



House of Representatives

General Assembly

File No. 141

February Session, 2006

Substitute House Bill No. 5488

House of Representatives, March 27, 2006

The Committee on Planning and Development reported through REP. WALLACE of the 109th Dist., Chairperson of the Committee on the part of the House, that the substitute bill ought to pass.

AN ACT CONCERNING THE DEFINITION OF VETERAN AND THE REPORTING OF VETERAN'S BENEFITS.

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

1 Section 1. Section 27-103 of the general statutes is repealed and the
2 following is substituted in lieu thereof (*Effective October 1, 2006*):

3 (a) As used in the general statutes, except chapter 504, and except as
4 otherwise provided: (1) "Armed forces" means the United States Army,
5 Navy, Marine Corps, Coast Guard and Air Force and any reserve
6 component thereof, including the Connecticut National Guard
7 performing duty as provided in Title 32 of the United States Code; (2)
8 "veteran" means any person honorably discharged from, or released
9 under honorable conditions from active service in, the armed forces;
10 (3) "service in time of war" means service of ninety or more days
11 except, if the period of war [, campaign or other operation] lasted less
12 than ninety days, "service in time of war" means service for the entire
13 [duration of the] period of war, [campaign or other operation,] unless

14 separated from service earlier because of a service-connected disability
15 rated by the Veterans' Administration, during a period of war; and (4)
16 "period of war" [,] has the same meaning as [defined] provided in 38
17 USC 101, as amended, except that the "Vietnam Era" means the period
18 beginning on February 28, 1961, and ending on July 1, 1975, in all
19 cases; and "period of war" shall include service while engaged in
20 combat or a combat support role in Lebanon, July 1, 1958, to
21 November 1, 1958, or September 29, 1982, to March 30, 1984; Grenada,
22 October 25, 1983, to December 15, 1983; Operation Earnest Will,
23 involving the escort of Kuwaiti oil tankers flying the United States flag
24 in the Persian Gulf, February 1, 1987, to July 23, 1987; and Panama,
25 December 20, 1989, to January 31, 1990, and shall include service
26 during such periods with the armed forces of any government
27 associated with the United States.

28 (b) As used in this part, "home" means the Veterans' Home
29 maintained by the state; "hospital" means any incorporated hospital or
30 tuberculosis sanatorium in the state and any state chronic disease
31 hospital, mental hospital or training school for the mentally retarded,
32 "veteran" means any veteran who served in time of war, as defined
33 [by] in subsection (a) of this section, and who is a resident of this state,
34 provided, if he was not a resident or resident alien of this state at the
35 time of enlistment or induction into the armed forces, he shall have
36 resided continuously in this state for at least two years; "eligible
37 dependent" means any parent, wife or husband, or child of a veteran
38 who has no adequate means of support; and "eligible family member"
39 means any parent, brother or sister, wife or husband, or child or
40 children under eighteen years of age, of any veteran whose
41 cooperation in the program is integral to the treatment of the veteran.

42 Sec. 2. (NEW) (*Effective October 1, 2006*) (a) Not later than July 15,
43 2007, and annually thereafter, each state agency or municipality that
44 provides benefits to veterans, as defined in section 27-103 of the
45 general statutes, as amended by this act, shall submit a report to the
46 Commissioner of Veterans' Affairs that includes a description of each
47 type of benefit provided to veterans, the value of such benefit and the

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	Effect
Various	See Below

Municipal Impact:

Municipalities	Effect
Various Municipalities	See Below

Explanation

The bill makes reserve components and National Guard members who have performed duty under Title 32 of the US Code part of the armed forces definition. The bill also places reporting requirements on any state agency or municipality that provides veterans’ benefits to submit annually to the Department of Veterans’ Affairs (DVA) who in return must compile and annually report to the Military Department such information.

To the extent that the definition of armed forces is clarified this may further result in the expansion of eligible veterans accessing state and municipal programs. It is unknown how many eligible veterans would apply for the various services that they would have otherwise not received. Therefore the fiscal impact is indeterminate.

There are an estimated 200 National Guard members who have qualifying Title 32 status and would fall into this category (approximately 75% of the 5,000 National Guard members already have previous qualifying service for veterans’ benefits).

The various programs available to eligible veterans are: 1) state subsidized local property tax exemptions; 2) retirement credit in state-

sponsored pension system; 3) educational tuition waivers; 4) award payments to veterans from the Soldiers, Sailors and Marines' Fund; 5) Department of Veterans' Affairs services; and 6) motor vehicle exemptions. The below provides a further explanation of the services available.

Property Tax Exemption - The bill may result in an increased number of veterans eligible for a minimum property tax exemption of \$1,500. The state reimburses municipalities for the tax loss associated with the additional exemption (\$500 of the \$1,500) for non-income qualified veterans, for an estimated 22,000 veterans. Currently, there are approximately 185,000 veterans who receive this property tax exemption, yet the municipalities are not reimbursed. This grant program administered by the Office of Policy and Management (OPM) has an FY 06 budget of \$2.97 million for the state reimbursed portion of this program. The average benefit resulting from additional exemptions is approximately \$35 per veteran. The number of veterans impacted by the bill is unknown and therefore any increased costs to the Property Tax Relief for Veterans account within OPM are unknown. These exemptions result in a minimal grand list reduction to municipalities.

Retirement Credit in State-Sponsored Pension Systems - Based upon current practice the bill is not anticipated to have any impact to the State Employees Retirement System (SERS), the Teachers' Retirement System (TERS), or the Municipal Employees Retirement System (MERS). The Office of the State Comptroller administers SERS and MERS and the Teachers' Retirement Board administers TERS. Both agencies indicated that members of their government-sponsored retirement systems who are National Guard members called to active duty under Title 32, are currently receiving retirement credit in their respective retirement systems.

Higher Education Tuition Waiver - The bill, which may result in a revenue loss to the state's public colleges and universities, extends tuition waiver rights. State statutes currently provide tuition benefits

to certain veterans, national guardsmen and senior citizens at the state's constituent units of public higher education. In FY 05, approximately 5,326 individuals received tuition waivers across all state higher education units. The dollar value of these waivers is \$5.1 million. In addition, the statutes provide for reimbursement of the cost of waivers that exceed tuition revenue - 2.5% for UCONN and CSU and 5% for the community colleges. Funds have never been appropriated for this purpose and as such the constituent units absorb these costs within their respective budgets.

Since the number of individuals who may take advantage of these waivers is unknown, the amount that the units would have to absorb is indeterminate.

Soldiers Sailors and Marines' Fund - The bill will not impact the SSMF as it currently includes eligible National Guard members who performed service in time of war.

Department of Veterans' Affairs - Currently, there are 147 beds occupied at the Health Care facility (rate of \$574/day) and 321 veterans residing at the domicile (a cost of \$89/day). To the extent that there is an increase on the service demand at the facility, a waiting list may result if the funding level was not increased. Although any short-term impact is anticipated to be minimal, the long-term impact is uncertain. The Federal Department of Veterans Affairs partially reimburses the state on a per diem basis for the care of eligible veterans at the Veterans Home that is deposited into the General Fund (\$6.5 million in FY 05) it is unclear what if any impact the bill will have on this revenue.

Motor Vehicle Exemptions - Currently, disabled wartime veterans with certain service-connected disabilities, former prisoners of war, and recipients of the Congressional Medal of Honor are exempt from the \$75 motor vehicle registration fee. In FY 04, 317 customers qualified for this exemption for a revenue loss to the Transportation Fund of \$23,755. Moreover, the Department of Motor Vehicles also collects an additional \$4.25, which is deposited in the Clean Air Fund.

As a result, the revenue loss to this fund in FY 04 totaled \$1,347. Therefore, the bill may have a revenue loss to the Transportation Fund but is expected to be minimal. Under current law, disabled wartime veterans with certain VA-rated disabilities qualify for special veteran's license plates. The plate exempts the veteran from overtime parking fines. Thus, the bill may have a revenue loss to municipalities but is expected to be minimal.

Reporting Requirements - The bill places reporting requirements on various state agencies and municipalities that will have a workload impact but is not anticipated to require additional funding.

The Out Years

The impact identified above would continue in the out years.

OLR Bill Analysis
sHB 5488

AN ACT CONCERNING THE DEFINITION OF VETERAN AND THE REPORTING OF VETERAN'S BENEFITS.

SUMMARY:

This bill explicitly makes National Guard members called to service under Title 32 of the federal statutes (e.g., on certain homeland security missions) members of the armed forces, thereby making their Title 32 service qualifying service for veterans' benefits. It also adds reserve components of the U.S. Army, Navy, Marine Corps, Coast Guard, and Air Force to the definition of armed forces. But the legal effect of the latter provision is unclear because the armed forces, by definition, already include the reserves.

The bill requires state agencies and towns that provide veterans' benefits to submit annual benefit reports to the veterans' affairs commissioner. The reports must show the recipients and the number, value, and description of benefits for the 12-month period ending on June 30.

The commissioner must compile, and annually, beginning August 1, 2007, report the data for the 12-month period ending on June 30, to the Military Department and the Veterans' Affairs Committee. The report must show the total number of veterans receiving benefits, the value of the benefits by category, and the total for the period.

The bill also makes technical changes.

EFFECTIVE DATE: October 1, 2006

NATIONAL GUARD STATUS

By law, veterans honorably discharged from the armed forces are

eligible for a range of benefits, including war service benefits if they served at least 90 days on active duty (with minor exceptions) during a statutorily defined war period. “Armed forces” is defined as the U. S. Army, Navy, Marine Corps, Coast Guard, and Air Force. Under federal law, guard members can be called into active service under Title 10 (ARMED FORCES) or Title 32 (NATIONAL GUARD). Under current practice, several state agencies apparently do not count Title 32 service as qualifying service for benefits, based apparently on an interpretation that guard members called under Title 32 are not part of the U. S. Armed Forces. By explicitly including guard members who serve in Title 32 status in the definition of Armed Forces, the bill makes such service qualifying service for purposes of benefits based on service in the armed forces.

BACKGROUND

Definition of National Guard

Two federal laws define the National Guard, when in the service of the United States (i.e., federalized), as a part of the army (10 USC §§ 3062 and 10106). A third federal law defines the Army National Guard as “the reserve component of the Army all of whose members are members of the Army National Guard” (10 USC § 101(c)3).

Title 10 Versus Title 32 Service

Guard members in Title 10 status are mobilized by the president (voluntarily or involuntarily) for service in the United States or overseas. Service members in Title 10 status are federally funded and under federal control.

Guard members mobilized under Title 32 status for homeland security missions, such as airport security duty, are called up by the governor at the president’s request and federally funded.

Attorney General’s Opinion on Title 10 v. Title 32 Service

The Connecticut attorney general has concluded that under existing law, the National Guard is part of the U. S. Armed Forces whether called to active service under Title 10 or Title 32. According to the

opinion, “periods spent as a full-time member of the National Guard, while in the armed forces of the United States under orders issued pursuant to either Title 10 or Title 32 of the United States Code, qualify as “vesting service” under Connecticut General Statutes § 5-192i(j) and as “credited service” under Connecticut General Statutes § 5-192j(d), entitling Connecticut state employees in Tier II to receive retirement credit for such service” (Attorney General Opinion 05-004).

Veterans’ Benefits

Veterans, and in some cases their qualified dependents, are eligible for a range of benefits under state law providing they meet qualifying conditions (e.g., war service, where required).

Among the benefits are:

1. tuition waivers;
2. burial in the state veterans’ cemetery;
3. admission to the state Veterans’ Home;
4. civil service bonus points;
5. funeral firing squads;
6. financial help from the Soldiers,’ Sailors, and Marines Fund;
7. service credit in the Municipal Employees’ Retirement System;
8. itinerant vendor fee exemptions; and
9. temporary financial help from the veteran’s affairs commissioner.

COMMITTEE ACTION

Select Committee on Veterans’ Affairs

Joint Favorable Substitute Change of Reference

Yea 11 Nay 0 (03/07/2006)

Planning and Development Committee

Joint Favorable

Yea 16 Nay 0 (03/13/2006)