

**STATE OF MAINE
119TH LEGISLATURE
FIRST REGULAR SESSION**

**Final Report
of the**

**COMMITTEE TO STUDY STANDARDIZED
PERIODS OF MILITARY SERVICE AND
OTHER MATTERS RELATED TO THE AWARD
OF STATE OF MAINE VETERANS' BENEFITS**

December 1999

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Executive Summary

Chapter 78 of Resolves, 1999 established the 13-member Committee to Study Standardized Periods of Military Service and Other Matters Related to the Award of State of Maine Veterans' Benefits. The committee was charged with studying Maine laws related to the award of state veterans' benefits. The law also charged the committee with considering alternatives that will codify and standardize current laws governing eligibility for state veterans' benefits based on periods of military service. The committee was further instructed to consider all laws of the State related to veterans' benefits. In carrying out its study, the committee was required to:

- Hold at least three public hearings in each principal region of the State to gather public comment on veterans' benefit issues
- Review and assess all existing State laws that contain eligibility criteria for veterans' benefits based on periods of military service
- Identify and assess differences among State and Federal laws regarding veterans' benefits eligibility criteria
- Identify and consider alternatives for codifying and standardizing laws regarding veterans' benefits eligibility based on periods of military service, including "peace-time" veteran eligibility issues
- Recommend appropriate legislation to reflect the findings and recommendations of the committee

The first meeting of the study committee was held on September 20, 1999 in Augusta. The committee held public hearings in October and November in Scarborough, Caribou, Bangor and Augusta. It held its final committee meeting on November 15, 1999 in Augusta.

The Committee makes the following recommendations:

1. The committee unanimously* recommends legislation to provide the Maine Bureau of Veterans' Services (MBVS) funding to restore full-time clerk positions to all regional MBVS field offices (4 additional ½time positions) and create a clerk position in the Springvale office (1 full-time position). The committee recommends that the legislature endorse an additional appropriation of \$55,000 for FY 2000-01 to fund these positions. The committee also unanimously recommends an appropriation of \$60,000 for the MBVS to fund the purchase of new computers, software and staff training in computer applications.

2. The committee unanimously urges passage of LD 1934, *Resolve, to Reinstate Emergency Assistance for Dependents of Veterans*, which was carried over to the Second Regular Session by the Joint Standing Committee on Appropriations and Financial Affairs. The committee also recommends that legislation be submitted to classify the funds provided to veterans or dependents under this program as "general or public assistance" funds to ensure that the veteran or dependent is also eligible for free legal services. The committee supports such a bill with the stipulation that the funds appropriated for this program, despite a general or public assistance classification, continue to be administered by the Department of Defense, Veterans and Emergency Management (DVEM).

3. The committee unanimously recommends legislation to exempt from paying either a registration fee or a title fee qualified veterans acquiring Pearl Harbor Survivor or Purple Heart Recipient plates and to clarify that Title 29-A, Section 603, subsection 5 exempts veterans acquiring a Former Prisoner of War plate from paying title fees. The committee also unanimously recommends that veterans qualifying for the Special Veteran plate pay a reduced registration fee of \$5.00 for the privilege of acquiring and displaying the Special Veteran plate.

4. A majority of the committee recommends that eligibility for the veterans' property tax exemption benefit should be broadened to so-called "peace-time" veterans. The majority recommends that any honorably discharged veteran of active service in the Armed Forces be eligible to receive the veterans' property tax exemption at age 62. The majority recommends that the State reimburse a municipality 100% of the property tax revenue loss suffered by a municipality in the preceding calendar year as the result of any property tax exemptions or credits represented by the expansion of this benefit after its effective date. The committee recommends that the Maine Revenue Services be directed to notify by mail all municipalities of this new exemption at least 60 days prior to its effective date.

5. The committee unanimously voted to send a letter to the Joint Standing Committee on Education and Cultural Affairs requesting that the committee examine the issue of funding of veterans' education and determine whether there is a need for a program such as the one proposed by the Advisory Council on Education of the Military and Veterans in Maine.

6. The committee voted unanimously to recommend legislation to require the Commissioner of DVEM to report at the beginning of each biennium to the Joint Standing Committee on Legal and Veterans' Affairs on any recommended changes or modifications to veterans laws as they appear in Maine Revised Statutes Annotated. This report will include any changes in State veterans' statutes required by changes in Federal law or regulation.

7. The committee voted unanimously to recommend that the Commissioner of DVEM undertake a study of the laws governing eligibility for state veterans' benefits and to report back to the First Regular Session of the 120th Legislature with recommendations to address the inconsistencies in eligibility criteria for State veterans' benefits.

8. The committee unanimously recommends legislation to appropriate to the Maine Veterans' Memorial Cemetery (MVMC) System additional operational funds totaling \$65,000 in FY 2000-01. The committee unanimously recommends that a letter from the committee be sent to the Loring Development Authority (LDA) requesting that the Authority ensures that the buildings it plans to donate to the Aroostook veterans' cemetery are in serviceable or imminently reparable condition. The committee is further requesting that the LDA report to the Joint Standing Committee on Legal and Veterans' Affairs on the Authority's progress in providing the buildings to the cemetery. This report must be made in writing by March 1, 2000. The committee unanimously recommends legislation to

designate MVMC rules as major substantive rules, which are subject to legislative review effective August 1, 2000. This designation will, among other things, require the DVEM to participate in consensus-based rule development process in advance of rulemaking. Future adoption of rules or amendment of existing rules governing graveside services would be subject to legislative review before they could be implemented.

9. The committee unanimously recommends legislation to repeal a requirement that state employees have served during a federally-recognized period of conflict to be eligible to purchase military service time for credit toward their Maine State Retirement System service years. The committee unanimously recommends that the period of state employment required for buyback eligibility be reduced from 15 years to 5 years.

10. The committee unanimously recommends that the MBVS study informational outreach strategies, including use of free and paid advertising in electronic and print media, the department's Internet website, mailings, partnering with private industry and public service organizations, among others, to develop a statewide communications program to inform Maine veterans of available State benefits. These strategies must be particularly targeted to those veterans not involved in a veterans' service organization or to those veterans already involved in or knowledgeable about veterans' issues. The MBVS must report its findings and recommendations to the Joint Standing Committee on Legal and Veterans Affairs by March 1, 2000.

11. The committee recommends that any shelter for homeless persons operating in this State attempt to identify the veterans among their client populations and to refer these individuals to the nearest regional office of the MBVS. The committee recommends that any state agency or board providing public funds to any homeless shelter operating in this State require those shelters to report to that agency or board those individuals in their client population who have been identified as veterans. The committee recommends that the departments and agencies providing public funds to homeless shelters develop administrative policies requiring efforts to identify of homeless veterans, as well as regular reports on those efforts.

**Note: "Unanimously" represents only those members present and voting at the November 15, 1999 committee meeting.*

I. INTRODUCTION

During the first session of the 119th Legislature, Rep. Michael McAlevey sponsored an emergency resolve requesting a study of state veterans' benefits eligibility requirements that are based on federally recognized periods of military service. Both Houses referred the resolve, LD 89, to the Joint Standing Committee on Legal and Veterans' Affairs. As the result of a public hearing and several work sessions on the resolve, the committee voted to expand the scope of the study to include a number of matters related to State of Maine veterans' benefits. The Legislature unanimously passed the amended resolve on June 5, 1999 and Governor Angus King signed it into law on June 17, 1999. As an emergency resolve, the law became effective on that date.

A. Charge to Committee

Chapter 78 of Resolves, 1999 (*See Appendix A*), established the 13-member Committee to Study Standardized Periods of Military Service and Other Matters Related to the Award of State of Maine Veterans' Benefits (referred to in this report as "the committee"). The committee was charged with studying Maine laws related to the award of state veterans' benefits. The law also charged the committee with considering alternatives that will codify and standardize current laws governing eligibility for state veterans' benefits based on periods of military service. The committee was further instructed to consider all laws of the State related to veterans' benefits. In carrying out its study, the committee was required to:

- Hold at least three public hearings in each principal region of the State to gather public comment on veterans' benefit issues
- Review and assess all existing State laws that contain eligibility criteria for veterans' benefits based on periods of military service
- Identify and assess differences among State and Federal laws regarding veterans' benefits eligibility criteria
- Identify and consider alternatives for codifying and standardizing laws regarding veterans' benefits eligibility based on periods of military service, including "peace-time" veteran eligibility issues
- Recommend appropriate legislation to reflect the findings and recommendations of the committee

B. Committee Membership

As required by Chapter 78 of Resolves, 1999, the committee was comprised of 13 members drawn from five different policy committees that provide oversight of various veterans' benefit issues. Members also represented all regions of the State. Joint standing committees represented on the study committee were:

- Legal and Veterans' Affairs
- Taxation

- Transportation
- Labor
- Health and Human Services

The Presiding Officers appointed 6 committee members from the Senate and 7 from House. (*See Appendix B for a complete list of members.*) State Sen. Beverly Daggett serves as Senate Chair; State Rep. John Tuttle serves as House Chair.

C. Study Timetable

The first meeting of the study committee was held on September 20, 1999 in Augusta. The committee held public hearings in October and November in Scarborough, Caribou, Bangor and Augusta. It held its final committee meeting on November 15, 1999 in Augusta.

Chapter 78 requires that the committee submit a report on its findings and recommendations to the Second Regular Session of the 119th Legislature by December 15, 1999. The following report represents the committee's fulfillment of that requirement.

II. OVERVIEW OF STATE OF MAINE VETERANS' BENEFITS

A. Maine Bureau of Veterans Services

State benefits for Maine's approximately 149,000 veterans are administered by several different state agencies. However, the central responsibility for veterans' services resides within the Maine Bureau of Veterans' Services (MBVS) within the Department of Defense, Veterans and Emergency Management (DVEM) (*See Charts 1 and 2*). The mission of the MBVS is to serve the veterans of Maine, their dependents and survivors in all matters pertaining to veteran's benefits. The MBVS is comprised of 7 regional veterans' services offices and one claims office located at the Togus Veterans Medical Center.

The most important function of the MBVS is claims representation. In FY 1998-99, the seven regional offices represented nearly 29,000 clients. Additionally, the offices represented more than 900 requests to the U.S. Department of Veterans affairs (USDVA). The Togus Claims Offices, acting as the veterans' advocate, filed nearly 1,600 claims on behalf of veterans or their dependents. Actions taken by MBVS resulted in new awards by USDVA in excess of \$16 million in FY 1998-99.

B. Description of Veterans' Benefits and Responsible Agencies

As noted above, veterans' benefits are administered by several state and local agencies. (*See Appendix C for a crosswalk of veterans' laws and the state agency responsible for each of those laws.*) Among the State benefits available to veterans are:

- *Veterans Dependents Educational Benefits Program*: Tuition is waived for eligible dependents who attend a state-supported post-secondary institution. The program is administered through MBVS.
- *Local property tax exemptions*: For qualified veterans aged 62 or over and 100% disabled veterans, the program is administered by the Maine Revenue Services in cooperation with the state's municipal governments. (See Appendix D for a detailed description of the exemption.)
- *Maine Veterans' Homes*: A system of five nursing home facilities located throughout the State, which was established by public vote in 1977 to provide support and care for honorably discharged veterans who served in the U.S. Armed Forces during a wartime period. A director and a board of trustees administer the Maine Veterans' Homes.
- *Maine Veterans Memorial Cemetery (MVMC)*: Offers free burial to honorably discharged veterans and their qualified dependents in the MVMC in Augusta. MVMC is a division of the MBVS. The system is in the process of expanding the Augusta cemetery and is expected to open a veterans' cemetery in Caribou within the next year.
- *Veterans Small Business Loan Program*: Eligible veterans may obtain business loans through local lending institutions, a percentage of which will be guaranteed by the Finance Authority of Maine (FAME).
- *Recreational licenses*: Complimentary licenses for veterans aged 70 and older and for service-connected disabled war veterans who are 70% or more disabled. The licenses are for hunting, fishing and trapping. The Department of Inland Fisheries and Wildlife administers the program in cooperation with municipal officials.
- *Special veterans' license plates*: The Bureau of Motor Vehicles within the Office of Secretary of State administers the distribution of seven different veterans' license plates. (See Appendices E and F for summaries of the fee exemptions and the eligibility requirements for the veterans' plates.)
- *Counseling for Vietnam and Atomic Veterans*: MBVS have counselors available to assist veterans who have been exposed to Agent Orange and radiation.

C. Veterans Issues of Concern to the MBVS

Frank Soares, Director of the MBVS, described the challenges facing the bureau, as well as the issues that concern Maine veterans in his several appearances before the committee. Chief among those challenges are:

- Providing funding for the veterans emergency financial aid program, which is authorized by 37-B MRSA, Section 505, but which has not been funded since the budget cuts in the early 1990s. A minimum of \$200,000 a year will be needed to fund this program in addition to the return of two positions within MBVS to assist in administering the program. These positions were eliminated when the program funding was discontinued. The Joint Standing Committee on Appropriations and Financial Affairs has carried over a resolve that calls for replenishing the fund at the \$200,000 level in each year of the current biennium.

- Most field offices of the MBVS have had only part-time clerical help since the 1990 budget cuts. To improve efficiency and responsiveness, those positions must be returned to full-time status. (*See Table 1 for detail on field office budgets for FY 2000.*)
- Computer technology in the field offices lags well behind state-of-the-art. The regional offices require new computers and software and ability to link electronically with the Claims Office at Togus.
- Training funds are limited. The bureau needs additional funds to provide training to new personnel and to update veteran organizations service offices on the newest techniques and procedures in service delivery.
- The Commission on Women Veterans has identified the needs of women's veterans, but now needs funding to further their work.

Among issues of concern to veterans, according to Soares, are:

- Taxing of veteran pensions and military retiree pensions
- Standardizing periods of service re: eligibility for benefits
- Updating State laws to reflect Federal changes in veterans' benefits
- The cost of drug prescriptions
- Awareness of Federal and State veterans' benefits

D. Maine Veterans Memorial Cemetery System

Burial Policy

Few issues came to the committee's attention that were more emotional than those related to the graveside burial policies at MVMC. Augusta area veterans asked the committee to help them get reversed the current MVMC policy that does not allow graveside burial services. The policy that exists, according to DVEM Commissioner, Maj. Gen. Earl Adams, was put into effect three years ago to protect the health and safety not only of mourners, but also cemetery workers. The Occupational Safety and Health Administration has cited the cemetery for violating safety rules related to construction sites in carrying out burials. In a letter to the committee (*See Appendix G*), Gen. Adams offered the following reasons for the graveside burial ban:

- The old cemetery is nearly out of burial space and is continuously building new areas for burials. These new burial sites are all in undeveloped ground and are essentially construction sites;
- Concerns about the public in an unimproved construction site and the need to use special safety equipment and procedures;
- Weather conditions may make the ground rough and some family members may not be able to safely traverse that terrain; and
- The cemetery staff sometimes has difficulty in getting grieving family members to leave the burial site in a timely manner. This could delay other families awaiting a burial service for their loved ones.

Gen. Adams also noted that complaints about the policy have been minimal and have generally come from residents of the Augusta area. The commissioner advised the committee that changing the current policy would require, at the very least, the hiring of an additional burial crew at MVMC. In a letter to committee co-chair, Rep. John Tuttle, Gen. Adams estimated the cost of the additional crew and equipment at approximately \$151,000 (*See Appendix H*).

Other Issues Affecting the Cemetery System

The committee was presented by MBVS staff with other concerns that bureau has about the veterans' cemetery system. These include:

- The system has been under funded for years and received its first “get well” budget in FY 1999;
- Other New England States' veterans cemeteries receive several times the funding of MVMC (*See Chart 3*);
- Much of the cemetery's equipment is in excess of 30 years old and needs to be replaced;
- The old Augusta cemetery will run out of burial space next year just as the new cemetery is scheduled to open; and
- Burial needs have increased dramatically in recent years.

The dramatic increase in burials reflects a national trend resulting from the aging of the World War II veteran population. This upward trend will peak between the years 2008 and 2012 and then fall off. Annual burials at MVMC, which exceeded 550 between October 1, 1998 and October 1, 1999, are expected to reach 700 by 2001. (*Chart 4 depicts the actual and projected burials at MVMC, less the anticipated 25% increase resulting from an expansion in burial eligibility approved by the Legislature in the First Regular Session.*) Public Law 1999, chapter 517 opens burial eligibility to all honorably discharged veterans and their eligible dependents.

Additional operating funds for the Caribou veterans' cemetery and the expanded Augusta Cemetery are also needed.

E. Governor's Working Group on Aging Veterans

On a number of occasions during the committee's public hearings, reference was made to a report issued by the Governor's Working Group on Aging Veterans in May 1998. Many of the issues and recommendations contained in that report are echoed in this report and in a report issued this month by the Commission to Examine the Adequacy of Services at the Togus Veterans Administration Medical Center. Issues included in the report on Aging Veterans that have not been specifically addressed here remain valid. The committee reviewed the 1998 Working Group report and, in general, supports its recommendations.

III. FINDINGS AND RECOMMENDATIONS

A. Public Hearing and Committee Meeting Summaries

As noted in Section 1, the committee held four public hearings in four regions of the State. Testimony at each of these hearings touched on a wide-range of veterans' issues, some of which were related to Federal laws and some of which were directed to State laws. Among issues raised in testimony before the committee were:

Hearing in Scarborough

- Provide veterans the Federal benefits promised when they enlisted
- Provide more assistance/benefits for war-time veterans
- Encourage veterans to help veterans with awareness of benefit availability and eligibility
- Remoteness of Togus from southern Maine population centers

Hearing in Caribou

- Require the Loring Development Authority to donate a surplus building for use at the cemetery
- Ensure availability of operating for the Caribou cemetery
- Full-time office help for Regional MBVS field officer
- Include private schools/program tuition for disabled veterans' dependents' education
- Provide state income tax exemption on military retirement pay
- Do more to inform veterans of their eligibility for benefits

Hearing in Bangor

- Amend the resolve proposing funding for veterans emergency assistance (LD 1934) to classify these funds as general or public assistance funds to make those veterans eligible for free legal assistance
- Create an easy to read and accessible informational pamphlet informing veterans of rights and benefits
- Fund a veterans' advocate within Pine Tree Legal Assistance, Inc.

Hearing in Augusta

- Provide low-cost loans for veterans' education to supplement the G.I. Bill
- Allow graveside services at MVMC
- Maintain veterans' graves in municipal cemeteries
- Expand benefit definitions to include all honorably discharged veterans

(Summaries of the four public hearings and the committee meetings are included in Appendix I.)

B. Committee Findings and Recommendations

Staffing of Regional Offices of the Bureau of Veterans' Services

The Director of the Maine Bureau of Veterans Services is authorized to employ necessary personnel to administer State veterans' laws (37-B MRSA §503, sub-§1). The bureau currently operates 7 field offices and a claims office at the Togus Medical Center, most of which are staffed by a field officer and half-time support staff. In addition to assisting veterans with State benefits, the field and claim offices assist the Director in carrying out his charge to represent veterans in their claims against the Federal Government for "any compensation, pension, insurance, loan or other benefit accruing as a result of any federal military service" (37-B MRSA §503, sub-§3).

Findings: The regional field offices of the Maine Bureau of Veterans' Services are seriously understaffed with respect to clerical staff. Four of the regional field offices have only part-time support staff and one field office has no support staff. These positions need to be restored to the pre-budget cut level to provide adequate services to veterans throughout the state. The new positions will increase the MBVS personnel budget by approximately \$55,000 in FY 2000-01. Further, the regional field offices are lagging technologically in comparison with many other State service offices. The field offices need new computers, new software and the capacity to link electronically with the Togus Claims Office. The staff also needs training in the new computer applications. The MBVS estimates an appropriation of \$60,000 will be needed to purchase the computers and software and to provide training to staff.

Recommendations:

- **The committee unanimously recommends legislation to provide the MBVS funding to restore full-time clerk positions to all regional MBVS field offices (4 additional ½ time positions) and create a clerk position in the Springvale office (1 full-time position).**
- **The committee recommends that the legislature endorse an additional appropriation of \$55,000 for FY 2000-01 to fund these positions. The committee also unanimously recommends an appropriation of \$60,000 for the MBVS to fund the purchase of new computers, software and staff training in computer applications.**

(See Appendix J for all draft legislation and letters to standing committees related to recommendations and findings in Section III. Note: The study committee recommends that all legislation be referred to the Joint Standing Committee on Legal and Veterans' Affairs and, where appropriate, be jointly referred.)

Emergency Assistance for Veterans and their Dependents

Aid to veterans and their dependents is authorized under 37-B MRSA §505. This section authorizes the granting of financial assistance to veterans and their dependents "in dire need" (sub-§1, ¶C) and sets forth criteria for eligibility and levels of assistance. It also authorizes the granting of up to \$300 per year toward the cost of higher education for the spouse or child of a veteran killed or totally disabled as the result of military service (sub-§2). Among other things, the program represents a financial safety net to veterans or their dependents while they are waiting for the Veterans Administration to act on their claims.

Findings: The committee heard frequent testimony at its four public hearings across the State urging reinstatement of funding for Section 505, which has not been funded since the budget reductions of 1990. The Joint Standing Committee on Appropriations and Financial Affairs carried over to the Second Regular Session a bill to reinstate the veterans' emergency assistance program (LD 1934). The resolve proposes to appropriate \$200,000 in each of fiscal years 1999-00 and 2000-01 to the Department of Defense, Veterans and Emergency Management to support Section 505. The committee was asked by a veteran at one public hearing to support an amendment to LD 1934 to classify the emergency funds provided to veterans or dependents under this program as general assistance to ensure that the veteran or dependent is also eligible for free legal services while receiving the emergency funds.

Recommendations:

- **The committee unanimously urges passage of LD 1934, *Resolve, to Reinstate Emergency Assistance for Dependents of Veterans*, which was carried over to the Second Regular Session by the Joint Standing Committee on Appropriations and Financial Affairs.**
- **The committee also recommends that legislation be submitted to classify the funds provided to veterans or dependents under this program as “general or public assistance” funds to ensure that the veteran or dependent is also eligible for free legal services. The committee supports such a bill with the stipulation that the funds appropriated for this program, despite a general or public assistance classification, continue to be administered by the DVEM.**

Veterans' Motor Vehicle License Plate Exemptions

Title 29-A requires the Secretary of State to issue special plates honoring veterans in seven categories: Medal of Honor recipients (§524(1)), Pearl Harbor Survivors (§524(3)), Former Prisoners of War (§524(2)), Purple Heart recipients (§524(4)), veterans who are blind or amputees (§523(1)), disabled veterans (§523(1), (2)) and any honorably discharged active duty veteran (§523(3)). In some categories, eligible veterans pay only excise and sales taxes; in other categories, the eligible veterans not only pay excise and sales taxes, but also registration and title fees (*See Table 2 for a complete listing of plate category and fees*); in one category (Former Prisoners of War), eligible veterans pay a registration fee, but no title fee. The Bureau of Motor Vehicles has issued a total of 14,657 veterans' plates in all categories. The Bureau estimates that the exemptions from registration fees for veterans' plates total about \$60,000 annually, while the exemptions from title fees for veterans' plates represent a one-time cost of about \$36,000.

Finding: In reviewing the various special veterans' license plates during its study, the committee learned that three category of veterans are not exempt from a registration fee, a title fee, or both in acquiring plates for which they qualify. Not exempt from paying the title fee are veterans acquiring the Pearl Harbor Survivor plate, the Former Prisoner of War plate and the Purple Heart Recipient plate. Not exempt from the \$25 registration fee are those obtaining the Pearl Harbor Survivor plate and the Purple Heart Recipient plate. The committee also noted that honorably discharged veterans obtaining the Special Veteran plate (red “V” plate) are not exempt from any

of the fees. Further, the committee learned that pursuant to Title 29-A, section 603, subsection 5, “(o)wners exempt from registration fees are also exempt from title fees.”

Recommendations:

- **The committee unanimously recommends legislation to exempt from paying either a registration fee or a title fee qualified veterans acquiring Pearl Harbor Survivor or Purple Heart Recipient plates and to clarify that Section 603, subsection 5 exempts veterans acquiring a Former Prisoner of War plate from paying title fees.**
- **The committee also unanimously recommends that veterans qualifying for the Special Veteran plate pay a reduced registration fee of \$5.00 for the privilege of acquiring and displaying the Special Veteran plate.**

Property Tax Exemption

Veterans aged 62 or over who have served in a federally recognized war period are eligible to receive an exemption on their estates of up to \$5,000 of the property’s valuation (36 MRSA §653, sub-§1, ¶C). Veterans of any federally recognized war period during or before World War I are eligible for an exemption of up to \$7,000 (36 MRSA §653, sub-§1, ¶C-1). Disabled veterans who meet eligibility criteria are entitled to a property tax exemption of up to \$47,500 of the property’s valuation (36 MRSA §653, sub-§1, ¶D-1). The unmarried widow or minor child of a deceased veteran who was entitled to an exemption under C-1 also is entitled to a \$7,000 exemption of the valuation of their property (36 MRSA §653, sub-§1, ¶D-2). The unmarried widowed mother of a veteran whose death was service-connected also is eligible for a \$7,000 exemption after age 62 (36 MRSA §653, sub-§1, ¶D-3). The State currently reimburses Maine municipalities about \$900,000 annually for municipal tax revenues lost to various veterans’ tax exemptions. Pursuant to Title 36, section 661, the State is required to reimburse towns for 50% of tax revenues lost for any property tax exemption or credit enacted after April 1, 1978. Veterans’ property tax exemptions claimed prior to April 1, 1978, for which the municipalities must bear 100% of the lost tax revenues, represent a total local tax-shift of about \$3.5 million a year for Maine communities.

Finding: A number of veterans petitioned the committee to broaden eligibility for the veterans’ property tax exemption. The expanded eligibility would cover all honorably discharged veterans, aged 62 or over, who are residents of the State and who own real or personal property. The Maine Revenue Service has preliminarily estimated that this proposed eligibility change could result in an additional cost to the State of \$430,000 in FY 2001, \$509,000 in FY 2002 and \$587,000 in FY 2003.

Recommendations:

- **A majority of the committee (9-1) recommends that eligibility for the veterans’ property tax exemption benefit be broadened to so-called “peace-time” veterans. The committee recommends that any honorably discharged veteran of active service**

in the Armed Forces be eligible to receive the veterans' property tax exemption at age 62.

- **The committee recommends that the State reimburse a municipality 100% of the property tax revenue loss suffered by a municipality in the preceding calendar year as the result of any property tax exemptions or credits represented by the expansion of this benefit after its effective date.**
- **The committee recommends that the Maine Revenue Services be directed to notify by mail all municipalities of this new exemption at least 60 days prior to its effective date.**

Veterans' Education

The Advisory Council on the Education of the Military and Veterans in Maine (ACEMVM) has proposed that the State establish a Maine Veterans' Higher Education Loan Program Fund (*See Appendix K for ACEMVM letter to committee*). This program will be open to veterans and select reservists who also are eligible for the Montgomery G.I. Bill. The loan would be used by the veteran to supplement his or her G.I. Bill benefits, which presently are not adequate to cover the cost of a veteran's post-secondary education. The low-interest loan of up to \$5,000 per year would be available to eligible veterans for two years. The loan would have to be repaid beginning six months after graduation or upon discontinuance of post-secondary course work by the veteran. The fund created for this program would be a non-lapsing revolving fund to provide direct loans or to secure other loans for veterans who have insufficient access to other sources of financial assistance. The Governor's Working Group on Aging Veterans in 1998 proposed a similar program.

Finding: Benefits provided veterans under the Federal Montgomery G.I. Bill have not kept pace with the rising cost of education over the years. As a result, many veterans need additional assistance to continue with their education once their Federal benefits have been exhausted. Not only do these veterans need assistance with educational costs, they also need funds to help support their families while they complete their education. Some committee members were concerned that the loan program proposed by ACEMVM might duplicate existing state-funded educational loan programs for which veterans already are eligible.

Recommendation:

- **The committee unanimously voted to send a letter to the Joint Standing Committee on Education and Cultural Affairs requesting that the committee examine the issue of funding of veterans' education and determine whether there is a need for a program such as the one proposed by ACEMVM.**

Tracking Changes in Veterans' Benefit Laws

The Director of MBVS advised the committee that consolidating veterans' laws into a single title may be helpful for some, but that such a change may be difficult for several others, particularly

those who work with the statutes on a regular basis and, for example, expect to find laws governing tax exemptions in the title governing taxation.

Finding: No State agency currently has statutory responsibility for tracking changes in federal laws and regulations and making sure that they are appropriately reflected in State veteran statutes. That responsibility appropriately belongs to the Commissioner of Defense, Veterans and Emergency Management. The commissioner should be required to report any recommended changes or modifications to veterans laws, as they appear in Maine Revised Statutes, to the Joint Standing Committee on Legal and Veterans' Affairs each biennium.

Recommendation:

- **The committee voted unanimously to recommend legislation to require the Commissioner of Defense, Veterans and Emergency Management to report at the beginning of each biennium to the Joint Standing Committee on Legal and Veterans' Affairs on any recommended changes or modifications to veterans laws as they appear in Maine Revised Statutes Annotated. This report will include any changes in State veterans' statutes required by changes in Federal law or regulation.**

Veterans' Benefits Eligibility Criteria Study

No single, consistent definition of "veteran" currently exists in Maine law. Benefit eligibility requirements are equally inconsistent. Even though these inconsistencies are a source of frustration to veterans and State officials alike, establishing one definition or one criterion for all benefits could result in significant additional costs to the State for which funding would be difficult to find.

Findings: The committee lacks sufficient time and resources to study the eligibility issue in the detail necessary to make recommendations. The committee recognizes the importance of the issue, however, and endorses the Director of MBVS' recommendation that the Commissioner of DVEM undertake a study of the laws governing eligibility for state veterans' benefits and report back to the First Regular Session of the 120th Legislature with recommendations to address the inconsistencies in eligibility criteria for State veterans' benefits. (*See Appendix L, Memorandum from F. Soares to Committee, Nov. 1, 1999*)

Recommendation:

- **The committee voted unanimously to recommend that the Commissioner of DVEM undertake a study of the laws governing eligibility for state veterans' benefits and to report back to the First Regular Session of the 120th Legislature with recommendations to address the inconsistencies in eligibility criteria for State veterans' benefits.**

Maine Veterans' Memorial Cemetery

The Maine Veterans' Memorial Cemetery is currently expanding with the addition of new acreage in Augusta that will accommodate up to 35,000 new burial plots and acreage in Caribou that will accommodate 46,000 new plots. Burials at the current cemetery in Augusta, which has a capacity of 16,000 plots, have increased dramatically in recent years and will continue to climb through the first decade of the new century.

Findings: During the study, the committee learned that approximately \$65,000 in funding is needed in FY 2000-01 to assist in the expansion of the Maine Veterans' Memorial Cemetery system in Augusta and Caribou. The State-funded survey of the 60-acre site in Caribou is nearing completion and a formal opening of the cemetery is being planned for Memorial Day 2000. The committee also was informed that local veterans had been unsuccessful in obtaining surplus military buildings from the Loring Development Authority (LDA) for use at the Caribou cemetery location. However, a representative of the LDA advised the committee that the Authority has been attempting to work with the Aroostook veterans' cemetery group to provide the needed buildings. (*See Appendix M, Letter from Brian Hamel to Senator Daggett, December 10, 1999.*) Additionally, a number of veterans from the Augusta area urged the committee to require the MVMC to offer graveside burial services at the Augusta cemetery. Such services are currently prohibited by cemetery rules.

Recommendations:

- **The committee unanimously recommends legislation to appropriate to the MVMC System additional operational funds totaling \$65,000 in FY 2000-01.**
- **The committee unanimously recommends that a letter be sent to the Loring Development Authority requesting that the Authority ensures that the buildings it plans to donate to the Aroostook veterans' cemetery are in serviceable or imminently reparable condition. The committee is further requesting that the LDA report to the Joint Standing Committee on Legal and Veterans' Affairs on the Authority's progress in providing the buildings to the cemetery. This report must be made in writing by March 1, 2000. (*See Appendix N, Letter Sen. Daggett to Brian Hamel, December 15, 1999.*)**
- **The committee unanimously recommends legislation to designate MVMC rules as major substantive rules, which are subject to legislative review effective August 1, 2000. This designation will, among other things, require the DVEM to participate in consensus-based rule development process in advance of rulemaking. Future adoption of rules or amendment of existing rules governing graveside services would be subject to legislative review before they could be implemented.**

Purchasing Military Service Time toward MSRS

Several veterans who are state employees made inquiries to the committee about the issue of buying military service time to credit toward their Maine State Retirement System years of service. Current law requires that a state employee have 15 years of creditable state service before becoming eligible to credit up to four years of full-time active duty toward his or her

MSRS years of creditable service (5 MRSA §17760, sub-§2, ¶A). Employees eligible for the benefit must have served during a federally recognized war period to qualify to apply their military service time to MSRS unless the years of active duty were prior to January 1, 1976 (§17760, sub-§2, ¶D-E).

Findings: The committee was concerned that the wartime service requirement of section 17760, which has been in effect since 1985, does not fairly treat peacetime veterans who, as eligible state employees, may wish to buy back some of their military service time. Among other things, the committee noted that former members of Vista, Peace Corps and others organizations who served in non-military capacities overseas have been extended the right to buy back their service time. The committee also noted that the 119th Legislature lowered the vesting requirement for all state employees to 5 years of creditable state service effective October 1, 1999 (Public Laws 1999, chapter 489). The committee also concluded that the 15-year vesting requirement in section 17760 should be lowered from 15 to 5 years to make it consistent with the new vesting requirement.

Recommendations:

- **The committee unanimously recommends legislation to repeal a requirement that state employees must have served during a federally-recognized period of conflict to be eligible to purchase military service time for credit toward their MSRS service years.**
- **The committee unanimously recommends that the period of state employment required for buyback eligibility be reduced from 15 years to 5 years.**

Communicating Benefit Information to Veterans

Ensuring that eligible veterans are apprised of the benefits available to them has challenged veterans' services providers for many years. The MBVS offers itinerant services throughout the State in addition to regular hours at regional field offices. Community service announcements are offered to print and electronic outlets. Each of the veterans' service organizations assigns members to assist the veteran in obtaining benefits. The bureau, veterans' organizations and others also undertake additional outreach efforts.

Finding: The committee heard frequently that many veterans were not aware of their eligibility for State veterans' benefits. The committee learned that some of this lack of awareness may be the result of lack of education, some may result from a lack of understanding of eligibility requirements, and some may be the result of an inadequate public information/outreach effort by State officials and veterans' organizations.

Recommendations:

- **The committee unanimously recommends that the MBVS study informational outreach strategies, including use of free and paid advertising in electronic and print media, the department's Internet website, mailings, partnering with private industry and public service organizations, among others, to develop a statewide communications program to inform Maine veterans of available State benefits.**

These strategies must be particularly targeted to those veterans not involved in a veterans' service organization or to those veterans already involved in or knowledgeable about veterans' issues. The MBVS must report its findings and recommendations to the Joint Standing Committee on Legal and Veterans' Affairs by March 1, 2000.

Homeless Veterans

The National Coalition for Homeless Veterans estimates that an average of one-third of the nation's homeless are veterans. A 1994 report by the Coalition estimated that on any given night in May of that year, homeless veterans accounted for 1,740 of Maine's homeless citizens. Many of these veterans may be eligible for State and Federal benefits. But homeless shelters in Maine are not required to identify veterans among their clients when reporting to public agencies that provide public funds to the shelters.

Finding: A failure to identify veterans among the homeless shelters' populations means that Maine's homeless veterans may not be receiving information about veterans' benefits or services for which they may be eligible.

Recommendations:

- **The committee recommends that any shelter for homeless persons operating in this State attempt to identify the veterans among their client populations and to refer these individuals to the nearest regional office of the Maine Bureau of Veterans' Services.**
- **The committee recommends that any state agency or board providing public funds to any homeless shelter operating in this State require those shelters to report to that agency or board those individuals in their client population who have been identified as veterans.**
- **The committee recommends that the departments and agencies providing public funds to homeless shelters develop administrative policies requiring efforts to identify of homeless veterans, as well as regular reports on those efforts.**

Peacetime Veterans

The committee heard from several peacetime veterans who asked that the State benefits now provided to wartime veterans be extended to any honorably discharged veteran. The peacetime veterans noted that even though they served their military time in years that are not recognized by the Federal government as periods of conflict, many of them participated in military conflicts and actions that put their physical well being in jeopardy. Conversely, some wartime veterans did not participate in military actions during their periods of service. A number of veterans, both peacetime and war-time, told the committee that veterans benefits should be extended to any person who raised his or her right hand and pledged to defend the United States and who, as a result, could be required to place themselves in harm's way.

Finding: In general, the committee is sympathetic to the requests by peacetime veterans to extend to them many of the state benefits reserved for wartime veterans. The committee notes that a number of the recommendations made earlier in this report reflect its efforts to extend some of these benefits to peacetime veterans (e.g., the veterans property tax exemption, the purchasing of military service time toward state retirement). However, the committee could not identify a cost-effective or affordable method to extend all state veterans' benefits to the nearly 150,000 veterans who are Maine residents.

Other State Veterans' Issues

The committee considered a number of other proposals to change veterans' benefits, but did not include these as part of their findings or recommendations. Among these were:

- Exempting from state income tax the military retirement income of veterans
- Exempting all veterans from paying a fee to obtain a hunting or a fishing license
- Supporting two carryover bills, one of which would provide complimentary hunting and fishing licenses to persons on active military duty (LD 1830) and one of which would expand hunting options for disabled veterans (LD 1390). (Some committee members, however, expressed individual support for these bills.)

Federal Veterans' Issues

A number of Federal veterans' benefits issues, which the committee did not make findings or recommendations on, were raised at the various public hearings. Most of those issues concerned medical or health matters, some of which were related to services at the Togus Veterans' Medical Center. Among the latter were:

- Concerns about the use by Federal officials of income eligibility guidelines ("means testing") to obtain prescriptions and other services
- Awareness of Togus staff about eligibility issues
- Awareness among veterans of benefits available to them at Togus
- The location of Togus with respect to where the majority of Maine veterans live
- The provision of honor guards for military burial services for veterans (*See Appendix O for new Federal Code governing honor guard availability.*)

Several veterans also complained that they were not receiving the benefits that they were promised when they joined the Armed Forces. Again, among these benefits was low-cost health care coverage. A number of career military retirees said that they had opted for private sector health insurance for health care because the cost to participate in the private sector program was significantly less than what they would have to pay for coverage under TRICARE, the U.S. Department of Defense contractor providing health care to military retirees at Martin's Point.

REFERENCES:

“A Compilation of Maine Veterans Laws 1998, Revised July 1, 1998,” Department of Defense, Veterans and Emergency Management, December 1998.

Adams, Maj. Gen. Earl. Letter to the Veterans’ Benefits Study Committee, Re: Information on Graveside Policy at Maine Veterans Memorial Cemetery, November 1, 1999.

_____. Letter to Representative John L. Tuttle Jr., November 8, 1999.

“Cost of Registration Plate Benefits for Veterans,” Bureau of Motor Vehicles, November 1, 1999.

Darsey, E. B. Letter to Veterans’ Benefit Study Committee, November 16, 1999.

“Federal Benefits for Veterans and Dependents, 1999 Edition,” U.S. Department of Veterans Affairs, Washington, D.C.

“Geographic Distribution of VA Expenditures for Fiscal year 1998, Summary of Expenditures by State, U.S. Department of Veterans Affairs website (www.va.gov/sumedpr/fy98/stotls98.html).

“Property Tax Bulletin No. 7, Tax Exemption for Veterans,” Maine Revenue Services, September 18, 1999.

“Report of the Maine Working Group on Aging Veterans,” Maine Working Group on Aging Veterans, May 30, 1998.

“Report to the Nation (excerpt),” National Coalition for Homeless Veterans, May 1994.

“Soares, Frank. “Presentation: Overview, Bureau of Maine Veterans Services,” September 20, 1999.

_____, Memo to the Veterans’ Benefit Study Committee, Re: Requested Budget Information, October 19, 1999.

_____, Memo to the Veterans’ Benefit Study Committee, Re: Recommendations to Correct Veteran Related Issues,” November 1, 1999.

“Summary of Veteran Registration Plates,” Bureau of Motor Vehicles, November 1, 1999.

“Veterans Registration Information,” Bureau of Motor Vehicles, November 1, 1999.

CHAPTER 78

H.P. 76 - L.D. 89

Resolve, to Study Standardized Periods of Military Service and Other Matters Related to the Award of State of Maine Veterans' Benefits

Emergency preamble. Whereas, Acts and resolves of the Legislature do not become effective until 90 days after adjournment unless enacted as emergencies; and

Whereas, there exist numerous state laws that provide for veterans' benefits that are separately administered by several different state departments and agencies; and

Whereas, these laws recognize varying periods of service for eligibility to receive veterans' benefits; and

Whereas, these nonstandardized periods of service may prohibit certain veterans from receiving certain benefits under state law; and

Whereas, these nonstandardized periods of service have made the administering of veterans' benefits to Maine veterans both inconsistent and confusing, particularly when the periods of service conflict with eligibility requirements under federal law; and

Whereas, several matters concerning the burial of veterans, veterans' property tax exemptions, the maintenance of veterans' grave sites, and the types and extent of medical services offered to veterans and their families, among other issues, have been presented to the 119th Legislature; and

Whereas, in the judgment of the Legislature, these facts create an emergency within the meaning of the Constitution of

Maine and require the following legislation as immediately necessary for the preservation of the public peace, health and safety; now, therefore, be it

Sec. 1. Committee established. Resolved: That the Committee to Study Standardized Periods of Military Service and Other Matters Related to the Award of State of Maine Veterans' Benefits, referred to in this resolve as the "committee," is established; and be it further

Sec. 2. Membership. Resolved: That the committee consists of the following 13 members:

1. Two members of the Senate who also serve as members of the Joint Standing Committee on Legal and Veterans Affairs, appointed by the President of the Senate;

2. Three members of the House of Representatives who also serve as members of the Joint Standing Committee on Legal and Veterans Affairs, appointed by the Speaker of the House of Representatives; and

3. Eight members who represent the joint standing committees listed in paragraphs A to E. The 8 committee members must be drawn equally from both Houses of the Legislature and from the 2 major political parties. The President of the Senate and the Speaker of the House shall appoint from their respective Houses committee members who represent the following committees:

A. The Joint Standing Committee on Health and Human Services;

B. The Joint Standing Committee on Labor;

C. The Joint Standing Committee on State and Local Government;

D. The Joint Standing Committee on Taxation; and

E. The Joint Standing Committee on Transportation; and be it further

Sec. 3. Appointment. Resolved: That appointments must be made within 30 days of the effective date of this resolve. The appointing authorities shall notify the Executive Director of the Legislative Council upon making the appointments; and be it further

Sec. 4. Chair. Resolved: That the first named Senate member is the Senate chair and the first named House of Representatives member is the House chair; and be it further

Sec. 5. Meetings and working groups. Resolved: That the cochairs of the committee shall call and convene the first meeting of the committee within 30 days of the date that the last member is appointed. The committee cochairs may form advisory working groups from among affected agencies, veterans organizations and the public to help carry out its responsibilities; and be it further

Sec. 6. Compensation. Resolved: That the committee members are entitled to receive the legislative per diem and reimbursement of necessary expenses for their attendance at authorized meetings of the committee. Working group members not otherwise compensated for expenses by their employers or other entities whom they represent are entitled to receive reimbursement of necessary expenses to attend authorized working group meetings; and be it further

Sec. 7. Staff. Resolved: That upon approval of the Legislative Council the Office of Policy and Legal Analysis shall provide necessary staffing services to the committee; and be it further

Sec. 8. Duties. Resolved: That the committee shall study the laws of this State that relate to the award of state veterans' benefits and consider alternatives that will codify and standardize the present laws related to eligibility for benefits based on periods of military service. In examining these issues, the committee shall consider all laws of the State that relate to veterans' benefits, including, but not limited to, those administered by the Department of Defense, Veterans and Emergency Management, the Department of Labor, the Department of Human Services and the Maine State Retirement System. As part of its study, the committee shall:

1. Hold public hearings to gather public comment on veterans' benefit issues. At least one public hearing must be held in each principal region of the State (north, central and south) as determined by the committee chairs;

2. Review and assess all existing laws of the State that contain eligibility criteria for veterans' benefits based on periods of military service, including, but not limited to, laws related to the veterans' property tax exemption, medical care for veterans and their families and veterans' burial. The review and assessment must include the identification of discrepancies and

inconsistencies in eligibility criteria based on periods of military service, among other criteria;

3. Identify and assess differences among state and federal laws regarding veterans' benefits eligibility criteria;

4. Identify and consider alternatives for codifying and standardizing laws regarding eligibility criteria for veterans' benefits based on periods of military service, including eligibility issues as related to peace-time veterans; and

5. Recommend appropriate legislation to reflect the findings of the committee; and be it further

Sec. 9. Report. Resolved: That the committee shall submit a report that must include its findings, together with any recommended legislation, to the Second Regular Session of the 119th Legislature by December 15, 1999. If the committee requires a limited extension of time to conclude its study and make its report, it may apply to the Legislative Council, which may grant the extension; and be it further

Sec. 10. Appropriation. Resolved: That the following funds are appropriated from the General Fund to carry out the purposes of this resolve.

1999-00

LEGISLATURE

**Committee to Study Standardized Periods
of Military Service and Other Matters
Related to the Award of State of Maine
Veterans' Benefits**

| | |
|-------------------|---------|
| Personal Services | \$4,290 |
| All Other | 8,300 |

Provides funds for the per diem and expenses of legislative members and the expenses of other eligible members of the Committee to Study Standardized Periods of Military Service and Other matters Related to the Award of State of Maine Veterans' Benefits, to hold 3 public hearings and to print the required report.

LEGISLATURE

TOTAL

\$12,590

Emergency clause. In view of the emergency cited in the preamble, this resolve takes effect when approved.