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HOUSE FISCAL AGENCY

124 N. Capitol Avenue
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HB4079 AS REPORTED WITHOUT AMENDMENT

Sponsor
Committee

Rep. Scott Shackleton
LOCAL GOVERNMENT AND
URBAN POLICY

Analyst(s) Jen, Kyle

Completed 2/27/01

State Fiscal Impact

Cost	None
Revenues	None

Local Fiscal Impact

Cost	Increase
Revenues	None

House Bill 4079 would amend Public Act 235 of 1911 to raise the asset limit for burial allowances paid to eligible veterans and their spouses by counties from \$25,000 to \$38,000. No statewide figures exist as to the total number of \$300 allowances paid by counties. Instead, the fiscal impact of the bill has been estimated by inquiring as to the number of allowances paid in a sample of four counties (Ingham, Iron, Isabella, and Washtenaw) and extrapolating the figures across the entire state utilizing county veterans population estimates. Under current law, the total amount of payments paid by counties is estimated to be \$1.5 to \$1.8 million annually. This figure represents 5,000 to 6,000 allowances per year, equivalent to approximately 35 to 40 percent of total veterans deaths in Michigan.

Unfortunately, no data exist on the distribution of estate values among veterans (or some similar population), specifically the number who would qualify if the limit were raised from \$25,000 to \$38,000. Assuming an even distribution of estate values across the relevant range yields an estimated increase in county costs of \$780,000 to \$936,000 (total for all 83 counties). Given the speculative nature of the assumption about estate values, however, the actual cost increase may vary significantly from this range.