

MAINE STATE LEGISLATURE

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LEGAL AND VETERANS AFFAIRS

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**STATE OF MAINE
HOUSE OF REPRESENTATIVES
120TH LEGISLATURE
FIRST REGULAR SESSION**

COMMITTEE AMENDMENT "A" to H.P. 231, L.D. 268, Bill, "An Act Regarding Veterans"

Amend the bill in section 1 in subsection 2 by striking out all of paragraph C (page 1, lines 15 to 18 in L.D.) and inserting in its place the following:

'C. The member must have separated from the armed forces ~~under conditions other than dishonorable~~ by receiving an honorable discharge.'

Further amend the bill by inserting after section 1 and before section 2 the following:

'Sec. 2. 22 MRSA §9-A, sub-§1, ¶A, as amended by PL 1997, c. 530, Pt. A, §6, is further amended to read:

A. "Public assistance" means any of the following:

- (1) Temporary assistance for needy families under chapter 1053-B;
- (2) Food stamp assistance under section 3104;
- (3) General assistance under chapter 855 and any state-funded portion under chapter 1161;
- (4) Medical assistance under chapter 855; or

(5) Assistance under the Parents as Scholars Program pursuant to chapter 1054-B, or

(6) Public assistance for veterans under Title 37-B, section 505.'

Further amend the bill in section 2 in paragraph C by striking out all of the first 4 lines (page 1, lines 39 to 42 in L.D.) and inserting in their place the following:

'C. The Beginning April 1, 2002, the estates up to the just value of \$5,000 \$6,000, having a taxable situs in the place of residence, of veterans who served were honorably discharged from active duty in the Armed Forces of the United States.'

Further amend the bill in section 2 in paragraph C in the first blocked paragraph in the last line (page 2, line 26 in L.D.) by inserting after the following: "veteran." the following: 'Nothing in this paragraph or in Title 5, section 17760, subsection 2 affects an exemption under this section for which a qualified veteran applies and is granted prior to April 1, 2002.'

Further amend the bill in section 2 in paragraph C in the 2nd blocked paragraph in the first line (page 2, line 28 in L.D.) by inserting after the following: "Exemptions" the following: 'first'

Further amend the bill in section 3 in subsection 5 in the 3rd line (page 2, line 42 in L.D.) by inserting after the following: "assistance" the following: 'for the purposes of providing public assistance'

Further amend the bill by striking out all of section 6 and inserting in its place the following:

'Sec. 6. Appropriation. The following funds are appropriated from the General Fund to carry out the purposes of this Act.

	2001-02	2002-03
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**ADMINISTRATIVE AND FINANCIAL SERVICES,
DEPARTMENT OF**

Veterans Tax Reimbursement

All Other	\$1,845,000
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Provides funds to increase

2 the exemption for all post
 4 World War I categories of
 6 veterans to the just value of
 8 \$6,000, to provide the
 10 exemption to veterans who
 12 served during peacetime and
 14 to reimburse municipalities
 for 100% of the revenue loss
 attributable to the
 incremental exemption
 increase and for all new
 exemptions initially granted
 for tax years beginning on
 and after April 1, 2002.

16 Bureau of Revenue Services

18 All Other \$2,500

20 Provides funds to revise,
 22 print and distribute
 24 notifications to
 municipalities of the new
 26 provisions of the veterans'
 property tax exemption
 reimbursement program.

**28 DEPARTMENT OF ADMINISTRATIVE AND
 30 FINANCIAL SERVICES**

TOTAL \$2,500 \$1,845,000

**32 DEFENSE, VETERANS AND
 34 EMERGENCY MANAGEMENT,
 DEPARTMENT OF**

36 Bureau of Veterans' Services

38 Positions (3.000) (3.000)
 Personal Services \$67,795 \$96,866
 40 All Other \$260,000 \$200,000

42 Provides funds for one
 44 Accountant I position and to
 convert 4 part-time Clerk
 46 Typist II positions to
 full-time positions to be

located in the bureau's regional field offices and for the purchase of new computers and software to provide staff training in computer applications for staff in the bureau's field offices. Provides funds for aid to veterans and their dependents pursuant to the Maine Revised Statutes, Title 37-B, section 505.

14	DEPARTMENT OF DEFENSE		
15	VETERANS AND EMERGENCY		
16	MANAGEMENT		
	TOTAL	<u>\$327,795</u>	<u>\$296,866</u>
18			
20	TOTAL APPROPRIATIONS	<u>\$330,295</u>	<u>\$2,141,866'</u>

Further amend the bill by relettering or renumbering any nonconsecutive Part letter or section number to read consecutively.

Further amend the bill by inserting at the end before the summary the following:

FISCAL NOTE

32		2001-02	2002-03
34	APPROPRIATIONS/ALLOCATIONS		
36	General Fund	\$330,295	\$2,141,866

This bill includes General Fund appropriations totalling \$330,295 and \$2,141,866 in fiscal years 2001-02 and 2002-03, respectively, to provide aid to veterans and their dependents and to increase and expand the veterans' property tax exemption.

This bill includes General Fund appropriations of \$327,795 and \$296,866 in fiscal years 2001-02 and 2002-03, respectively, for the Bureau of Veterans' Services within the Department of Defense, Veterans and Emergency Management to add one Accountant I position, convert 4 part-time Clerk Typist II positions to full-time positions, purchase additional computers and software, provide training in computer applications in the bureau's field offices and provide aid to veterans and their dependents.

2 The bill increases the veterans' property tax exemption by
3 \$1,000, expands the exemption to include additional veterans and
4 requires the State to reimburse municipalities for 100% of the
5 revenue loss attributable to the incremental increase as well as
6 for all new exemptions granted for tax years on and after April
7 1, 2002. The Veterans Tax Reimbursement program administered by
8 the Department of Administrative and Financial Services will
9 require an additional General Fund appropriation of \$1,845,000 in
10 fiscal year 2002-03 for the additional costs related to these
11 changes. The estimated future costs in fiscal years 2003-04 and
12 2004-05 will be approximately \$2,100,000 and \$2,335,000,
13 respectively.

14
15 The Bureau of Revenue Services within the Department of
16 Administrative and Financial Services will incur additional costs
17 estimated to be \$2,500 in fiscal year 2001-02 to revise, print
18 and distribute notifications of the new provisions to
19 municipalities. The bureau has requested additional General Fund
20 appropriations to fund these additional costs.

21 The bill would remove the current retirement provision that
22 military time purchased by post-1976 Maine State Retirement
23 System members must have been served during a federally
24 recognized period of conflict, increasing the unfunded liability
25 of the Maine State Retirement System. Pursuant to the
26 Constitution of Maine, Article IX, Section 18-A, unfunded
27 liabilities may not be created except those that result from
28 experience losses. The Maine State Retirement System will
29 require one-time additional General Fund appropriations and
30 Highway Fund and other funds allocations, the amounts of which
31 can not be determined at this time, representing the full
32 actuarial value of the increase to the unfunded liability
33 resulting from the proposed plan change.

34
35 In addition, the bill would lower the number of years (from
36 15 to 5 years) of creditable service a retirement system member
37 would need to be eligible to purchase military service credit.
38 These changes will increase the normal cost component of the
39 employer retirement rate and will result in additional ongoing
40 retirement costs for state employees and teachers. The costs are
41 indeterminate at this time.'

42 43 44 45 **SUMMARY**

46 This amendment increases the property tax exemption for
47 honorably discharged veterans from \$5,000 to \$6,000. It requires
48 that the exemption be granted only to veterans who received an
49 honorable discharge, but it grandfathers those veterans who
50

COMMITTEE AMENDMENT "A" to H.P. 231, L.D. 268

otherwise qualify for an exemption prior to April 1, 2002. The amendment also makes other minor technical corrections and adds an appropriation and a fiscal note to the bill.

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COMMITTEE AMENDMENT