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ESTABLISH MICH. PEACE FUND

House Bill 4851 (Substitute H-1)
Sponsor: Rep. James Agee

House Bill 4856 (Substitute H-2)
Sponsor: Rep. Karen Willard

First Analysis (7-20-93)

Committee: Military & Veterans Affairs

THE APPARENT PROBLEM:

Though it ended almost 50 years ago, the impact of World War II on the nations and peoples of the world is still felt today. Many people commemorate the war on Memorial Day or other special days that have been established throughout the year for that purpose, and of course school children are taught in history and civics classes the importance of that war both to this country and to the role of democracy in the world. Some people, however, feel the war's significance in helping to secure the freedoms enjoyed by Americans today could be better conveyed to citizens, especially younger people, if more were done to encourage the establishment of visual memorials and commemorations of events that occurred during it. With this in mind, legislation has been introduced that would create a special state restricted fund that could receive private donations from individuals or businesses and be used to fund monuments or memorials for commemorating the people, places or events of World War II.

THE CONTENT OF THE BILLS:

The bills would create a new act to provide for the establishment of the Michigan Peace Fund and amend the veterans trust fund act to provide for the proposed fund to be administered by the Michigan Veterans' Trust Fund Board of Trustees. House Bill 4856 is tie-barred to House Bill 4851.

House Bill 4856 would create the Michigan Peace Fund Act to create within the Department of Treasury a special fund that would be administered by the veterans' trust fund board. The fund would be capitalized by revenues collected through the income tax check-off proposed in House Bill 4862, and could also receive any gifts or contributions to the fund and money otherwise provided by law.

The state treasurer would direct the fund's investment and would have to credit the fund's interest and earnings into it. Money remaining in the fund at fiscal-year end would remain in it and would not lapse to the general fund.

The veterans' trust fund board would have to expend money in the fund to assist local units of government and civic organizations in establishing or maintaining memorials or commemorations approved by the board, including monuments, memorials or commemorations of an "historical event" that did either of the following:

- * memorialized or commemorated the people, places or events of World War II;
- * memorialized or commemorated any military event or occurrence that the board determined after 1996 was "historically significant."

The board could expend money in the fund to reimburse itself for actual expenses incurred in administering the fund.

House Bill 4851 would amend the veterans' trust fund act (MCL 35.604) to specify that, among other duties, the veterans' trust fund board would be charged with administering the Michigan Peace Fund that would be created under House Bill 4856.

FISCAL IMPLICATIONS:

According to an official with the Michigan Veterans Trust Fund, the bills would not affect state or local budget expenditures as the fund that would be created by House Bill 4856 would be funded entirely from private donations. Under House Bill 4851, any costs incurred by the veterans trust fund board

in administering the fund could be recouped by it from peace fund monies. (7-14-93)

ARGUMENTS:

For:

House Bill 4856 would create a special restricted fund that could accept donations and gifts from individuals, businesses or large corporations, and would allow money that accumulated in the fund to be used to help establish and maintain monuments or memorials commemorating historical events of World War II. The role this war played in helping to secure the freedoms enjoyed by Americans today could be conveyed well via visual monuments and memorials to citizens, especially young people, who may not fully understand the war's ramifications to democracy in the world today. Even though local communities currently can rely on local interest and financial support for such projects, it makes sense to create a state fund that would probably have more visibility and could draw interest from a greater number of potential donors than local projects. Once enough money had accumulated in the fund, local governmental units and civic organizations could apply for assistance from it to help fund projects that met the bill's criteria and were approved by the veterans trust fund board.

Against:

As introduced, House Bill 4856 was tie-barred to House Bill 4862, which would allow persons to donate a portion of their state income tax refunds to the peace fund via a "check-off" on state income tax return forms. (House Bill 4862 is currently in the House Taxation Committee.) The tie-bar, however, was removed from the version of the bill reported from the House Military and Veterans Affairs Committee. While the idea of creating a special fund that could receive private donations to pay for World War II memorials seems good, it would have little chance of raising an adequate amount of money without using the highly visible check-off on income tax returns as a way to solicit donations.

Response:

The goal of House Bill 4856 could still be achieved without the check-off proposed in House Bill 4862 as individuals and businesses became more aware that such a fund existed. Some people are concerned that adding another check-off to the income tax return form (there already are two) could be confusing to taxpayers and result in fewer donations to existing check-off programs. House

Bill 4856 has a better chance of being approved without the tie-bar. And the legislature, after studying whether adding another check-off to the income tax return form was a good idea, could take action on House Bill 4862 separately.

Against:

Some people are concerned about the ability of the veterans trust fund board to administer a new fund with current resources and staff, even though House Bill 4856 would allow the board to spend money from the proposed peace fund to reimburse itself for its actual expenses in administering it. Also, giving the board additional administrative duties could interfere with its primary purpose of overseeing the Michigan Veterans Trust Fund.

POSITIONS:

A spokesman for AMVETS, which represents American veterans from World War II, Korea and Vietnam, testified in support of the bills before the House Military and Veterans Affairs Committee on 7-14-93.

The following groups support House Bill 4856, but are concerned about the ability of the veterans trust fund board to administer the peace fund, as specified in House Bill 4851 (7-14-93):

- * The Michigan Association of County Veterans Counselors
- * The Veterans Services Division of Oakland County

The American Legion has not yet taken an official position on the bills, but supports the concept embodied within them. (7-14-93)

The Polish Legion of American Veterans, though it has not yet taken an official position on the bills, supports the concept behind them. (7-15-93)

The Michigan Veterans Trust Fund is not opposed to the bills' concept, but has concerns about how the Peace Fund proposed in House Bill 4856 would be implemented. (7-14-93)