

Veterans and Military Enactments by the 2002 Legislature

This information brief lists fiscal and policy enactments made by the 2002 Legislature relating to veterans and members of the military. Among the state entities affected by this legislation are the Department of Military Affairs (National Guard), the Department of Veterans Affairs, the Veterans Nursing Homes Board, and the Housing Finance Agency.

Fiscal Enactments

Department of Military Affairs (DMA)

The first omnibus budget balancing bill ([Laws 2002, ch. 220](#)) reduced the general fund appropriation to the DMA by \$2,851,000 from the approximately \$29 million appropriated for the fiscal year 2002-03 biennium, representing a cut of approximately 9.8 percent in the agency's general fund appropriation. The agency response has been as follows:

- Custodial positions at the Training and Community Centers (TACCs, formerly called armories) have been eliminated. Other staff and National Guard members will handle routine cleaning and small maintenance projects.
- The TACC maintenance and repair budget will be temporarily reduced by 13 percent in fiscal year 2002-03. Some routine and preventative maintenance projects will be delayed.

- The utility budgets for TACCs will be temporarily reduced by 3 percent in fiscal year 2002-03. Facilities may be required to limit some hours of operations and modify heating and air conditioning use.
- Funding for the Guard Our Youth Program (two positions) was eliminated.

The bonding bill ([Laws, 2002, ch. 393](#)) appropriated approximately \$3.86 million in general obligation bond financing for asset preservation, Americans with Disabilities Act (ADA) compliance improvements, and other renovation and repair projects at TACCs across the state, as follows:

| | |
|--------------------|------------------------------------------------|
| \$2,500,000 | Asset preservation and kitchen repair at TACCs |
| \$357,000 | ADA compliance improvements |
| <u>\$1,000,000</u> | Facility life safety |
| \$3,857,000 | Total bonding appropriation |

Governor Ventura vetoed a \$500,000 capital appropriation for a military/law enforcement anti-terrorism training facility at Camp Ripley.

The bonding bill also makes brief language changes relating to 2001 session laws regarding the WWII veterans' memorial (section 79) and the military museum at Camp Ripley (section 80).

Minnesota Department of Veterans Affairs (MDVA)

The first omnibus budget balancing bill ([Laws 2002, ch. 220](#)) reduced the general fund appropriation to the MDVA in fiscal year 2003 by \$180,000. This is a cut of approximately 2.0 percent from the total appropriation of \$8.903 million of the agency's general fund base for the fiscal year 2002-03 biennium, or a cut of approximately 4.0 percent for the fiscal year and on an ongoing basis.

Minnesota Housing Finance Agency (MHFA)

The bonding bill ([Laws 2002, ch. 393](#)) appropriated \$16,200,000 for loans and grants for publicly owned transitional and permanent housing to be constructed on the St. Cloud and Minneapolis campuses of the veterans' hospitals, to serve veterans and single adult nonveterans who are homeless or at risk of becoming homeless. The federal government will provide some level of matching funds and provide the necessary land for the projects. Local government and community agencies will provide health and social services for the residents.

Veterans Nursing Homes Board

The second omnibus budget balancing bill of 2002 ([Laws 2002, ch. 374](#)) appropriated \$900,000 from the general fund to the Veterans Nursing Home Board for an operations funding deficiency. This is in addition to the approximately \$61 million appropriated by the 2001 Legislature for the fiscal year 2002-03 biennium.

This bill also provides up to \$500,000 to the Veterans Nursing Homes Board in fiscal year 2003, contingent upon receipt by the state of any remaining payments from contractors for the mold damage at the Luverne facility and to settle legal issues regarding that damage.

The omnibus bonding bill ([Laws, 2002, ch. 393](#)) appropriated approximately \$12.9 million from the bond proceeds fund to the Veterans Nursing Home Board for capital improvement projects, as follows:

| | |
|--------------------|---------------------------------------------------------------------|
| \$2,000,000 | Asset preservation at veterans' homes statewide |
| \$8,553,000 | Hastings Veterans' Home, phase 3 (utilities infrastructure systems) |
| <u>\$2,345,111</u> | Silver Bay Veterans' Home (roof replacement) |
| \$12,898,111 | Total bonding appropriation |

Policy Enactments

Chapter 284, National Guard¹

This bill provides certain protections to members of the Minnesota National Guard and other military reserve units who are ordered to active service (retroactive to September 11, 2001).

Protections from Civil Actions

It extends to those Guard and reserve members who are called to "state active service" and to "federally funded state active service" the same protections that are provided to military personnel who are ordered to "federal active service."

Those federal protections are specified under the federal Soldiers' and Sailors' Civil Relief Act of 1940 (as amended). The law's relief provisions apply to existing debts and obligations which are in effect when a person is ordered to active military service. However, the law has no effect on debt incurred during the time that the person is serving on active duty following activation. For example, the act would lower the person's home mortgage interest rate to 6 percent, and would prohibit foreclosure during and immediately following the person's active service, but only if the loan existed before the person was ordered to active duty.

The act also protects renters by prohibiting their eviction, and allows them to terminate their leases without penalty if doing so is in their own interest. It also exempts military personnel from personal property taxes if they are stationed in a state that is not their domicile, and it protects them against paying income taxes in both their home state and the state in which they are stationed. Although the act does not protect service members from all civil actions, it does protect them from such things as repossession of property, bankruptcy, foreclosure, eviction and the like.

¹ House File 3274, sponsored by Rep. Blaine

There is no sunset on either the federal or state act.

Protections for Students Who Are Activated

The act also establishes a number of rights for any member of the Minnesota National Guard or other military reserve unit who is a student enrolled at any public or private post-secondary educational institution at the time that the person is ordered to state or federal active military service, including:

- (1) with regard to courses in which the person is enrolled, the person may either: (i) withdraw with a full refund and no penalties; (ii) take an incomplete and be allowed to complete the course following release from active duty; or (iii) continue and complete the course for full credit, with excused absences for military duty;
- (2) the right to a refund of amounts paid for room, board, and fees, prorated for the portion already used; and
- (3) if the person refuses to withdraw from the post-secondary institution, the right to be readmitted and reenrolled without penalty or redetermination of eligibility within one year of release from active service.

Chapter 308, Department of Military Affairs²

This bill updates the language of the Minnesota Code of Military Justice.

Chapter 313, Veterans Home Nursing Board³

This bill revises the eligibility requirements for admittance to a veterans' nursing home, by specifying that assets from any federal tax rebate must be excluded from consideration in determining eligibility.

Chapter 371, Veterans⁴

Section 8 of this bill authorizes a special veterans contribution license plate – encoded “Proud to be an American” – for any veteran making an additional one-time \$30 contribution to the state’s WWII memorial matching account.

² House File 3221, sponsored by Rep. Eastlund

³ House File 2647, sponsored by Rep. Erickson

⁴ House File 3203, Omnibus Public Safety Bill

Laws 2002, ch. 377, art. 12, § 14, Veterans⁵

This bill authorizes veterans' organizations to use gambling net profits to pay the property taxes on certain leased premises.

Laws 2002, ch. 386, art. 3, § 1, Veterans⁶

This enactment allows veterans organizations to use gambling net profits to:

- pay utility bills for their entire building; and
- spend up to \$5,000 a year for membership dinners.

⁵ House File 3217, sponsored by Rep. Larson

⁶ House File 3004, sponsored by Rep. Jacobsen