
212 Relief Fund.

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

220 (2) Any taxpayer filing a return under chapter 208 of the general
221 statutes may contribute an additional amount to the Military Relief
222 Fund established in section 3 of this act, by indicating on the tax return
223 the amount to be contributed to the fund. Any contribution made
224 pursuant to this subdivision shall be in addition to the amount of tax
225 reported to be due on such return and shall be paid at the same time as
226 the tax due on such return is paid and in the manner prescribed by the
227 Commissioner of Revenue Services.

228 (b) A contribution or designation made pursuant to this section shall
229 be irrevocable upon the filing of the return. A taxpayer making a
230 contribution or designation pursuant to this subsection shall so
231 indicate on the tax return in a manner provided for by the
232 Commissioner of Revenue Services pursuant to subsection (c) of this
233 section.

234 (c) The Commissioner of Revenue Services shall revise the income
235 tax return form to implement the provisions of subsection (a) of this
236 section. Such form shall include (1) a space on the return in which
237 taxpayers may indicate their intention to make a contribution or
238 designation in accordance with this section, and (2) instructions for
239 payment of any contribution under subdivision (3) of subsection (a) of
240 this section. The commissioner shall include in the instructions
241 accompanying the tax return a description of the purposes for which
242 the Military Relief Fund was established.

243 (d) A contribution of all or part of a refund shall be made in the full
244 amount indicated if the refund found due the taxpayer upon the initial
245 processing of the return, and after any deductions required by chapter
246 208 of the general statutes, is greater than or equal to the indicated
247 contribution. If the refund due, as determined upon initial processing
248 and after any deductions required by said chapter 208, is less than the
249 indicated contribution, the contribution shall be made in the full
250 amount of the refund. The Commissioner of Revenue Services shall
251 subtract the amount of any contribution of all or part of a refund from
252 the amount of the refund initially found due the taxpayer and shall
253 certify (1) the amount of the refund initially due the taxpayer, (2) the
254 amount of any such contribution, and (3) the amount of the difference
255 to the Secretary of the Office of Policy and Management and the State
256 Treasurer for payment to the taxpayer in accordance with said chapter
257 208. For the purposes of any subsequent determination of the
258 taxpayer's net tax payment, such contribution shall be considered a
259 part of the refund paid to the taxpayer.

260 (e) The Commissioner of Revenue Services, after notification of and
261 approval by the Secretary of the Office of Policy and Management,
262 may deduct and retain from the moneys collected under subsections
263 (a) to (d), inclusive, of this section an amount equal to the costs of
264 administering this section, but not to exceed four per cent of such
265 moneys collected in any fiscal year. The Commissioner of Revenue
266 Services shall deposit the remaining moneys collected in the Military
267 Relief Fund.

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

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

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

286 (b) The Department of Veterans' Affairs shall develop and maintain
287 a service members' and veterans' contact list, consisting of only the
288 names and mailing addresses of service members and veterans who
289 reside in this state, using information in the department's records and
290 information submitted to the department by (1) the Military
291 Department, as provided in subsection (c) of this section, (2) the
292 assessor of each town, as provided in subsection (d) of this section, or
293 (3) service members or veterans, as provided in subsection (e) of this
294 section.

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

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

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

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

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

317 (g) (1) The Department of Veterans' Affairs, the Military Department
318 and the select committee of the General Assembly having cognizance
319 of matters relating to veterans' and military affairs may use the contact
320 list solely for the purposes of notifying service members or veterans of
321 benefits, proposed or enacted legislation that affects service members
322 or veterans or their families, or other information that the Department
323 of Veterans' Affairs, the Military Department or the committee believes
324 will be helpful to veterans or their families. The Department of
325 Veterans' Affairs shall provide a copy of the contact list to the Military
326 Department, upon receipt of a written request signed by the Adjutant
327 General, or to the select committee, upon receipt of a written request
328 signed by either chairperson of the committee.

329 (2) Notwithstanding the provisions of subsection (a) of section 1-210
330 of the general statutes, the Department of Veterans' Affairs, the
331 Military Department and the select committee shall not disclose any
332 information in the contact list to any person other than as provided in
333 this subsection. No person shall use the contact list for any purpose
334 other than as provided in subdivision (1) of this subsection.

335 Sec. 8. (NEW) (*Effective from passage*) (a) As used in this section, (1)
336 "member" means a member of the armed forces, as defined in section
337 27-103 of the general statutes, including the Connecticut National
338 Guard, who is on active duty and who is a resident of this state, (2)
339 "services" includes, but is not limited to, repairs, gardening,
340 transportation, babysitting, tutoring, cooking or any other services that
341 a member or member's family would find helpful, and (3) "local

342 organizations" includes not-for-profit organizations that serve
343 members and veterans and their families, and other organizations that
344 seek to volunteer services to members and their families.

345 (b) The Family Program of the Connecticut National Guard shall
346 establish a volunteer service program in which a volunteer service
347 coordinator coordinates with municipalities and local organizations
348 throughout the state to provide services by volunteers to members and
349 their families. No person shall volunteer any services for which a
350 license, certificate of registration, permit or other credentials issued by
351 a state agency is required unless such person holds such license,
352 certificate of registration, permit or other credentials.

353 (c) The volunteer services coordinator shall identify municipalities
354 and local organizations that provide volunteer services to members
355 and their families in communities throughout the state and shall assist
356 such municipalities and local organizations.

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

364 Sec. 9. (NEW) (*Effective from passage*) The Family Program of the
365 Connecticut National Guard shall publicize to all members of the
366 armed forces, as defined in subsection (a) of section 27-103 of the
367 general statutes, including the Connecticut National Guard, and their
368 families the availability throughout the state of therapy support
369 groups for such members and their families. The publicity shall
370 include contact information for referral to support groups in locations
371 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

FIN *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 - Implements the Budget	1.425 million	650,000
Military Dept.	Military Relief Fund - Revenue Gain	Greater than 100,000	Greater than 100,000
Department of Revenue Services	GF - Cost	25,000	0
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 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 of their tax returns, beginning with tax year 2005.

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 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 of their tax returns, beginning with tax year 2005.

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) \$25,000 in FY 06 to: (1) make necessary programming changes, and (2) modify tax forms and publications.

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 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 for the Military Department are contained in sHB 6671, the Appropriations Act as approved by the Appropriations Committee.

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 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.

It establishes a 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, including corporate filers, to (1) contribute all or part of a refund and (2) designate an additional amount.

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 establish 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 Guard to publicize the availability of therapy support groups to the service members and families.

EFFECTIVE DATE: The volunteer program, therapy program, SGLI premium reimbursement, and relief fund are effective upon passage; the other provisions take effect July 1, 2005 with the tax provisions applying to tax years commencing on or after January 1, 2005.

DEATH BENEFITS (§ 1)

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 between September 11, 2001 and 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.

Table 1 shows the payment amounts and qualified survivors.

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 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 under age 18 and no spouse	\$100,000 payable in equal monthly installments over at least 10 years to the children's guardian until the youngest child reaches age 18 during the 10-year period	\$50 monthly for each dependent child payable to the guardian until the child reaches age 18

A spouse and no 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 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

SERVICE MEMBERS 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 funds' purposes. Investment earnings credited to the assets of the funds become part of their 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.

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.

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, school supplies, and 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 until the regulations take effect or one year after the notice of intent to adopt regulations is published, 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).

Taxpayer Contributions to the Fund. The bill allows taxpayers filing returns for tax 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 entire 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 the contribution, and (3) the difference. For purposes of any subsequent determination of the taxpayer's net tax payment, the contribution must be considered a part of the refund paid to the taxpayer.

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 are irrevocable once the return is filed. Filers must make contributions in a manner the DRS commissioner prescribes.

The Military Department may keep up to 2% of the deposits in the fund in any fiscal year for administrative costs. The commissioner, after notifying the OPM secretary and with his approval, may keep up to 4% of the amount collected 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 service members 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 records. By the 60th day after a veterans' property tax exemption takes effect, the town assessor must send 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 affects 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) committee on receipt of a written, signed request from either chairperson. The bill prohibits disclosure of information in the contact list except as it provides. It is not subject to Freedom of Information Act (FOIA) disclosure.

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

VOLUNTEER SERVICE PROGRAM (§ 8)

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

Under the program, a volunteer service coordinator works 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 service 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's Family Program 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 service members. Coverage of \$250,000 is automatic, but members may decline it or elect reduced coverage, in writing. Proceeds are payable to beneficiaries on the service member's death.

Service members 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 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.*).

Legislative History

On May 10, the House sent the bill (File 649) to the Finance, Revenue and Bonding Committee which eliminated provisions (1) allowing taxpayers to designate up to \$5 of tax debt (\$10 for joint filers and \$200 for corporate filers) to the Military Relief Fund, (2) requiring the tax commissioner to revise the income tax form and include specific information, and (3) allowing the Military Department to keep up to 2% of the money in the Service Members Life Insurance Reimbursement Fund for administrative expenses.

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

Finance, Revenue and Bonding Committee

Joint Favorable Substitute

Yea 44 Nay 3

