

OFFICE OF FISCAL ANALYSIS

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HB-6004

AN ACT ELIMINATING SERVICE IN TIME OF WAR AS AN
ELIGIBILITY CRITERION FOR CERTAIN VETERANS' BENEFITS.

OFA Fiscal Note

State Impact:

Agency Affected	Fund-Effect	FY 24 \$	FY 25 \$
Various State Agencies	Various - Revenue Loss	See Below	See Below
Policy & Mgmt., Off.	GF - Cost	None	See Below

Note: GF=General Fund; Various=Various

Municipal Impact:

Municipalities	Effect	FY 24 \$	FY 25 \$
Various Municipalities	Revenue Loss	None	See Below

Explanation

The bill, which eliminates the eligibility requirement that a veteran have wartime service, is anticipated to have a minimal revenue loss across various state agencies beginning in FY 24. Any active-duty service member who has active service since 8/9/1990 (Persian Gulf War) is covered under current law; the bill expands eligibility for veterans who served prior to then and not during wartime. It is unknown how many additional veterans would apply for benefits under the expanded definition, but the revenue loss to various state agencies (including the higher education constituent units, Veteran's Affairs, and the Department of Motor Vehicles) is anticipated to be minimal.

The bill results in a potential grand list reduction to municipalities

beginning in FY 25 by expanding eligibility for certain property tax exemptions to veterans with non-wartime service. A grand list reduction results in a revenue loss, given a constant mill rate.

Correspondingly, the bill results in a cost to the Office of Policy and Management beginning in FY 25 to reimburse municipalities for the revenue loss incurred by the bill via the Additional Veterans Property Tax grant program. These grants at least partially offset the revenue loss to municipalities resulting from veterans' property tax exemptions.

The Out Years

The annualized ongoing fiscal impact identified above would continue into the future subject to additional eligible veteran benefits.