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Senate Bill 1269 (Substitute S-1 as reported by the Committee of the Whole)
Senate Bill 1270 (Substitute S-2 as reported by the Committee of the Whole)
Sponsor: Senator Valde Garcia
Committee: Senior Citizens and Veterans Affairs

CONTENT

Senate Bill 1269 (S-1) would create the "Military Family Relief Fund Act", and Senate Bill 1270 (S-2) would amend the Income Tax Act, to do the following:

- Establish the "Military Family Relief Fund" and provide for grants from the Fund to a "qualified individual" or his or her family.
- Require the Department of Military and Veterans Affairs (DMVA) to review grant applications and distribute money from the Fund.
- Allow a taxpayer to designate on his or her annual return a contribution of \$1 or more toward the Fund.
- Allocate 80% of the Fund money to the Military Family Relief Fund and 20% to the Post Fund and Posthumous Fund of the Michigan Soldiers' Home.

Senate Bill 1269 (S-1) would define "qualified individual" as an individual who is or was a member of a reserve component of the U.S. armed forces based in Michigan or who is a Michigan resident serving in a reserve component in another state and is called to active duty as a result of national response to September 11, 2001, or a national emergency declared by the President and for which Federal funds are spent. A qualified individual's family would have to be able to document the need for financial assistance for clothing, food, housing, utilities, medical services or prescriptions, insurance payments, vehicle payments, or other related necessities if the need occurred either during the time the individual was on active duty or because the individual incurred a line-of-duty injury or illness. ("Reserve components of the U.S. armed forces" would include the Army or Air National Guard and the Army, Naval, Marine Corps, Air Force, and Coast Guard Reserves.)

A qualified individual or his or her family could apply for more than one grant in any year. The DMVA would have to determine criteria and review applications for grants. Within 30 days of receiving an application, the DMVA would have to notify the applicant of one of the following:

- The applicant was eligible for a grant, the date when he or she would receive it, and the amount.
- The applicant was eligible, but no funds were available, and the application would be kept on file until money became available.
- The applicant was not eligible and the reasons why.

Within the first 30 days of each calendar year, the DMVA would have to begin distributing the money that was in the Fund at the end of the immediately preceding fiscal year until the Fund was exhausted. A qualified individual and his or her family could not receive more than \$2,000 from the Fund in any one calendar year, although the DMVA could waive that

limit if it determined that the individual or family was in an emergency situation or their needs were extreme.

Each year that the contribution designation under Senate Bill 1270 was in effect, an amount equal to the cumulative designations, plus interest and dividends, would have to be appropriated from the General Fund to the Military Family Relief Fund for use solely in support of the purposes provided in the proposed Act. No money from the Fund could be used to administer the Fund or implement Senate Bill 1270, and the DMVA could not use Fund money to replace funds otherwise designated to support similar programs.

Senate Bill 1270 (S-2) provides that, for tax years beginning after December 31, 2003, and before January 1, 2008, a taxpayer could designate on his or her annual return that a contribution of \$1 or more be credited to the Military Family Relief Fund. An amount equal to the cumulative designations, minus the amount appropriated to the Department of Treasury to implement the bill, would have to be distributed each fiscal year to the DMVA. Of that distribution, 80% would have to go to the proposed Military Family Relief Fund and 20% to the Post Fund and Posthumous Fund of the Michigan Soldiers' Home. Money appropriated pursuant to the bill would have to be in addition to any allocations and appropriations and would be "intended to enhance appropriations from the general fund and not to replace or supplant those appropriations". The bill is tie-barred to either Senate Bill 1269 or House Bill 5954, which also would create the Military Family Relief Fund Act and establish a grant program.

Proposed MCL 206.438 (S.B. 1270)

Legislative Analyst: Patrick Affholter

FISCAL IMPACT

The bills would have an indeterminate fiscal impact on the State. The bills would allow taxpayers to designate on their annual returns a contribution of \$1 or more to the Military Family Relief Fund. The number of people who might choose to contribute to the Fund and the annual amount raised by such contributions cannot be determined. However, when the State of Michigan permitted income tax checkoff contributions between 1991-1999 for the Children's Trust Fund and the Non-Game Wildlife Fund, annual contributions averaged \$771,351 and \$569,081, respectively.

Date Completed: 6-30-04

Fiscal Analyst: Bruce Baker

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This analysis was prepared by nonpartisan Senate staff for use by the Senate in its deliberations and does not constitute an official statement of legislative intent.