

S. 7/15/02 Do Pass

STATE GOVERNMENT REFERRED TO: Ways + means 2/6

FILED FEB 12 2002

SENATE FILE 2153
BY KIBBIE, DRAKE,
and JENSEN

(COMPANION TO LSB 6032HH
BY BRADLEY)

Passed Senate, Date _____ Passed House, Date _____
Vote: Ayes _____ Nays _____ Vote: Ayes _____ Nays _____
Approved _____

A BILL FOR

1 An Act relating to military service compensation for certain
2 veterans of the Vietnam service era, including the creation of
3 a bonus fund and provision of a tax exemption, and providing a
4 penalty.

5 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

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SF 2153 STATE GOVERNMENT

1 Section 1. Section 35A.8, Code 2001, is amended by adding
2 the following new subsection:

3 NEW SUBSECTION. 5. a. The executive director shall
4 provide for the administration of the bonus authorized in this
5 subsection. The commission shall adopt rules, pursuant to
6 chapter 17A, as necessary to administer this subsection
7 including, but not limited to, application procedures,
8 investigations, approval or disapproval, and payment of
9 claims.

10 b. (1) A person who served not less than one hundred
11 twenty days on active duty in the armed forces of the United
12 States at any time between July 1, 1973, and May 7, 1975, both
13 dates inclusive, and who at the time of entering into service
14 was a legal resident of this state, and who had maintained the
15 residence for a period of at least six months immediately
16 before entering into service, and was honorably separated or
17 discharged from such service, or is still in active service in
18 an honorable status or has retired, or has been furloughed to
19 a reserve, or has been placed on inactive status, who earned
20 either a Vietnam service medal or an armed forces
21 expeditionary medal-Vietnam for service between July 1, 1973,
22 and May 7, 1975, both dates inclusive, or can otherwise
23 establish service in the Vietnam service area during that
24 period, shall be entitled to receive from the military service
25 compensation fund seventeen dollars and fifty cents for each
26 month that the person was in the Vietnam service area and
27 twelve dollars and fifty cents for each month that the person
28 was not in the Vietnam service area, not to exceed a total sum
29 of five hundred dollars.

30 (2) A person who is otherwise qualified under this
31 subsection, except that the person did not earn either the
32 Vietnam service medal or the armed forces expeditionary medal-
33 Vietnam and did not serve in the Vietnam service area, shall
34 be entitled to receive from the military service compensation
35 fund twelve dollars and fifty cents for each month that the

1 person was in active service between July 1, 1973, and May 7,
2 1975, both dates inclusive, not to exceed a total of three
3 hundred dollars.

4 (3) A person is not entitled to compensation pursuant to
5 this subsection if the person received a bonus or compensation
6 similar to that provided in this subsection from another state
7 or similar compensation from this state for military service
8 prior to July 1, 1973.

9 (4) A person is not entitled to compensation pursuant to
10 this subsection if the person was on active duty in the armed
11 forces of the United States after July 1, 1973, and the person
12 refused on conscientious, political, religious, or other
13 grounds, to be subject to military discipline.

14 (5) The surviving unremarried widow or widower, child or
15 children, mother, father, or person standing in loco parentis,
16 in the order named, of a deceased person, shall be paid the
17 compensation that the deceased person would be entitled to
18 pursuant to this subsection, if living. However, if a person
19 dies or has died, or is disabled, from service-connected
20 causes incurred during the period and in the area for which
21 the person is entitled to receive compensation pursuant to
22 this subsection, the person or the first survivor as
23 designated by this subsection, and in the order named, shall
24 be paid five hundred dollars or three hundred dollars,
25 whichever maximum rate the person would have been entitled to
26 receive, regardless of the length of the service.

27 c. A person who knowingly makes a false statement relating
28 to a material fact in supporting an application under this
29 subsection is guilty of a serious misdemeanor. A person
30 convicted pursuant to this subsection shall forfeit all
31 benefits to which the person may have been entitled under this
32 subsection.

33 d. All payments and allowances made under this subsection
34 shall be exempt from taxation and from levy and sale on
35 execution.

1 e. A military service compensation fund is created in the
2 state treasury. The military service compensation fund shall
3 consist of all moneys appropriated to the fund. Moneys in the
4 military service compensation fund are appropriated to the
5 commission to pay the compensation authorized in this
6 subsection. Notwithstanding section 12C.7, interest or
7 earnings on investments or time deposits of the moneys in the
8 military service compensation fund shall be credited to the
9 military service compensation fund. Section 8.33 does not
10 apply to moneys in the military service compensation fund.

11 f. As used in this subsection, "active duty in the armed
12 forces of the United States" means full-time duty in the armed
13 forces of the United States, excluding active duty for
14 training purposes only and excluding any period a person was
15 assigned by the armed forces to a civilian institution for a
16 course of education or training which was substantially the
17 same as established courses offered to civilians, or as a
18 cadet or midshipman, however enrolled, at one of the service
19 academies.

20 Sec. 2. Section 422.7, Code Supplement 2001, is amended by
21 adding the following new subsection:

22 NEW SUBSECTION. 38. Subtract, to the extent included,
23 income received as military service compensation for active
24 duty served between July 1, 1973, and May 7, 1975, pursuant to
25 section 35A.8, subsection 5.

26 EXPLANATION

27 This bill provides for military service compensation for
28 veterans who served on active duty in the armed forces of the
29 United States during the period beginning July 1, 1973, and
30 ending May 7, 1975, both in the Vietnam service area and
31 outside the Vietnam service area. The bill provides the same
32 military service compensation to veterans who served on active
33 duty in the armed forces of the United States after the
34 original closing date, June 30, 1973, and who earned a Vietnam
35 service medal or an armed forces expeditionary medal-Vietnam

1 due to extension of the conflict dates by the United States
2 Congress to May 7, 1975, as veterans received for active duty
3 service between July 1, 1958, and June 30, 1973.

4 Veterans receive \$17.50 per day for each month of service
5 in the Vietnam service area and \$12.50 for each month of
6 service outside the Vietnam service area, up to a maximum of
7 \$500. Veterans who served on active duty only outside the
8 Vietnam service area receive \$12.50 for each month of service,
9 up to a maximum of \$300.

10 The surviving unremarried widow or widower, child or
11 children, mother, father, or person standing in loco parentis,
12 in the order named, of a deceased person shall be paid the
13 compensation that the deceased person would be entitled to
14 pursuant to this bill, if living. However, if the person dies
15 or has died, or is disabled, from service-connected causes
16 incurred during the period and in the area for which the
17 person is entitled to receive compensation pursuant to this
18 bill, the person or the first survivor as designated by this
19 bill, and in the order named, shall be paid \$500 or \$300,
20 whichever maximum rate the person would have been entitled to
21 receive, regardless of the length of service.

22 The bill creates a military service compensation fund in
23 the state treasury. The military service compensation fund
24 shall be used to pay the military service compensation to the
25 eligible veterans.

26 An applicant or other person who knowingly makes a false
27 statement relating to a material fact in support of an
28 application for compensation is guilty of a serious
29 misdemeanor. A serious misdemeanor is punishable by a fine of
30 not less than \$250 or more than \$1,500. The court may also
31 order imprisonment not to exceed one year.

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Legislative Fiscal Bureau

Fiscal Note

SF 2153 - Vietnam War Dates (LSB 6032 SS)

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Fiscal Note Version - New

Requested by Senator John Kibbie

Description

Senate File 2153 provides for military service compensation for veterans who served on active duty in the armed forces of the United States during the period beginning July 1, 1973, and ending May 7, 1975, both in the Vietnam service area and outside the Vietnam service area. The Bill creates a military compensation fund in the Office of the Treasurer of State and specifies eligibility requirements for receiving compensation as well as determines the level of compensation an individual is to receive. The Bill provides for penalties for those who violate provisions relating to the intentional falsification of an application for the receipt of funds.

Assumptions

1. A bonus similar to the one specified in the Bill was offered in FY 1974 for those who were on active duty between July 1, 1958, and June 30, 1973. When this bonus was offered, approximately 111,000 Iowa veterans applied and received the bonus. These veterans would not be eligible to receive the bonus specified in this Bill.
2. The proposed legislation extends the service time period by 22 months, from the original cut off date of June 30, 1973, to May 7, 1975. Neither the total number of soldiers from Iowa who served during that 22-month time period nor the total number of Iowa soldiers who served during the Vietnam conflict can be determined due to insufficient information. However, approximately 9.2 million soldiers served in the Vietnam conflict from all states. During the period 1958 through 1975, Iowa averaged about 1.4% of the total U.S. population. Applying the 1.4% to the 9.2 million that served during the Vietnam conflict results in approximately 129,000 Iowa veterans who may have served during the Vietnam conflict.
3. Of the 129,000 Iowa veterans who served during the Vietnam conflict, 111,000 would not be eligible because they received the original bonus. The remaining 18,000 veterans could be eligible to receive a bonus under SF 2153. However, of the 18,000 veterans, the actual number that would be eligible is unknown.
4. If 10.0% (1,800 veterans) of the 18,000 potential eligibles applied and received the maximum bonus (\$500), the cost would be approximately \$900,000.

Correctional Impact

The Correctional Impact of Senate File 2153 is not expected to be significant.

Fiscal Impact

The Fiscal Impact of Senate File 2153 cannot be determined due to insufficient information regarding the number of Iowa veterans who may be eligible to receive the bonus.

Sources

Federal Department of Veterans Affairs Web Site

Census Bureau Web Site

Iowa Commission of Veterans Affairs

Department of Human Rights, Division of Criminal and Juvenile Justice Planning

/s/ Dennis C Prouty

March 18, 2002