

Legislative Analysis



UNIFORM DEFINITION OF "VETERAN" AND OTHER ACT REVISIONS

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House Bill 5332 as introduced
Sponsor: Rep. Tom Barrett

House Bill 5333 as introduced
Sponsor: Rep. David C. Maturen

House Bill 5334 as introduced
Sponsor: Rep. David Rutledge

House Bill 5335 as introduced
Sponsor: Rep. Gary Glenn

House Bill 5336 as introduced
Sponsor: Rep. Holly Hughes

House Bill 5337 as introduced
Sponsor: Rep. Laura Cox

House Bill 5338 as introduced
Sponsor: Rep. Hank Vaupel

House Bill 5339 as introduced
Sponsor: Rep. Peter J. Lucido

House Bills 5340 and 5341 as introduced
Sponsor: Rep. John Bizon, M.D.

House Bill 5342 as introduced
Sponsor: Rep. Lana Theis

House Bill 5343 as introduced
Sponsor: Rep. Robert L. Kosowski

House Bill 5344 as introduced
Sponsor: Rep. Jason M. Sheppard

House Bill 5345 as introduced
Sponsor: Rep. Larry C. Inman

House Bill 5346 as introduced
Sponsor: Rep. Lee Chatfield

House Bill 5347 as introduced
Sponsor: Rep. Triston Cole

House Bill 5348 as introduced
Sponsor: Rep. Eric Leutheuser

Committee: Military and Veterans Affairs
Complete to 4-13-16

SUMMARY:

House Bill 5332 would amend Public Act 190 of 1965 to define the term "veteran" for purposes of all the state laws relative to veterans. The new definition would be: an individual who served in the United States armed forces, including the reserve components, and was discharged or released under conditions other than dishonorable."

The bill would amend the title to that act to describe it as "An act to establish who is considered a veteran in this state; and to provide for a system of uniformity of service for veterans."

Each of the other bills would amend a different act dealing with veterans to make that definition from Public Act 10 a component of the definition used under that act.

House Bills 5333-5348 are tie-barred to House Bill 5332, meaning the bills would not take effect unless House Bill 5332 were enacted into law.

A detailed explanation of each bill follows.

House Bill 5333 would amend the Veterans' Military Pay Act (MCL 35.922) to use the definition of veteran from Public Act 10, and also define a veteran as an individual who provided honorable and faithful service for more than 60 days during his or her period of service and was a resident of this state at the time of entering service for at least six months prior to that date.

House Bill 5334 would amend the Vietnam Veteran Era Bonus Act (MCL 35.922) to insert the definition of "veteran" from Public Act 10, and also say that a veteran would be defined to mean an individual who completed not less than 180 (formerly 190) days of honorable service or is listed as missing in action or died during the period of service from service-connected causes.

House Bill 5335 would amend the Korean Veterans' Military Pay Fund Act of 1955 (MCL 35.972). **House Bill 5336** amends Public Act 222 of 1972 (MCL 28.292), which deals with the official state identification card. **House Bill 5337** amends provisions in the Management and Budget Act dealing with preferences in contracting (MCL 18.1261); **House Bill 5338** would amend the Veteran Right to Employment Act (MCL 35.1092).

House Bill 5339 amends a section of the Public Health Code dealing with exposure to chemical herbicides (MCL 333.5701). **House Bill 5340** would amend the Private Employer's Veterans' Preference Policy Act (MCL 35.1201).

House Bill 5341 amends the act dealing with county soldiers' relief commissions (MCL 35.22).

House Bill 5342 would amend the act that authorizes the issuance of bonds to pay bonuses to Vietnam Veterans (MCL 35.1001).

House Bill 5343 amends Public Act 27 of the Extra Session of 1946 (MCL 35.581), which deals with occupational licensing and certification. Under this act, the veteran would also need to be honorably discharged.

House Bill 5344 would amend Public Act 205 of 1897, described as "an act to prefer honorably discharged members of the armed services for public employment." It also requires an honorable discharge.

House Bill 5345 would amend a section of the Income Tax Act dealing with homestead credits (MCL 206.516). It requires an honorable discharge or service-related death. The bill removes the requirement that the veteran have served during a time of war or conflict.

House Bill 5346 would amend the act dealing with the Michigan Veterans Facility. The definition also includes honorable discharge in addition to the new Public Act 10 definition.

House Bill 5347 would amend Public Act 359 of 1921, which grants licenses to veterans without cost, good for one year, to sell their own goods (MCL 35.441 and 35.442). This act requires an honorable discharge and applies only to state residents.

House Bill 5348 would amend a section of the Revised Judicature Act dealing with veterans treatment courts for those dependent upon or abusing drugs or alcohol, or suffering from a mental illness (MCL 600.1200).

FISCAL IMPACT:

House Bill 5334 and 5345 would have an indeterminate fiscal impact on the State. The other bills would appear to have no fiscal impact.

HB 5334 would allow for retroactive payments to veterans who would qualify for the Vietnam Veteran Era Bonus Act, 1974 PA 370, MCL 35.1022, by changing the time in active duty service from 190 to 180 days during the Vietnam Era. While this bonus program is no longer active, some veterans who were not initially eligible due to the service time requirement when the law was enacted would be eligible to apply for the bonus. MCL 35.1023 specifies a \$600 service bonus amount to combat veterans and a bonus up to \$450 for non-combat veterans of the Vietnam Era who meet the requirements of the act. The Michigan Veterans Affairs Agency estimates that 242,562 veterans residing in the State have served in the military during the Vietnam Era, though it is unclear how many would be affected by the time in service requirement change.

HB 5345 would expand the number of eligible veterans who would be able to claim a credit against the state's income tax liability under 1967 PA 281, MCL 206.522, by eliminating the current requirement of wartime service. The Michigan Veterans Affairs Agency reports an estimated total of 676,171 veterans living in the State, with approximately 186,023 (27.5%) having served during peacetime who would become eligible for the tax credit.

It is not known how many of the new potential claimants are currently claiming the standard credit or are ineligible due to income or taxable value constraints. It's estimated that approximately 1% of currently eligible veterans file for the veteran's credit, and receive an average credit of about \$120. Extending the credit to the new potential claimants in similar proportions would reduce net income tax revenue by roughly \$250,000.

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Fiscal Analyst: Kent Dell

■ This analysis was prepared by nonpartisan House Fiscal Agency staff for use by House members in their deliberations, and does not constitute an official statement of legislative intent.