

OFFICE OF FISCAL ANALYSIS

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SB-376

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

OFA Fiscal Note

State Impact:

Agency Affected	Fund-Effect	FY 26 \$	FY 27 \$
Soldiers, Sailors & Marines' Fund	SF - Cost	540,000	540,000
Military Dept.	GF - Cost	120,000	160,000
Motor Vehicle Dept.	TF - Potential Revenue Loss	Minimal	Minimal
Constituent Units of Higher Education	OF - Potential Revenue Loss	Minimal	Minimal

Note: SF=Special Fund (Non-appropriated); GF=General Fund; TF=Transportation Fund; OF= Other Fund

Municipal Impact:

Municipalities	Effect	FY 26 \$	FY 27 \$
All Municipalities	Revenue Loss	None	See Below
Various Municipalities	Potential Revenue Loss	Minimal	Minimal

Explanation

The bill expands certain benefits, currently available to veterans who served in a time of war, to veterans who served during peacetime, resulting in numerous fiscal impacts. The bill results, annually beginning in FY 26, in a cost to the Military Department, and the Soldiers, Sailors, and Marines Fund, and a potential, minimal revenue loss to the Department of Motor Vehicles and to the constituent units of higher education. It also results in a revenue loss to all municipalities

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annually beginning in FY 27 and a potential revenue loss to various municipalities annually beginning in FY 26.

Sections 1 - 3 result in a potential, minimal revenue loss to the constituent units of higher education annually beginning in FY 26. The bill expands, to veterans who did not serve during a time of war, a tuition waiver currently available only to veterans who did serve during a time of war.

It is not known how many peacetime veterans are currently attending the constituent units, but the number is expected to be minimal. According to the federal Department of Veterans Affairs (VA), eras of peacetime include periods between: (1) WWII and the Korean War; (2) the Korean War and the Vietnam War; (3) the Vietnam War and the Gulf War; and (4) after the end of the war in Afghanistan. The VA indicates that there are currently no veterans who served entirely since the end of the war in Afghanistan.

If ten veterans at each constituent unit receive a tuition waiver as a result of the bill, the total revenue loss (assuming undergraduate, in-state tuition rates) would be \$286,160. This is broken down by unit as follows: (1) \$170,100 for UConn; (2) \$69,980 at the Connecticut State Universities; and (3) \$46,080 at CT State.

Sections 4 - 5 have no fiscal impact. They expand a requirement to add points to an examination for employment to peacetime veterans. Previously this requirement was only available to veterans with wartime service. This is not anticipated to result in a fiscal impact to the state or municipalities as it would not increase the number of individuals hired.

Sections 6 - 7 result in a cost to the Department of Veterans Affairs and its Soldiers, Sailors, and Marines Fund (SSMF) of an estimated \$540,000 annually beginning in FY 26. The bill expands access to temporary financial assistance via the SSMF to include peacetime veterans. It is anticipated this will result in around 200 veterans applying.

Section 8 results in a potential minimal annual revenue loss beginning in FY 26 to the Special Transportation Fund by broadening the eligibility for certain motor vehicle benefits and fee exemptions. The population that would be newly eligible under this section is unknown but expected to be small.

Section 9 results in a revenue loss to all municipalities annually beginning in FY 27 by expanding eligibility for the property tax exemption described in CGS Sec. 12-81(19). If the newly eligible peacetime veterans and spouses own homes at the state average rate¹, it would result in an estimated annual revenue loss of \$800,000. The impact will be dependent on the number of peacetime veterans and their spouses who apply for the exemption.

Section 10 removes wartime service as a requirement for a veteran to receive an honor guard detail at a funeral resulting in a cost to the Military Department of approximately \$120,000 in FY 26² and \$160,000 annually beginning in FY 27. Removing the wartime service requirement increases the number of veterans eligible for honor guard details at funerals by 35%.³

Section 11 exempts all veterans from a municipal permit fee related to peddler or hawking on public streets or state highways. Previously this exemption only applied to veterans with wartime service. This may result in a revenue loss beginning in FY 26 to the extent municipalities have an ordinance that imposes this fee.⁴ Any revenue loss will be dependent on the number of permit fees that would have otherwise been required.

The Out Years

¹ <https://www.census.gov/quickfacts/fact/table/CT/HSD310223>

²The cost in FY 26 reflects nine months of expenditures due to the bills October 1, 2025, effective date.

³There are approximately 112,000 wartime veterans and 40,000 peacetime veterans in the state. The average honor guard expenditures for wartime veterans from FY 20 to FY 24 is approximately \$455,000 per year.

⁴ The maximum for this permit fee is \$200 a year.

The annualized ongoing fiscal impact identified above would continue into the future subject to inflation and the number of peacetime veterans who use the benefits described above.