

HCS HB 437 -- MISSOURI MILITARY FAMILY RELIEF FUND

SPONSOR: Jackson

COMMITTEE ACTION: Voted "do pass" by the Committee on Veterans by a vote of 11 to 0.

This substitute creates the Missouri Military Family Relief Fund to be administered by the Adjutant General. The Adjutant General will make, subject to appropriations, grants from the fund to families of persons who are members of the Missouri National Guard or Missouri residents who are members of the reserves of the armed forces of the United States and have been called to active duty as a result of the terrorist attacks on September 11, 2001. A panel of three individuals will administer the fund and determine eligibility criteria for grants made from the fund. The panel will include a command sergeants major of the Missouri National Guard, a command sergeants major of the reserves or its equivalent, and a representative of the Missouri Veterans Commission.

In addition to state appropriations, in each taxable year beginning January 1, 2005, Missouri residents and corporations can designate a minimum contribution of \$1 on a single return or \$2 on a combined return to the fund from their refund amount or by separate payment. One percent of the money contributed by corporations in 2006 will be transferred to the General Revenue Fund; however, this amount cannot exceed \$70,000.

The Director of the Department of Revenue is required to transfer the contributions on a monthly basis to the State Treasurer for deposit into the fund. Any money remaining in the fund at the end of the biennium will not revert to the General Revenue Fund.

Currently, if a Missouri National Guard scholarship recipient ceases to be a member of the Missouri National Guard, he or she is required to repay the full amount of the scholarship. The substitute requires the recipients to maintain their military affiliation in order to avoid repayment penalties, although they are not required to be members of the Missouri National Guard. Individuals who are called to active duty will be credited for time served in fulfillment of their three-year obligation. Currently, these scholarship funds can only be used after all available United States Department of Defense educational assistance funds have been expended. The substitute removes this requirement.

The provisions of the substitute will expire six years from the effective date.

FISCAL NOTE: No impact on state funds in FY 2006, FY 2007, and FY 2008.

PROPOSERS: Supporters say that the primary purpose of the bill is to allow a designation on the Missouri income tax form that will allow citizens to contribute to the Military Family Relief Fund. The donation is voluntary.

Testifying for the bill were Representative Jackson; and Missouri National Guard Association.

OPPOSERS: There was no opposition voiced to the committee.

Alice Hurley, Legislative Analyst