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## HOUSE FISCAL AGENCY

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HB4225 SUBSTITUTE  
H-4

Sponsor Rep. Ken Bradstreet  
Committee VETERANS AFFAIRS

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### State Fiscal Impact

### Local Fiscal Impact

Cost Increase  
Revenues Increase

Cost None  
Revenues None

House Bill 4225 (H-4) would create the State Veterans Cemetery Act. The bill would authorize the Department of Military and Veterans Affairs (DMVA) to acquire and purchase land in Crawford and Dickinson counties suitable for veterans cemeteries and to administer a cemetery utilizing available grant revenue under the National Cemetery System. The bill requires the department (specifically, the Veterans Affairs Directorate) to comply with all federal laws and regulations in administering a cemetery under the act.

The bill would also create the Veterans Cemeteries Fund within the state treasury; the state treasurer would be charged with administration of the fund, including the crediting of fund interest and earnings to the fund. Money in the fund at the close of the fiscal year would remain in the fund. DMVA would be required to expend money from the fund, upon appropriation, only for 1) architectural design, engineering plans, and necessary environmental impact studies and 2) necessary expenses to qualify for federal grants under the National Cemetery System. Finally, the bill would direct the legislature to appropriate sufficient funds to accomplish the purpose of the act.

This bill would increase state costs, as well as state revenue from federal sources. Based on current federal policy, the state could receive a grant for 100 percent of the costs of establishing one or more state cemeteries (the state would be required to fund design and planning of the cemeteries--perhaps 10% of total constructions costs--with subsequent reimbursement for allowable costs). The state would be responsible for the acquisition costs of the land for the cemeteries and the ongoing administrative, operational, and maintenance costs associated with the cemeteries. The state would be obligated to maintain the cemetery perpetually.

The costs of acquiring the land for the cemetery in the two specified areas are indeterminate; no costs would be incurred if suitable land for a cemetery is currently owned by the state. One potential site for the cemetery is the Camp Grayling Military Reservation. According to a December 1999 estimate by the U.S. Veterans Administration (VA), the recommended size for a cemetery located at Camp Grayling would be 49 acres (based on estimated burials for a 20-year period). The recommended size for a cemetery located in Marquette County would be 23 acres; Dickinson County borders Marquette County, so the recommended sizes for cemeteries in the two counties would be comparable.

The VA estimates that construction costs for the two cemeteries--which would ultimately be paid for entirely from federal grant revenue--would be \$4.0 million (Grayling) and \$1.5 million (Upper Peninsula).

According to the VA estimates, annual administrative and operational costs for a cemetery located at Camp Grayling would be \$300,000 and annual costs for a cemetery in Marquette County would be \$155,000 (again, comparable to costs for a cemetery in Dickinson County). Additionally, there would be costs associated with maintenance, repairs, and equipment

replacement. Given the time necessary for start-up of a cemetery, these costs would not be incurred until three to five years after enactment of the bill.

Service members who die on active duty, veterans, and their spouses and dependent children are eligible for burial at state veterans cemeteries; the state may impose residency or other more restrictive requirements. The VA is authorized to pay states a plot allowance of \$150 for expenses incurred in the burial of an eligible veteran without charge. Revenue from this allowance could be allocated towards the operational costs of the cemetery. If the allowance were received for 100 percent of the approximately 760 veterans buried in the two cemeteries each year (as estimated by the VA), revenue of \$114,000 would be collected by the state annually.