

(Draft – Awaiting Formal Approval)
**MINUTES OF THE
VETERANS' AND MILITARY AFFAIRS COMMISSION**
Thursday, July 30, 2014 – 9:00 a.m. – Room 30 House Building

Members Present:

Sen. Peter C. Knudson, Senate Chair
Sen. Karen Mayne
Rep. Tim M. Cosgrove
Rep. Val L. Peterson
Dr. Steven Allen
Dr. Mark E. Babitz
MG Jefferson S. Burton
Mr. Bart Davis
Mr. Brian Garrett
Mr. George Gutzmer
Mr. Gary Harter
Mr. Johnnie B. Janes
Mr. Frank Maughan
Mr. Jon Pierpont

Mr. Greg Rowley
Mr. Terry D. Schow
Mr. Rick Schwermer

Members Absent:

Rep. Paul Ray, House Chair
Dr. Blair K. Carruth
Mr. Tage I. Flint
Mr. Jared A. Haines
Mr. Brent Kelsey

Staff Present:

Mr. Richard C. North, Policy Analyst
Ms. Esther Chelsea-McCarty, Associate General Counsel
Ms. Tracey Fredman, Legislative Secretary

Note: A list of others present, a copy of related materials, and an audio recording of the meeting can be found at www.le.utah.gov.

1. Committee Business

Chair Knudson called the meeting to order at 9:07a.m. and excused Rep. Ray, Mr. Carruth, Mr. Haines, and Mr. Kelsey from the meeting.

MOTION: Mr. Maughan moved to approve the minutes of the June 26, 2014, meeting. The motion passed unanimously. Rep. Cosgrove was absent for the vote.

2. Definition of a Veteran: Draft Legislation

Ms. Chelsea-McCarty referred commission members to draft legislation "Veterans Amendments" (2015FL-0232/002), which was distributed in the mailing packet. She explained that the purpose of the legislation was to make the definition of veteran the same throughout state statute.

Ms. Chelsea-McCarty distributed a handout prepared by Mr. Bart Davis entitled "Veteran ????" and invited Mr. Davis to discuss the suggestions contained in it.

Mr. Davis recommended consideration of the definition for veteran on the handout that would be inclusive of all veterans, including servicemembers in the national guard or reserve, which is "a person who has served or is serving in the armed forces of the United States or has been discharged under other than dishonorable conditions." Mr. Davis also recommended that wherever the DD Form 214, Discharge Papers and Separation Documents, is referenced that it be replaced with "a discharge document from the appropriate service."

Dr. Babitz asked that the words "armed forces" be replaced with "uniform services" in all documents. Sen. Knudson said this change may have already been made, and staff will look at it again.

Major Aaron Drake, Chief Counsel, Utah National Guard, briefed the commission on the nature of military discharges, the different types or characterizations of discharges, and how benefit eligibility may be

determined by differing types of discharges from military service. He counseled commission members to be very specific about what they want to accomplish. Major Drake stated that the recommendation to include in the definition of veteran "that is discharged under other than dishonorable conditions" is not clear.

MOTION: Mr. Harter moved that the commission direct staff to incorporate suggestions for draft legislation "Veterans Amendments" and bring the draft back to the commission for further review. The motion passed unanimously.

3. Protection of Veteran Benefit Claimants: Draft Legislation

Mr. North reviewed the provisions of draft legislation "Veteran Benefit Amendments" (2015FL-0231/001), which was contained in the mailing packet.

MOTION: Mr. Maughan moved that the "Military Order of the Purple Heart" be added to the list of exempt accredited individuals in Section 5 of the legislation. The motion passed unanimously.

Mr. Schwermer recommended clarifying the language on lines 39 and 40 of the legislation. Mr. North said staff will look at that.

Commission discussion followed about whether full accreditation should be required of those providing service and assistance to veterans and how that may be accomplished.

MOTION: Rep. Cosgrove moved that staff incorporate into draft legislation "Veteran Benefit Amendments" the provisions contained in 2014 General Session H.B. 428, "Veteran Benefit Assistance Disclosure," with the addition of changes recommended by Mr. Schwermer and input from other agencies that may be received during discussions.

Ms. Francine Gianni, Executive Director, Department of Commerce, suggested that further discussion may reveal that legislation is not needed. Ms. Gianni briefed commission members on the types of misrepresentation issues the Department of Commerce investigates, and indicated that the department would like to be involved in the conversation pertaining to the draft legislation.

Commission members voted on Rep. Cosgrove's motion. The motion passed unanimously.

4. Veterans Military Retirement Benefit Tax Exemption

Mr. North distributed "Military Tax Exemptions by State," "State Retirement Income Tax," "Minnesota Income Tax Credit for Past Military Service," and "Army Benefits by State" and presented information about what sales or income tax exemptions are offered in some other states. Mr. North indicated that the cost to the state for a 100% income tax exemption for the nearly 16,000 retired military servicemembers would be about \$5.7 million annually, which could be phased in over a number of years. Mr. North invited commission discussion on the feasibility of broadening Utah's current tax exemptions for veterans.

Rep. Cosgrove suggested that the Legislative Fiscal Analyst be asked to brief the commission at its next meeting on the costs and benefits to the state to relieve select groups from income tax.

Dr. Babitz noted that there may be a conflict of interest among members of the commission on this issue.

Mr. North stated that when voting on the issue commission members should state whether they had a conflict of interest.

MOTION: Mr. Schwermer moved that the committee direct staff to bring back to the commission for review information about what the economic impact to the state would be for a 100% income tax exemption for retired military servicemembers. Mr. Schwermer included in his motion a request for other options to also be presented that would exempt only particular service members from income taxes, and for fiscal note information on all options presented. The vote passed unanimously. Chair Knudson, Rep. Cosgrove, Rep. Peterson, MG Burton, Mr. Davis, Mr. Garrett, Mr. Harter, and Mr. Maughan declared a personal conflict of interest. Dr. Babitz stated he may have a personal conflict of interest.

5. Veterans Court

Mr. Schwermer briefed commission members on the nature of veterans courts and the progress of veterans courts being set up in Utah County and Salt Lake County. Mr. Schwermer reported that Utah's veterans courts are looking at including a mentoring program, which seems to increase the success of work done in other veterans courts around the country.

Commission discussion followed about looking at setting up a veterans court in northern Utah.

6. Other Items / Adjourn

Sen. Mayne reported that at the request of the Veterans' and Military Affairs Commission, the Division of Motor Vehicles will make available special group license plates for motorcycles beginning in January 2015. Sen. Mayne invited commission members to spread the word!

MOTION: Mr. Maughan moved to adjourn the meeting. The motion passed unanimously. Sen. Mayne was absent for the vote.

Chair Knudson adjourned the meeting at 11:35 A.M