2011 HOUSE GOVERNMENT AND VETERANS AFFAIRS

HB 1217

2011 HOUSE STANDING COMMITTEE MINUTES

House Government and Veterans Affairs Committee
Fort Union Room, State Capitol

HB 1217
January 20, 2011
13167

☐ Conference Committee

Committee Clerk Signature Carmen Hart

Explanation or reason for introduction of bill/resolution:

Relating to benefits for disabled veterans

Minutes:

Chairman Bette Grande opened the hearing on HB 1217.

Rep. Mark Owens appeared in support of HB 1217. In reality a good portion of this bill is administrative cleanup. This deals with the veterans that sacrifice the most to allow us to be where we are right now. In many cases, it is 100% disabled. In some cases, it is just 50-100% disabled, and in other cases it is not having the ability any longer, if you can imagine, being 25 and no longer having the ability to earn a living. Amendment 1 deals with higher ed. tuition for the children of veterans that are either 100% disabled or were killed in action. It has three separate definitions that employed for that 100% service connected disability. Section 2 deals with the purchase of a motor vehicle, 26,000 pounds for disabled American veteran cars. Section 3 deals with the Homestead Property Act for 50%-100 as it ranges up. Section 4 deals with exemption on excise tax for the same individuals. In each one of these sections what has happened is we had the standard 100% service connected disability, but we overlooked and what the AG wrote an opinion on and corrected and now we are just putting it into law, is to include certain extra scheduler ratings that take them up to 100%. That includes the individual ability to be totally unemployable in many cases. They are called UIs. Most of these UIs fall between the 70 and 100% anyway as far as the actual rating of disability. The only difference in each one of those sections that I read what we are adding to, and this is the cleanup portion of the bill, is we are just adding to law to clarify that portion to really focus on those that cannot be employed. However, in Sections 3 and 4, we do add something new. That is individuals who are receiving what is called DIC, Dependency Identification Compensation. That is the spouse or relatives of the dead veteran. In that case we are talking about the excise tax and the property tax disability. Just recently in the state of the state address the Governor had a woman from Fargo who had waited 42 years to find out about the remains of her veteran, and she is one of those recipients of DIC all these years.

Rep. Karen Rohr: Since this is an addition, do you have possibility of how many DICs that would involve and if so, is there a fiscal note to this bill?

Rep. Owens: I am glad you asked about the fiscal note, because with the DICs I believe there should have been a fiscal note added to this.

Chairman Bette Grande: I do have a request for a fiscal note coming.

Rep. Owens: There should be one because of the property tax issue. The DICs are run out of the VA regional office. The VA regional office operates North Dakota and 15 counties in Minnesota so we can't determine exactly how many are in North Dakota. However, using the old theory of estimation, we do know how many are in that district. There are 164, I believe. It is estimated that approximately 100 of those people are in the North Dakota area receiving DIC.

Rep. Gary Paur: I was showing this to Rep. Vigesaa about the 26,000 pounds. A one ton duly truck probably weighs about 75. I imagine the gross on it would be about 11-12. What does a veteran need a 26,000 pound truck for?

Rep. Owens: We needed to allow for wheelchair accessibility and all that equipment that would normally go into a van.

Rep. Gary Paur: I don't think there are any vans that will hold 26,000 pounds.

Rep. Owens: The van would be 13,000 pounds. The registration weight for registration fees purposes is doubled to 26,000. It is simply a mathematical formula to determine registration fees.

Chairman Bette Grande: So how much does a van weigh?

Rep. Owens: I have no idea. I don't own a van.

Chairman Bette Grande: How much does your Hummer weigh?

Rep. Owens: My Hummer weighs about 7,500 manufactured. That would be 15,000 pounds registered.

Lonnie Wangen, Commissioner of Veterans Affairs, appeared. **Attachment 1.**
I was asked also to give kind of an explanation on how the scheduler rating system works. VA math is different than our math. If you have four disabilities that are 50% disabling, like a 50% disabling because you lost a leg, 50% because you lost an arm, you're 50% TBI, 50% for PTSD, you are going to end up with around 90% rating, not 200. If you are 100%, this is you, they take the highest number off, 50%, so now you are 50% abled and 50% disabled. The next disability goes off what you are abled so you are only 50% so they can only take 25 off of that. Another 50%, they take 12 ½ off of that. Then you take your 6.75. You have to get up to a 5% to round up to the next number. Add all those up. You have to get to 95 before you become 100 so you have to have 250% disability using 50% for each disability to get 100% disabled. If you are 100% disabled with IU you are pretty much disabled. It is pretty serious. (He demonstrated this with folding of a sheet of paper.)

Vice Chairman Randy Boehning: Question on the children. How long do they receive funds and does this go through until they are through college? Is there an absolute age limit on that?

Lonnie Wangen: Typically, the dependents would receive compensation—it would normally go to their caregiver but since they are wanted on DIC, they would get all the benefits also. That would be until they are age 18 unless they go to college. Then they can go through their college unless that child is disabled and unable to take care of themselves then it can go through their life.

Vice Chairman Randy Boehning: If he goes to college for, say a doctor, 8 to 10 years, we can continue that on until they are completely done with college? Is there an absolute age limit?

Lonnie Wangen: Don't count this on for sure, but I believe it is just a four year college that they allow. I think it is the age of 26 that it does cut you off. I can double check that.

There was no one in opposition to this bill.

Dan Rouse, Legal Counsel to Tax Commissioner, appeared. I believe our questions were answered. We are here in a neutral capacity. We want to understand the intent of the bill so that if you decide to pass it, we can administer it. We were substantially involved in the drafting of the Attorney General's opinion which again, as Mr. Wangen testified and Rep. Owens reflected, is our current practice anyway. Adding the new extra scheduler component is relatively new to us, and it is consistent with how we understood things but we wanted to make sure we could administer it. I don't think we will have a problem with it if you so decide to pass it.

Chairman Bette Grande: Do you see a need for us to wait on a fiscal note?

Dan Rouse: I think you asked us prior to the hearing for a fiscal note. I think we can get Kathy Strombeck to get on it right away. Whatever the outcome of that is we will get that information to the full committee.

The hearing was closed.

2011 HOUSE STANDING COMMITTEE MINUTES

House Government and Veterans Affairs Committee
Fort Union Room, State Capitol

HB 1217
January 27, 2011
13584

☐ Conference Committee

Committee Clerk Signature Carmen Hart

Explanation or reason for introduction of bill/resolution:

Relating to benefits for disabled veterans

Minutes:

Chairman Bette Grande began committee work on HB 1217. Referring to the fiscal note—that is just to cover property tax for the gap there.

Vice Chairman Randy Boehning: The state would be refunding counties?

Chairman Bette Grande: I think it does come through the counties. It is from the state to the county. Is that how we have this one set up? This is general fund. To be honest I don't understand how there could really be that much of a fiscal note, not that this is a big fiscal note. These people should already be qualified with the 50% or greater. Personally, I don't think we are going to run into this large of a fiscal note. In reference to a comment made by Rep. Boehning that was inaudible Chairman Grande stated: It is both but the motor vehicle one doesn't really have an effect. It just talks about their plates. Again, I believe that is not being addressed because they already qualify for that. This really comes down to just a definition change. I don't think it is going to draw that many more in. There were 164 for the region and 100 in North Dakota. When I initially looked at this, my concern was—because I think there is an education component also, but the universities didn't seem to care. They just knew that was kind of their expense. They didn't feel that it was an issue for them with having an increased cost for tuition issues.

Rep. Roscoe Streyle made a motion for a **Do Pass.**

Rep. Karen Rohr seconded the motion.

Chairman Bette Grande: I am kind of looking for my finance and tax committee really on the lead here. I think we are right in our committee with this.

Rep. Lonny Winrich: ...if Wes agrees. You mention the university system. If this is only going to add 100 people across the state, there is not going to be that many dependents to affect the population in the university system. That is why the university system is willing to say we wouldn't probably even bother to measure it.

Chairman Bette Grande: The other thing is that is 100 including the children. We are not even talking 100 kids. I think the number is so small that we are really addressing—they want to clear up the definition and how they reach it. That is my take.

DO PASS, 13 YEAS, 0 NAYS. Rep. Lonny Winrich is the carrier of this bill. This was rereferred to Appropriations.

FISCAL NOTE

Requested by Legislative Council
03/31/2011

Amendment to: Engrossed HB 1217

1A. **State fiscal effect:** *Identify the state fiscal effect and the fiscal effect on agency appropriations compared to funding levels and appropriations anticipated under current law.*

	2009-2011 Biennium		2011-2013 Biennium		2013-2015 Biennium	
	General Fund	Other Funds	General Fund	Other Funds	General Fund	Other Funds
Revenues						
Expenditures			$215,000			
Appropriations			$215,000			

1B. **County, city, and school district fiscal effect:** *Identify the fiscal effect on the appropriate political subdivision.*

2009-2011 Biennium			2011-2013 Biennium			2013-2015 Biennium		
Counties	Cities	School Districts	Counties	Cities	School Districts	Counties	Cities	School Districts

2A. **Bill and fiscal impact summary:** *Provide a brief summary of the measure, including description of the provisions having fiscal impact (limited to 300 characters).*

Eng. HB 1217 with Senate Amendments clarifies language for various disabled veterans programs. It also re-defines and expands the eligibility for a one hundred percent exemption under the disabled veteran property tax credit program.

B. **Fiscal impact sections:** *Identify and provide a brief description of the sections of the measure which have fiscal impact. Include any assumptions and comments relevant to the analysis.*

Based on estimates of newly eligible recipients supplied by the Office of Veterans Affairs and the existing average property tax credit payments to disabled veterans, we estimate that the fiscal impact of Section 3 of HB 1217 will result in additional payments of approximately $215,000 for the 2011-13 biennium. The change from "true and full" to "taxable" valuation in this amendment has no fiscal impact.

3. **State fiscal effect detail:** *For information shown under state fiscal effect in 1A, please:*
   A. **Revenues:** *Explain the revenue amounts. Provide detail, when appropriate, for each revenue type and fund affected and any amounts included in the executive budget.*

   B. **Expenditures:** *Explain the expenditure amounts. Provide detail, when appropriate, for each agency, line item, and fund affected and the number of FTE positions affected.*

If enacted, SB 1217 would increase general fund expenditures relative to the disabled veterans credit program.

   C. **Appropriations:** *Explain the appropriation amounts. Provide detail, when appropriate, for each agency and fund affected. Explain the relationship between the amounts shown for expenditures and appropriations. Indicate whether the appropriation is also included in the executive budget or relates to a continuing appropriation.*

Enactment of HB 1217 will require an increase in the appropriation to the disabled veterans credit component of the Office of Tax Commissioner's appropriation.

Name:	Kathryn L. Strombeck	**Agency:**	Office of Tax Commissioner
Phone Number:	328-3402	**Date Prepared:**	03/31/2011

FISCAL NOTE

Requested by Legislative Council
01/20/2011

Bill/Resolution No.: HB 1217

1A. **State fiscal effect:** *Identify the state fiscal effect and the fiscal effect on agency appropriations compared to funding levels and appropriations anticipated under current law.*

	2009-2011 Biennium		2011-2013 Biennium		2013-2015 Biennium	
	General Fund	Other Funds	General Fund	Other Funds	General Fund	Other Funds
Revenues						
Expenditures			$215,000			
Appropriations			$215,000			

1B. **County, city, and school district fiscal effect:** *Identify the fiscal effect on the appropriate political subdivision.*

2009-2011 Biennium			2011-2013 Biennium			2013-2015 Biennium		
Counties	Cities	School Districts	Counties	Cities	School Districts	Counties	Cities	School Districts

2A. **Bill and fiscal impact summary:** *Provide a brief summary of the measure, including description of the provisions having fiscal impact (limited to 300 characters).*

HB 1217 clarifies language for various disabled veterans programs. It also re-defines and expands the eligibility for a one hundred percent exemption under the disabled veteran property tax credit program.

B. **Fiscal impact sections:** *Identify and provide a brief description of the sections of the measure which have fiscal impact. Include any assumptions and comments relevant to the analysis.*

Based on estimates of newly eligible recipients supplied by the Office of Veterans Affairs and the existing average property tax credit payments to disabled veterans, we estimate that the fiscal impact of Section 3 of HB 1217 will result in additional payments of approximately $215,000 for the 2011-13 biennium.

3. **State fiscal effect detail:** *For information shown under state fiscal effect in 1A, please:*
   A. **Revenues:** *Explain the revenue amounts. Provide detail, when appropriate, for each revenue type and fund affected and any amounts included in the executive budget.*

   B. **Expenditures:** *Explain the expenditure amounts. Provide detail, when appropriate, for each agency, line item, and fund affected and the number of FTE positions affected.*

If enacted, SB 1217 would increase general fund expenditures relative to the disabled veterans credit program.

   C. **Appropriations:** *Explain the appropriation amounts. Provide detail, when appropriate, for each agency and fund affected. Explain the relationship between the amounts shown for expenditures and appropriations. Indicate whether the appropriation is also included in the executive budget or relates to a continuing appropriation.*

Enactment of HB 1217 will require an increase in the appropriation to the disabled veterans credit component of the Office of Tax Commissioner's appropriation.

Name:	Kathryn L. Strombeck	Agency:	Office of Tax Commissioner

Phone Number:	328-3402	Date Prepared:	01/20/2011

Date: 1-27-11

Roll Call Vote #: ____

2011 HOUSE STANDING COMMITTEE ROLL CALL VOTES
BILL/RESOLUTION NO. 1217

House GOVERNMENT AND VETERAN AFFAIRS Committee

☐ Check here for Conference Committee

Legislative Council Amendment Number _____

Action Taken ☒ Do Pass ☐ Do Not Pass ☐ Amended ☐ Adopt Amendment

☒ Rerefer to Appropriations ☐ Reconsider

Motion Made By Rep Streyle Seconded By Rep Rohr

Representatives	Yes	No	Representatives	Yes	No
Chairman Bette Grande	✓		Bill Amerman	✓	
Vice Chairman Randy Boehning	✓		Ron Guggisberg	✓	
Glen Froseth	✓		Lonny Winrich	✓	
Karen Karls	✓				
Lisa Meier	✓				
Gary Paur	✓				
Karen Rohr	✓				
Mark Sanford	✓				
Vicky Steiner	✓				
Roscoe Streyle	✓				

Total (Yes) 13 No 0

Absent 0

Floor Assignment Rep Winrich

If the vote is on an amendment, briefly indicate intent:

REPORT OF STANDING COMMITTEE

HB 1217: Government and Veterans Affairs Committee (Rep. Grande, Chairman) recommends **DO PASS** and **BE REREFERRED** to the **Appropriations Committee** (13 YEAS, 0 NAYS, 0 ABSENT AND NOT VOTING). HB 1217 was rereferred to the **Appropriations Committee**.

2011 HOUSE APPROPRIATIONS

HB 1217

2011 HOUSE STANDING COMMITTEE MINUTES

House Appropriations Committee
Roughrider Room, State Capitol

HB 1217
2/8/11
14227, 14230, 14232

☐ Conference Committee

Committee Clerk Signature Meredith Traiholt

Explanation or reason for introduction of bill/resolution:

A BILL for an Act relating to benefits for disabled veterans; and to provide an effective date.

Minutes: You may make reference to "attached testimony."

Chairman Delzer: Opened discussion. The title was read.

Representative Bette Grande, District 41: 1217 deals with the definition of 100% or disabled veterans. We're trying to provide support for the dependents. The Fiscal Note involved deals mostly with the housing aspect. We feel there are less than 100 people receiving this kind of compensation and this includes the children. The university systems already allow it under this scheduler, and what we're looking for is that the spouses of those soldiers who lose their lives in the line of duty be allowed also. We're looking for compensation on the housing and motor vehicle excise tax aspects.

Chairman Delzer: Are you talking homestead tax credit and excise tax?

Representative Grande: Correct.

Chairman Delzer: Is the Fiscal Note related mostly to the homestead tax credit? Is any of it related to the excise tax?

Representative Grande: Most of it is the homestead credit. A small portion is excise.

Chairman Delzer: That is a change in policy from the way we've dealt with this before? Currently, what is happening?

Representative Grande: Currently they don't have coverage after they pass away because there's no way for them to get the rating. This allows the VA to continue and rate them as disabled and move it forward.

Chairman Delzer: Is there any asset test or qualifications for those that are disabled for the homestead tax credit?

Representative Grande: Yes. The federal VA provider has a scheduled rating system for disabilities for service members. These ratings are for each individual disability, then they're added together to reach an overall disability rating. If a combination rating for a veteran is less than 100, but the disability renders the veteran unemployable, the VA can provide an extra scheduler rating which would bring them up to the 100% disability rating.

Chairman Delzer: But the language change changes that.

Representative Grande: It changes it so we can reach 100%.

Chairman Delzer: The issue of the spouses on the property tax, that's a different issue.

Representative Grande: Correct. In the process of trying to get to that point, a soldier who has returned home, is disabled, and is in the process of getting the scheduler taken care of by going to doctor visits etc., and in that course they pass away due these injuries that have occurred.

Chairman Delzer: Are those the only ones we're talking about here, or also the spouses of those who have died in service, those that didn't come home at all.

Representative Grande: That would pick up in here also. They said this would be less than 100 people.

Chairman Delzer: Do they have any qualifiers other than the normal ones for the homestead tax credit?

Representative Grande: I am not aware.

Marcy Dickerson, State Supervisor of Assessments: This is not the homestead credit program, this is a special program for disabled veterans, which is modeled after the homestead credit program. The homestead credit program does have income and asset limitations. The disabled veterans credit does not. Any disabled veteran with 50% or greater disability is eligible for a reduction in the value of his homestead, and through that, a reduction on the taxes on the homestead, up to a maximum of $120,000 worth of true and full value of the fixtures, buildings, and improvements of the homestead. There is no income question or asset test. The surviving spouse is also eligible, under existing law. This bill adds provisions to that.

Chairman Delzer: The surviving spouse of somebody who is at 100%, if they pass away, receives....

Dickerson: The same benefit, at the same level that the deceased spouse qualified for.

Chairman Delzer: This adds the people who died in service, or while they were trying to get the 100%.

Dickerson: I believe that's correct. One thing I noticed in here, up to this point the law has required that the veteran have a disability of 50% to be eligible, and then the credit equals

whatever percentage he is rated at. The Attorney General's opinion was overridden by legislation last session, where it was changed that the credit would be calculated at the rate at which they're being compensated, which takes care of the people who get this 100%, even though they may have a lower disability. This language now leaves that same but also on line 30 of page 2, it talks about a service connected disability of 50% or greater, or a disabled veteran who has an extra scheduler rating to include individual unemployability, that brings the veteran's total disability rating to 100%. Under those circumstances, the 50% floor is not there. If a veteran were 10% disabled, but still has that extra scheduler rating of 100%, he would qualify. That might make a few more people eligible, though I don't think it would be substantial, since it is doubtful a person with a small disability would have that unemployability rating. But that is a small change from what's been done before.

Chairman Delzer: And that's not in the Fiscal Note?

Dickerson: I believe it probably is, I will check on it.

Chairman Delzer: Questions by the committee?

Representative Grande: Just a clarification, those 10%ers aren't typically going to be in the extra scheduler. So the numbers that are impacted would be very small.

Continued on recording 14230, beginning at minute 7:42

Chairman Delzer: Did you have an answer for us already?

Dickerson: This (amendment) will not have any effect on the Fiscal Note. The way the wording is, it could apply to a person whose basic disability was less than 50%, but there are no people with less than 50% disability who qualify for this extra scheduler rating. They are included in the 100 people it is estimated could be eligible under this amendment to the bill.

Chairman Delzer: In your budget, which is over in the Senate, this money is not there; is the homestead tax credit and this credit separate line items, or are they rolled into one, or are they in the operating line?

Dickerson: They are each separate line items in our budget, in the bill.

Chairman Delzer: Committee, we'll have to watch for that when it comes across, if this bill goes forward. Questions? Thank you.

Continued on recording 14232, beginning at minute 1:41

Chairman Delzer: Do we have any strong feelings, one way or the other, about the bill?

Representative Brandenburg: Dealing with the disabled veterans in this bill, I think it just expands it, that if that person would die it would go to the living spouse, or child. It's a program we've supported in the past and it's something we could do today.

Chairman Delzer: It does add a few more people to the existing list of people that we sponsor already. I don't know what we spend on this particular program right now.

Roxanne Woeste, Legislative Council: I believe the current appropriation for this program is $3 million; however, I believe they are in for a deficiency.

Chairman Delzer: That was the homestead tax credit. $3 million for this?

Woeste: They're also in a deficiency of $461,000.

Chairman Delzer: What are we spending on the homestead tax credit? I thought in (SB) 2023 there was only one request, that one request covered both of them.

Woeste: In 2023 there are 2 separate line items for the tax commissioner, totaling $1.8 million. The base level for the homestead tax credit is $5,964,000. Disabled vets is $3 million. They are separate line items in the bill. The deficiency on this is $461,000.

Chairman Delzer: So for this biennium they are expecting to spend $3.5 million, and we would be adding another 215, so we'd be about 3.7. I believe there are some other bills dealing with the homestead tax credit; are there any other bills dealing with disabled vets that anyone is aware of?

Inaudible response.

Chairman Delzer: Committee members, what would you like to do?

Representative Klein: I move Do Pass.

Representative Brandenburg: Second.

Chairman Delzer: Discussion? Seeing none, we'll call the roll for a Do Pass. Motion carries 21-0-0, but we'll hold on to it in case there's any further information that comes out that we need to have. The way it sits, we'd send it back to the policy carrier because we did not make any changes. We'll stand adjourned.

2011 HOUSE STANDING COMMITTEE MINUTES

House Appropriations Committee
Roughrider Room, State Capitol

HB 1217
2/10/11
14398

☐ Conference Committee

Committee Clerk Signature Meredith Trachtt

Explanation or reason for introduction of bill/resolution:

A BILL for an Act relating to benefits for disabled veterans; and to provide an effective date.

Minutes: You may make reference to "attached testimony."

Chairman Delzer: We're going to take up 1217 again. We had a vote. The prime sponsor has brought forward a possible amendment. Short recording glitch. There were concerns in the bill about the fact we might be opening this up for the children of veterans to receive some tax benefits on property. The proposed amendment .01001 would take care of that by replacing "individual" with "unremarried surviving spouse."

Vice Chairman Kempenich: I move we reconsider our actions on HB 1217.

Representative Klein: Second.

Chairman Delzer: Any discussion? We'll try this on a voice vote. Motion carried. We have the reconsidered bill before us.

Vice Chairman Kempenich: I move we further amend HB 1217 with amendment .01001.

Representative Klein: Second.

Representative Thoreson: This bill was not previously amended, so this would be the first amendment on it.

Vice Chairman Kempenich: I move we amend it then, instead of further amend.

Chairman Delzer: The motion is to amend HB 1217 with .01001, discussion? The questions has been called, carried by voice vote. The amended bill is before us.

Representative Klein: I move Do Pass as Amended.

Representative Brandenburg: Second.

Chairman Delzer: Discussion by the committee? If not, we'll call the roll for a Do Pass as Amended on HB 1217. Motion carries 21-0. Representative Klein will be the carrier.

Date: 2/8/11
Roll Call Vote #: 1

2011 HOUSE STANDING COMMITTEE ROLL CALL VOTES
BILL/RESOLUTION NO. 1217

House Appropriations Committee

Legislative Council Amendment Number _____

Action Taken: ☒ Do Pass ☐ Do Not Pass ☐ Amended ☐ Adopt Amendment

☐ Rerefer to Appropriations ☐ Reconsider

Motion Made By Rep. Klein Seconded By Rep Brandenberg

Representatives	Yes	No	Representatives	Yes	No
Chairman Delzer	X		Representative Nelson	X	
Vice Chairman Kempenich	X		Representative Wieland	X	
Representative Pollert	X				
Representative Skarphol	X				
Representative Thoreson	X		Representative Glassheim	X	
Representative Bellew	X		Representative Kaldor	X	
Representative Brandenburg	X		Representative Kroeber	X	
Representative Dahl	X		Representative Metcalf	X	
Representative Dosch	X		Representative Williams	X	
Representative Hawken	X				
Representative Klein	X				
Representative Kreidt	X				
Representative Martinson	X				
Representative Monson	X				

Total (Yes) 21 No 0

Absent 0

Floor Assignment Rep. Wieruch

If the vote is on an amendment, briefly indicate intent:

Date: 2/10
Roll Call Vote #: 1

2011 HOUSE STANDING COMMITTEE ROLL CALL VOTES
BILL/RESOLUTION NO. 1217

House Appropriations Committee

Legislative Council Amendment Number _____

Action Taken: ☐ Do Pass ☐ Do Not Pass ☐ Amended ☐ Adopt Amendment

☐ Rerefer to Appropriations ☒ Reconsider

Motion Made By Rep. Kempenich Seconded By Rep. Klein

Representatives	Yes	No	Representatives	Yes	No
Chairman Delzer			Representative Nelson		
Vice Chairman Kempenich			Representative Wieland		
Representative Pollert					
Representative Skarphol					
Representative Thoreson			Representative Glassheim		
Representative Bellew			Representative Kaldor		
Representative Brandenburg			Representative Kroeber		
Representative Dahl			Representative Metcalf		
Representative Dosch			Representative Williams		
Representative Hawken					
Representative Klein					
Representative Kreidt					
Representative Martinson					
Representative Monson					

Total (Yes) _____ No _____

Absent _____

Floor Assignment _____

If the vote is on an amendment, briefly indicate intent:

Voice vote carries

VK
2/11/11

11.0580.01001
Title.02000

Prepared by the Legislative Council staff for
Representative Owens
February 9, 2011

PROPOSED AMENDMENTS TO HOUSE BILL NO. 1217

Page 3, line 9, replace "individual" with "unremarried surviving spouse"

Page 3, line 22, replace "individual" with "unremarried surviving spouse"

Renumber accordingly

Date: 2/10
Roll Call Vote #: 2

2011 HOUSE STANDING COMMITTEE ROLL CALL VOTES
BILL/RESOLUTION NO. 1217

House Appropriations Committee

Legislative Council Amendment Number .01001

Action Taken: ☐ Do Pass ☐ Do Not Pass ☐ Amended ☒ Adopt Amendment

☐ Rerefer to Appropriations ☐ Reconsider

Motion Made By Rep. Kempenich Seconded By Rep Klein

Representatives	Yes	No	Representatives	Yes	No
Chairman Delzer			Representative Nelson		
Vice Chairman Kempenich			Representative Wieland		
Representative Pollert					
Representative Skarphol					
Representative Thoreson			Representative Glassheim		
Representative Bellew			Representative Kaldor		
Representative Brandenburg			Representative Kroeber		
Representative Dahl			Representative Metcalf		
Representative Dosch			Representative Williams		
Representative Hawken					
Representative Klein					
Representative Kreidt					
Representative Martinson					
Representative Monson					

Total (Yes) _____ No _____

Absent _____

Floor Assignment _____

If the vote is on an amendment, briefly indicate intent:

01001 replace "individual" with "unremarried surviving spouse"

Voice vote carries

Date: 2/10
Roll Call Vote #: 3

2011 HOUSE STANDING COMMITTEE ROLL CALL VOTES
BILL/RESOLUTION NO. 1217

House Appropriations Committee

Legislative Council Amendment Number .0/001

Action Taken: ☒ Do Pass ☐ Do Not Pass ☒ Amended ☐ Adopt Amendment

☐ Rerefer to Appropriations ☐ Reconsider

Motion Made By Rep. Klein Seconded By Rep. Brandenburg

Representatives	Yes	No	Representatives	Yes	No
Chairman Delzer	X		Representative Nelson	X	
Vice Chairman Kempenich	X		Representative Wieland	X	
Representative Pollert	X				
Representative Skarphol	X				
Representative Thoreson	X		Representative Glassheim	X	
Representative Bellew	X		Representative Kaldor	X	
Representative Brandenburg	X		Representative Kroeber	X	
Representative Dahl	X		Representative Metcalf	X	
Representative Dosch	X		Representative Williams	X	
Representative Hawken	X				
Representative Klein	X				
Representative Kreidt	X				
Representative Martinson	X				
Representative Monson	X				

Total (Yes) 21 No 0

Absent 0

Floor Assignment Rep. Klein

If the vote is on an amendment, briefly indicate intent:

REPORT OF STANDING COMMITTEE

HB 1217: Appropriations Committee (Rep. Delzer, Chairman) recommends **AMENDMENTS AS FOLLOWS** and when so amended, recommends **DO PASS** (21 YEAS, 0 NAYS, 0 ABSENT AND NOT VOTING). HB 1217 was placed on the Sixth order on the calendar.

Page 3, line 9, replace "individual" with "unremarried surviving spouse"

Page 3, line 22, replace "individual" with "unremarried surviving spouse"

Renumber accordingly

2011 SENATE GOVERNMENT AND VETERANS AFFAIRS

HB 1217

2011 SENATE STANDING COMMITTEE MINUTES

Senate Government and Veteran's Affairs Committee
Missouri River Room, State Capitol

HB 1217
March 11, 2011
15316

☐ Conference Committee

Committee Clerk Signature Katie Olson

Explanation or reason for introduction of bill/resolution:

Relating to benefits for disabled veterans; and to provide an effective date.

Minutes: Testimony Attached

Representative Mark Owens: District 17 Grand Forks. A little cleanup language of a bill, in sections 1, 2 and the first part of 3 what we are doing is further explaining the definition of disabled veteran to include those that are 100% unemployable. Through an Attorney General ruling this is the way it is currently being done so this is just adapting the code to the actions that are being taken, we are just codifying it. What is new is the addition of people receiving dependence indemnity compensation (DIC); we are looking to add them to the property tax under the homestead tax and the excise tax exemption.

Senator Nelson: On page 3 lines 9 and 22 is where you have put in the un-remarried spouse.

Representative Mark Owens: Yes, it should say unmarried spouse

Chairman Dever: Which are federal and which are state benefits.

Representative Mark Owens: Everyone except for DIC. Those are the federal benefits; it doesn't cost the state anything. Our state benefits are employable; there is no new money there.

Senator Nelson: This is not retroactive, just effective at the start of 2011.

Representative Mark Owens: Yes

Senator Nelson: So would she be eligible now?

Representative Mark Owens: Yes when it is in

Senator Cook: $215,000 relative only to the DIC inclusion in the property tax.

Representative Mark Owens: Not only that, it is relative to the DIC recipients

Chairman Dever: The amount of the fiscal note could be reduced.

Representative Mark Owens: If you would like to get an idea the DIC recipients are 100 of those are in North Dakota.

Lonnie Wangen: Commissioner of Veterans Affairs. See attached testimony #1.

Lonnie Wangen: If they have the piece of paper to show that they have the DIC then they don't need to show it. Un-remarried spouse up to the age to 55 then you can get remarried and still collect the DIC.

Senator Nelson: How do you treat spouses of suicide victims?

Lonnie Wangen: That is a good question; I do not have the right answer. If they did have PTSD and showed that they were suicidal.

Lyle Schuchard: Chairperson North Dakota Administrative Committee on Veterans Affairs. See attached testimony #2.

John Jacobsen: North Dakota Veterans Coordinating council. See attached testimony #3.

There was no further testimony in support, opposition, or a neutral position; Chairman Dever closed the public hearing on HB 1217

2011 SENATE STANDING COMMITTEE MINUTES

Senate Government and Veteran's Affairs Committee
Missouri River Room, State Capitol

HB 1217
March 24, 2011
15962

☐ Conference Committee

Committee Clerk Signature Katie Ouse

Explanation or reason for introduction of bill/resolution:

Relating to benefits for disabled veterans; and to provide an effective date.

Minutes: *No written testimony.*

A motion for a do pass with a re referral to Appropriations was made by Senator Cook with a second by Vice Chairman Sorvaag; there was no further discussion, roll was taken, the motion passed 6-0-1 with Vice Chairman Sorvaag carrying the bill to the floor.

Date: 3/24/11
Roll Call Vote # 1

2011 SENATE STANDING COMMITTEE ROLL CALL VOTES
BILL/RESOLUTION NO. 1217

Senate GVA Committee

☐ Check here for Conference Committee

Legislative Council Amendment Number _____

Action Taken: ☒ Do Pass ☐ Do Not Pass ☐ Amended ☐ Adopt Amendment

☒ Rerefer to Appropriations ☐ Reconsider

Motion Made By Cook Seconded By Sorvaag

Senators	Yes	No	Senators	Yes	No
Chairman Dever	X		Senator Marcellais	X	
Vice Chairman Sorvaag	X		Senator Nelson	X	
Senator Barry					
Senator Cook	X				
Senator Schaible	X				

Total (Yes) 6 No 0

Absent Barry

Floor Assignment Sorvaag

If the vote is on an amendment, briefly indicate intent:

REPORT OF STANDING COMMITTEE

HB 1217, as engrossed: Government and Veterans Affairs Committee (Sen. Dever, Chairman) recommends **DO PASS** and **BE REREFERRED** to the **Appropriations Committee** (6 YEAS, 0 NAYS, 1 ABSENT AND NOT VOTING). Engrossed HB 1217 was rereferred to the **Appropriations Committee**.

2011 SENATE APPROPRIATIONS

HB 1217

2011 SENATE STANDING COMMITTEE MINUTES

Senate Appropriations Committee
Harvest Room, State Capitol

HB 1217
March 14, 2011
Job # 15416

☐ Conference Committee

Committee Clerk Signature Allen Delzer

Explanation or reason for introduction of bill/resolution:

A SUBCOMMITTEE HEARING RELATING TO BENEFITS FOR DISABLED VETERANS (DURING THE HB 1007 SUBCOMMITTEE HEARING)

Minutes: " No attached testimony."

Chairman Kilzer opened the discussion on HB 1217. Senator Bowman and Senator Robinson were present. Lori Laschkewitsch, OMB and Sheila Sandness, Legislative Council were also present.

Chairman Kilzer states, that this bill relates to disabled property tax credit program.

Lonnie Wangen, Commissioner Veterans' Affairs states, this bill has been heard and is still alive. He asks if there is a need for an explanation on the needs on this issue.

Chairman Kilzer states, I think I know about that one. Committee members do you have questions about that?

No questions were asked by the committee on HB 1217.

Discussion was closed on HB 1217. (Discussion continued on other bills during this subcommittee hearing on HB 1007.)

2011 SENATE STANDING COMMITTEE MINUTES

Senate Appropriations Committee
Harvest Room, State Capitol

HB 1217
March 29, 2011
Job # 16150

☐ Conference Committee

Committee Clerk Signature Rae Koning

Explanation or reason for introduction of bill/resolution:

This bill relates to the benefits for disabled veterans.

Minutes: You may make reference to "attached testimony."

Chairman Holmberg called the committee hearing to order on HB 1217.
Brady Larson - Legislative Council; **Sheila Peterson**-OMB.

Rep. Mark Owens, District 17, Grand Forks
Bill sponsor of HB 1217.
Explained that Sections 1-2-3 was put into code dealing with individuals who are not 100% disabled, but they are unemployable. This cleans up the code in Sections 1-2-3. In section 3 and 4, there is added language on the unmarried spouse receiving DIC to be included in the 100% exemption both for the property tax exemption, Section 3, and the excise tax exemption in Section 4. DIC refers to dependent indemnity compensation and these are individuals, who lost their spouses, in the line of duty. This can include children, however, the House amended out "children" and DIC recipients can include people over 57 that remarry. That was amended out as well. The bill states, "unremarried" surviving spouse. It rules out the children as well. I do know that the Senate GVA asked for a new fiscal note and I have yet to see that. The fiscal note that was read to me was prior to the change. That is the just of the bill.

Chairman Holmberg asks, is there any questions on the bill? We have tax dept. here and maybe they can help us in understanding this. My understanding is that the original fiscal note talked about tax dept. and what its fiscal impact was. The House has not taken any action on the budget of the Tax Commissioner.

Representative Owens stated, on page 3, line 5, and is a technical issue. To be the eternal optimist that I am, when you pass this, please consider changing line 5 from $120,000, the true and full value to taxable value to match the other changes that we made in other bills that you are reviewing, where we changed all of them from true and full value to taxable value.

Chairman Holmberg states, I hope the Committee members would note, that we have a member of the House Finance and Tax Committee, asking an Appropriation Committee to make a policy change and Marcy will give us the language that we should consider.

Marcy Dickerson, State Supervisor of Assessments. First, I would like to address your question about the fiscal note. After the change was made, we took out the "children" and made a few changes. We discussed the whole thing with Lonnie (Dept. of Veterans Affairs) and he agreed that this fiscal note might be high. We never know exactly because any time you have credits and exemptions, you never know exactly what the value of the property is going to be that is credited. He thought there was no need to change the fiscal note, even though there had been some changes in the bill. The amendment, that I am requesting, is based on a similar amendment that was made in our property tax housekeeping bill, 1116.
Homestead credit has always been calculated on the taxable value. The maximum, true and full value, which is available at the present time to Homestead Credit recipients, is $100,000 but the statute refers to $4,500 taxable value. That has always been calculated. When the veterans credit was first made a credit, instead of just an exemption last session, it was put in at $120,000 true and full value. That equates to $5400 taxable value. There are a couple of reasons for wanting to change this. 1) To make the administration similar to the Homestead Credit. 2) It has to do with the sales ratio study. We look at the prices that the properties sell for during the year and compare them to the prices that the assessors have valued them at. This indicates, how good the assessments are, too high or low, or within tolerance. If you take a credit off the true and full value, you are going to distort that sales ratio study. For instance, if you have a property that an assessor places a $200,000 value on, it sold for $210,000, that is pretty good. Then on the other hand, you have a veteran, who has a $120,000 true and full value exemption, taken off that $200,000 of true and full value, it is going to look like that property was assessed for $80,000 and it sold for $210,000, that is going to look like a really bad low assessment and it is a distortion. It isn't assessed at that, it is that the credit was removed from that level. This bill has passed both Houses and it was changed from the true and full value to the taxable value, which takes care of that sales ratio study problem and also enables the people administering these two credits, to do them in a similar manner.
John Walstad, as code reviser, could make these two coincide, assuming this bill passes and #1116 has passed, he could probably work it out. If you chose to put an amendment on it, it will take care of it upfront so nothing can slip by and possibly be forgotten.

Chairman Holmberg states, we enjoy being asked by policy people to make policy changes. We will certainly consider it.

Marcy Dickerson states, this is just a technicality and when it first came before the House committee, we had to explain that it does not affect the benefits of the veteran at all. It is the exact same dollar amount of benefits; it is just based on the taxable value, which equates to the true and full value through the mathematical calculations.

Chairman Holmberg asks if there are any questions of Marcy?

Senator Fischer moved Do Pass on Marcy's amendment.

Senator Bowman seconded the motion of the amendment.

Senator Holmberg states that this is the amendment. That is what we are moving, the amendment.

A Roll Call vote was taken. Yea: 13 Nay: 0 Absent: 0

Amendment carried.

Senator Grindberg moved Do Pass as Amended on HB 1217.

Senator Wardner seconded the motion.

A Roll Call vote was taken. Yea: 13 Nay: 0 Absent: 0

The bill goes back to back to Government and Veterans Affairs and Senator Sorvaag will carry the bill.

Proposed amendment to Engrossed House Bill 1217

Page 3, line 5, after "first" overstrike "one hundred twenty thousand dollars of true and full" and insert "five thousand four hundred dollars of taxable".

Prepared by the Legislative Council staff for
Senate Appropriations
March 29, 2011

PROPOSED AMENDMENTS TO ENGROSSED HOUSE BILL NO. 1217

Page 3, line 5, overstrike "one hundred twenty thousand dollars of true and full" and insert immediately thereafter "five thousand four hundred dollars of taxable"

Renumber accordingly

Date: 3-29-11
Roll Call Vote # 1

2011 SENATE STANDING COMMITTEE ROLL CALL VOTES
BILL/RESOLUTION NO. 1217

Senate _____ Committee

☐ Check here for Conference Committee

Legislative Council Amendment Number Marcy Amendment

Action Taken: ☐ Do Pass ☐ Do Not Pass ☐ Amended ☒ Adopt Amendment

☐ Rerefer to Appropriations ☐ Reconsider

Motion Made By Fischer Seconded By Bowman

Senators	Yes	No	Senators	Yes	No
Chairman Holmberg	✓		Senator Warner	✓	
Senator Bowman	✓		Senator O'Connell	✓	
Senator Grindberg	✓		Senator Robinson	✓	
Senator Christmann	✓				
Senator Wardner	✓				
Senator Kilzer	✓				
Senator Fischer	✓				
Senator Krebsbach	✓				
Senator Erbele	✓				
Senator Wanzek	✓				

Total (Yes) 13 No 0

Absent 0

Floor Assignment _____

If the vote is on an amendment, briefly indicate intent:

Date: 3-29-11
Roll Call Vote # 2

2011 SENATE STANDING COMMITTEE ROLL CALL VOTES
BILL/RESOLUTION NO. 1217

Senate Appropriations Committee

☐ Check here for Conference Committee

Legislative Council Amendment Number

Action Taken: ☒ Do Pass ☐ Do Not Pass ☒ Amended ☐ Adopt Amendment
☐ Rerefer to Appropriations ☐ Reconsider

Motion Made By Grindberg Seconded By Wardner

Senators	Yes	No	Senators	Yes	No
Chairman Holmberg	X		Senator Warner	X	
Senator Bowman	X		Senator O'Connell	X	
Senator Grindberg	X		Senator Robinson	X	
Senator Christmann	X				
Senator Wardner	X				
Senator Kilzer	X				
Senator Fischer	X				
Senator Krebsbach	X				
Senator Erbele	X				
Senator Wanzek	X				

Total (Yes) 13 No 0

Absent 0

Floor Assignment CVA Laning

If the vote is on an amendment, briefly indicate intent:

REPORT OF STANDING COMMITTEE

HB 1217, as engrossed: Appropriations Committee (Sen. Holmberg, Chairman) recommends **AMENDMENTS AS FOLLOWS** and when so amended, recommends **DO PASS** (13 YEAS, 0 NAYS, 0 ABSENT AND NOT VOTING). Engrossed HB 1217 was placed on the Sixth order on the calendar.

Page 3, line 5, overstrike "one hundred twenty thousand dollars of true and full" and insert immediately thereafter "five thousand four hundred dollars of taxable"

Renumber accordingly

2011 TESTIMONY

HB 1217

Attachment 1
1217

HB 1217

Testimony of Lonnie Wangen Commissioner of Veterans Affairs
1/20/2011

Chairman Grande and Committee members,

HB 1217 is to provide a clear and consistent definition of 100% or totally disabled veterans and to provide support the dependents of those who lost their lives in service or due to service connected disabilities and illnesses.

The Federal VA provides a scheduled rating system for disabilities of service members. These ratings are for each individual disability, they are added together to reach an overall disability rating. If a combined rating of a veteran is less than 100% but the disabilities render the veteran un-employable the VA can provide an extra-schedular rating which will bring them to the 100% disabled rating.

When the veteran requests a rating letter from the VA in order to apply for benefits such as DAV plates, Education benefits or Property Tax exemptions the letter will show their scheduled rating %. Additional documentation is needed to show that they have an extra scheduler rating of 100% due to their Individual Un-employability. The attorney General has made an opinion on this for the property tax exemption in 2008 (L-12) which allows the 100% due to the extra-schedular rating Individual Un-employability.

The Dependent Indemnity Compensation is added to the Property tax exemption for the dependents of veterans who die of service connected disabilities but do not have a VA rating. If a veteran applies for a VA disability rating and dies before the rating is completed the VA will stop the rating process and no rating will be issued. In this case no property tax exemption can be applied for, as there is no % rating to use.

North Dakota has less than 100 people receiving Dependent Indemnity Compensation, and this includes children.

Thank you for our time. I will answer any questions you may have.

Grande, Bette B.

From: Strombeck, Kathy L.
Sent: Thursday, January 20, 2011 3:03 PM
To: Grande, Bette B.
Cc: Rouse, Daniel L.; Vidal, Jolene M.
Subject: HB 1217 Fiscal Note (disabled veteran property tax credit)

Good afternoon Rep. Grande;

My colleagues informed me that you asked that a fiscal note be prepared by our office for HB 1217. Based on your suggestion, we asked Legislative Council to direct an official fiscal note request to us.

As you know, some components of HB 1217 are definitional clarifications only; however Section 3 is likely to result in a fiscal impact. Using statistics regarding the likely number of newly eligible recipients of the property tax credit - which were supplied by the Veterans Affairs Office - and our own statistics of the average qualifying credit amount, we estimate the bill, if enacted, will increase expenditures for the Disabled Veterans Property Tax Credit Program by an **estimated $215,000 for the 2011-13 biennium.**

An official fiscal note has been submitted to Legislative Council and should be available on the website soon.

Please contact Dan Rouse, Jolene Vidal, or me if you have any questions or comments.

Kathy

[redacted]thryn L. Strombeck
[redacted]rector of Research and Communications
Office of Tax Commissioner
701.328.3402
kstrombeck@nd.gov

HB 1217

Testimony of Lonnie Wangen Commissioner of Veterans Affairs

3/11/2011

Chairman Dever and Committee members,

HB 1217 is to provide a clear and consistent definition of 100% or totally disabled veterans and to provide support the dependents of those who lost their lives in service or due to service connected disabilities and illnesses.

The Federal VA provides a scheduled rating system for disabilities of service members. These ratings are for each individual disability, they are added together to reach an overall disability rating. If a combined rating of a veteran is less than 100% but the disabilities render the veteran un-employable the VA can provide an extra-schedular rating which will bring them to the 100% disabled rating.

When the veteran requests a rating letter from the VA in order to apply for benefits such as DAV plates, Education benefits or Property Tax exemptions the letter will show their scheduled rating %. Additional documentation is needed to show that they have an extra scheduler rating of 100% due to their Individual Un-employability. The attorney General has made an opinion on this for the property tax exemption in 2008 (L-12) which allows the 100% due to the extra-schedular rating Individual Un-employability.

The Dependent Indemnity Compensation is added to the Property tax exemption for the dependents of veterans who die of service connected disabilities but do not have a VA rating. If a veteran applies for a VA disability rating and dies before the rating is completed the VA will stop the rating process and no rating will be issued. In this case no property tax exemption can be applied for, as there is no % rating to use. Also, if the Veteran dies in service, no exemption is provided to surviving spouse.

North Dakota has less than 100 people receiving Dependent Indemnity Compensation, and this includes children. Many who are qualified for the property tax exemption may already be receiving this exemption.

Thank you for our time. I will answer any questions you may have.

TESTIMONY ON HB 1217
9:45 A.M. MISSOURI RIVER ROOM
LYLE SCHUCHARD, CHAIRPERSON
ND AMINISTRATIVE COMMITTEE ON VETERANS' AFFAIRS
March 11, 2011

GOOD MORNING MR. CHAIRMAN AND COMMITTEE MEMBERS. I AM LYLE SCHUCHARD CHAIRMAN OF THE ADMINISTRATIVE COMMITTEE ON VETEANS AFFAIRS.

THE ADMINISTRATIVE COMMITTEE ON VETERANS' AFFAIRS IS A 15 MEMBER COMMITTEE APPOINTED BY THE GOVERNOR FROM NAMES SUBMITTED BY EACH OF THE STATE'S FIVE MAJOR VETERANS ORGANIZATAIONS. THE FIVE ARE THE AMERICAN LEGION, DISABLED AMERICAN VETERANS, (DAV), VETERANS OF FOREIGN WARS (VFW), VIETNAM VETERANS OF AMERICA (VVA), AND THE AMERICAN VETERANS (AMVETS). WE ARE RESPONSIBLE FOR OVERSEEING THE OPERATIONS OF THE NORTH DAKOTA DEPARTMENT OF VETERANS AFFAIRS.

THE ADMINISTRATIVE COMMITTEE ON VETERANS AFFAIRS HAS VOTED UNANIMOUSLY TO APROVE HB 1217.

THEREFORE, I ASK THAT THE COMIITTEE GIVE FAVORABLE CONSIDERATION TO PASSING HB 1217.

I WILL TRY TO ANSWER ANY QUESTIONS YOU MAY HAVE AT THIS TIME.

THANK YOU FOR ALLOWING ME TO TESTIFY THIS MORNING.

TESTIMONY ON HB 1217 - ND VETERANS COORDINATING COUNCIL.

A veteran is an individual that has signed a blank check in the amount of and up to including his or her life for their country. Good morning, my name is John L. Jacobsen. I am the Chairman of the Legislative Committee of the North Dakota Veterans Coordinating Council. I am also a member of the American Legion and the Veterans of Foreign Wars.

I served in the North Dakota National Guard and the US Army Reserve for a total of 30 years. I retired in 1995 as a Colonel. I was mobilized for Active Duty in 1991 during Operation Desert Shield/Desert Storm. Like all mobilizations, I left my home and family to serve in the Persian Gulf, stationed in the United Arab Emirates.

The Coordinating Council is made up of 15 members, 3 from each of the five Veterans Organizations in North Dakota:

- American Legion
- AMVETS
- Disabled American Veterans
- Veterans of Foreign Wars
- Vietnam Veterans of America

It is the policy of the Coordinating Council to support legislation that will benefit the welfare of the members of the Armed Forces. The committee MUST concur totally, that is all 15 members must agree on the legislation to be supported or else it does not get the support.

In this case, I have been instructed to recommend to this legislative committee that a "DO PASS" on HB 1217 is supported by the membership of the Veterans Coordinating Council.

COMMONWEALTH of VIRGINIA

Office of the Governor

Robert F. McDonnell
Governor

April 21, 2010

The Honorable Bob McDonnell
Patrick Henry Building, 1111 East Broad Street, 3rd Floor
Richmond, VA 23219

Dear Governor

I want to share with you an important action taken by the Commonwealth of Virginia during our 2010 General Assembly session to acknowledge and honor our fallen military heroes. I hope you will consider encouraging your legislature to do likewise.

You may already have heard of the organization Honor and Remember founded by George Lutz. George lost his son, George Anthony Lutz II (Tony) of Chesapeake, Virginia, who was killed by a sniper's bullet while he was on patrol in Fallujah, Iraq in 2005. This tragic event led him on a mission to create a symbol that would serve as a continuous public reminder of all the individuals who have died in military service to America. George designed a flag and started an organization that seeks to accomplish this goal. He worked with our General Assembly members to have a bill introduced that designated the Honor and Remember Flag as the Commonwealth's emblem of service and sacrifice for the brave men and women of the United States Armed Forces who have given their lives in the line of duty.

I am thrilled to have been a part of this historic movement and I am an avid supporter of the flag. I ask that you take a moment to review the attached bill (HJ 137) with the hope that you will want to spearhead an effort to make this flag an official emblem of your state.

As part of his mission, George will launch the *Honor and Remember Across America Campaign* here in Virginia on June 5th. He plans to visit every state capital over a five-month period, making personalized flag presentations to Gold Star families and meeting with state officials to promote adoption of the flag.

I also want to make you aware that there is a bill in the U.S. House of Representatives (H.R. 1034) that, when passed, will make the Honor and Remember Flag an official symbol of the United States of America. Please visit the organization's website at www.honorandremember.org to learn more.

With warm personal regards, I am

Very truly yours,

Robert F. McDonnell

HONOR AND REMEMBER, INC.

Enclosed in this packet you'll find information about the Honor and Remember Flag. I hope you'll take a moment to review the packet contents and consider supporting legislation in your state to adopt the flag as an official state symbol, as my home state of Virginia has done. I also hope that you will express your support for federal legislation that will make the Honor and Remember Flag an official emblem of the United States of America.

Currently, I am engaged in a five-month journey across the USA on a mission to raise awareness for the flag and promote its adoption by every state in the nation. My plan is to visit every state capital and meet with governors and legislators to introduce myself and enlist their aid in accomplishing this goal. In each state I will also present personalized Honor and Remember Flags to Gold Star families who have lost a loved in military service to America.

The enclosed material includes some background on the flag's history and symbology. You'll also find a copy of the federal bill (HR 1034) that is under consideration in the House of Representatives and the Virginia bill (HJ 137), which was passed unanimously and signed into law on April 29. The state of Oklahoma has also adopted the flag and nine other states are currently considering similar legislation.

In the more than 200 years of our nation's history there has never been an officially recognized symbol that reminds us daily of the sacrifices made by members of our military and the lives lost in service to our country. The Honor and Remember Flag recognizes all military individuals from all wars or conflicts involving the United States who died while serving since our nation's inception.

I hope you will join me in this historic movement to establish a national symbol that specifically pays tribute to military service members who paid the ultimate price to protect our freedom. Please let me know if I can provide you with any additional information.

Sincerely,

George A. Lutz, Founder

P.O. Box 16834, Chesapeake, Virginia 23328 • Fax: 757.204.4726
www.honorandremember.org

AUTHENTICATED
U.S. GOVERNMENT
INFORMATION
GPO

I

111TH CONGRESS
1ST SESSION

H. R. 1034

To amend title 36, United States Code, to designate the Honor and Remember Flag created by Honor and Remember, Inc., as an official symbol to recognize and honor members of the Armed Forces who died in the line of duty, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

FEBRUARY 12, 2009

Mr. FORBES introduced the following bill; which was referred to the Committee on the Judiciary

---

A BILL

To amend title 36, United States Code, to designate the Honor and Remember Flag created by Honor and Remember, Inc., as an official symbol to recognize and honor members of the Armed Forces who died in the line of duty, and for other purposes.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. DESIGNATION OF HONOR AND REMEMBER FLAG FOR FALLEN MEMBERS OF THE ARMED FORCES.

(a) FINDINGS.—Congress finds the following:

(1) Since the Revolutionary War, more than one million members of the United States Armed Forces have paid the ultimate price by sacrificing their lives in the line of duty.

(2) The contributions of those fallen members of the Armed Forces are deserving of national recognition.

(3) Currently, there is no officially recognized symbol that acknowledges members of the Armed Forces who died in the line of duty.

(b) DESIGNATION.—Chapter 9 of title 36, United States Code, is amended by adding at the end the following new section:

"§ 904. Honor and Remember flag for fallen members of the Armed Forces

"(a) DESIGNATION.—The Honor and Remember Flag created by Honor and Remember, Inc., is designated as the symbol of our Nation's concern and commitment to honoring and remembering the lives of all members of the United States Armed Forces who have lost their lives in the line of duty.

"(b) REQUIRED DISPLAY.—(1) The Honor and Remember Flag shall be displayed at the locations specified in subsection (c) on the days specified in paragraph (2):

"(2) The required Honor and Remember Flag display days are the following:

"(A) Armed Forces Day, the third Saturday in May.

"(B) Memorial Day, the last Monday in May.

"(C) Flag Day, June 14.

"(D) Independence Day, July 4.

"(E) National POW/MIA Recognition Day.

"(F) Veterans Day, November 11.

"(3) In addition to the days specified in paragraph (2), Honor and Remember Flag display days include—

"(A) in the case of display at the World War II Memorial, Korean War Veterans Memorial, and Vietnam Veterans Memorial (required by subsection (c)(3)), any day on which the United States flag is displayed;

"(B) in the case of display at medical centers of the Department of Veterans Affairs (required by subsection (c)(7)), any day on which the flag of the United States is displayed; and

"(C) in the case of display at United States Postal Service post offices (required by subsection (c)(8)), the last business day before a day specified in paragraph (2) that in any year is not itself a business day.

"(c) LOCATIONS FOR FLAG DISPLAY.—The locations for the display of the Honor and Remember Flag under subsection (b) are the following:

"(1) The Capitol.

"(2) The White House.

"(3) The World War II Memorial, the Korean War Veterans Memorial, and the Vietnam Veterans Memorial.

"(4) Each national cemetery.

"(5) The buildings containing the official office of—

"(A) the Secretary of State;

"(B) the Secretary of Defense;

"(C) the Secretary of Veterans Affairs; and

"(D) the Director of the Selective Service System.

"(6) Each major military installation, as designated by the Secretary of Defense.

"(7) Each medical center of the Department of Veterans Affairs.

"(8) Each United States Postal Service post office.

"(d) DISPLAY TO BE IN A MANNER VISIBLE TO THE PUBLIC.—Display of the Honor and Remember Flag pur-

suant to this section shall be in a manner designed to ensure visibility to the public.

"(e) LIMITATION.—This section may not be construed or applied so as to require any employee to report to work solely for the purpose of providing for the display of the Honor and Remember Flag or any other flag.".

(c) CLERICAL AMENDMENT.—The table of sections at the beginning of such chapter is amended by adding at the end the following new item:

"904. Honor and Remember flag for fallen members of the Armed Forces.".

(d) REGULATIONS FOR IMPLEMENTATION.—Not later than 180 days after the date of the enactment of this Act, the head of each department, agency, or other establishment responsible for a location specified in subsection (c) of section 904 of title 36, United States Code, as added by subsection (a), shall prescribe such regulations as necessary to carry out such section.

(e) PROCUREMENT AND DISTRIBUTION OF FLAGS.—Not later than 30 days after the date of the enactment of this Act, the Administrator of General Services shall commence the procurement of Honor and Remember Flags and distribute them as necessary to permit compliance with section 904 of title 36, United States Code, as added by subsection (a).

○