



Senate

General Assembly

File No. 849

January Session, 2009

Substitute Senate Bill No. 1063

Senate, April 30, 2009

The Committee on Finance, Revenue and Bonding reported through SEN. DAILY of the 33rd Dist., Chairperson of the Committee on the part of the Senate, that the substitute bill ought to pass.

***AN ACT CONCERNING ELIGIBILITY FOR BENEFITS FOR VETERANS
IN SERVICE IN TIME OF WAR.***

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

1 Section 1. Subsection (a) of section 27-103 of the general statutes is
2 repealed and the following is substituted in lieu thereof (*Effective from*
3 *passage*):

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

The following Fiscal Impact Statement and Bill Analysis are prepared for the benefit of the members of the General Assembly, solely for purposes of information, summarization and explanation and do not represent the intent of the General Assembly or either chamber thereof for any purpose. In general, fiscal impacts are based upon a variety of informational sources, including the analyst's professional knowledge. Whenever applicable, agency data is consulted as part of the analysis, however final products do not necessarily reflect an assessment from any specific department.

OFA Fiscal Note

State Impact:

Agency Affected	Fund-Effect	FY 10 \$	FY 11 \$
Policy & Mgmt., Off.; Higher Education Constituent Units; Department of Transportation; Department of Veterans' Affairs	Various - See Below	See Below	See Below

Municipal Impact:

Municipalities	Effect	FY 10 \$	FY 11 \$
All Municipalities	See Below	See Below	See Below

Explanation

The bill expands the eligibility for various veterans' war service benefits (listed below) by changing the dates of Operation Earnest Will.

OPM's Mandatory Property Tax Exemption - The Office of Policy and Management (OPM) reimburses municipalities for the income qualified additional mandatory exemption, up to the level of appropriations provided. Broadening eligibility for this exemption will increase the costs to fully fund this exemption, however the amount OPM reimburses municipalities is contingent on the level of appropriation, thus if appropriations are insufficient, reimbursements to municipalities are reduced on a pro rata basis, resulting in increased municipal costs.

The bill expands the eligibility for a mandatory municipal property tax exemption which further increases municipal costs. A municipality could increase its mill rate or modify spending to offset any decrease

in property taxes as a result of the un-reimbursed portion of the property tax abatement for veterans. Under current law, towns may provide a local option; the bill would broaden eligibility for this exemption. It is anticipated that towns would only continue to provide this to the extent that they are willing to forgo the property taxes that would have otherwise been received.

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.

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.

Department of Veterans' Affairs - To the extent that there is an increase in service demand at the health care and residential facilities operated by DVA, a waiting list may result. 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 (Rocky Hill), which is deposited into the General Fund. It is unclear what, if any, impact the bill would 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 09 to date, 318 customers qualified for this exemption for a revenue loss to the Transportation Fund of \$23,850. 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 09 totaled \$1,352. Therefore, the bill may result in a revenue loss to the Transportation Fund, which 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.

The Out Years

The annualized ongoing fiscal impact identified above would continue into the future subject to inflation.

OLR Bill Analysis**sSB 1063*****AN ACT CONCERNING ELIGIBILITY FOR BENEFITS FOR VETERANS IN SERVICE IN TIME OF WAR.*****SUMMARY:**

This bill expands the pool of people eligible for veterans' war service benefits by changing the start and end dates of Operation Earnest Will (escort of Kuwaiti oil tankers flying the U. S. flag in the Persian Gulf). The benefits include property tax exemptions; public college tuition waivers; and financial help from the Soldiers, Sailors and Marines Fund.

Under current law, the dates of the operation are February 1, 1987 to July 23, 1987. The bill corrects and sets the start date at July 24, 1987 to conform to federal regulation. And it sets the end date at September 26, 1988. (Under Department of Defense regulations, the dates are July 24, 1987 to August 1, 1990 (32 CFR § 578. 25)). The bill thus increases the defined length of the operation from approximately six months to 14 months. But it eliminates pre July 24, 1987 service as qualifying service for this operation.

EFFECTIVE DATE: Upon passage

COMMITTEE ACTION

Select Committee on Veterans' Affairs

Joint Favorable Change of Reference

Yea 10 Nay 0 (03/05/2009)

Finance, Revenue and Bonding Committee

Joint Favorable Substitute

Yea 55 Nay 0 (04/16/2009)