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House Bill 4811 (Substitute H-1 as passed by the House)
Sponsor: Representative Ray A. Franz
House Committee: Military and Veterans Affairs
Senate Committee: Veterans, Military Affairs and Homeland Security

Date Completed: 2-24-14

CONTENT

The bill would amend the Military Family Relief Fund Act to do the following:

- **Allow grants to be made to the family of a qualified individual for a need that occurred more than 30 days after the individual's reserve military unit received a mobilization order or within six months after the unit returned, rather than during the time the individual is on active duty.**
- **Define "need".**
- **Allocate up to \$50,000 annually from the Military Family Relief Fund for advertising, marketing, and promotion of its goals.**

Qualification for Grant

The Act created the Military Family Relief Fund, which is funded by donations made through an income tax check off, to offer grants to provide assistance to families of qualified individuals.

The Act defines "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. ("Reserve components of the U.S. armed forces" include the Army or Air National Guard and the Army, Naval, Marine Corps, Air Force, and Coast Guard Reserves.)

A qualified individual's family must 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 in either of the following situations:

- The need occurred because the individual has incurred a line-of-duty injury or illness.
- The need occurred during the time the individual is on active duty.

In the second situation, the bill would require that the need occurred more than 30 days after a unit received a mobilization order for active Federal service or within six months after a unit returned from active Federal service, rather than during the time the individual is on active duty. The bill would define "unit" as a mobilized unit in which the qualified individual is in active Federal service.

The bill also would define "need" as an unforeseen situation that causes a temporary or short-term financial emergency or hardship that a grant under the Act would resolve and for which an applicant can demonstrate the ability to meet the expenses in the future.

Fund Allocation

Under the Act, each year that the income tax contribution designation is in effect, an amount equal to the cumulative designations, plus interest and dividends, must be appropriated from the General Fund to the Military Family Relief Fund for use solely in support of the purposes provided in the Act. No money from the Fund may be used to administer it or implement Section 438 of the Income Tax Act (which provides for the income contribution designation). Under the bill, however, not more than \$50,000 would have to be allocated annually from the Fund for advertising, marketing, and promoting the goals of the Fund to the public.

MCL 35.1212 & 35.1214

Legislative Analyst: Patrick Affholter

FISCAL IMPACT

The bill would expand the criteria for how funds from the Military Family Relief Fund may be distributed. According to the Department of Military and Veterans Affairs, this would allow the Department to disburse more grants from the Fund—in an amount that cannot be determined—to qualifying families of active duty members of the armed services, because many potential grant recipients incur financial needs up to 30 days before active duty and within six months following return from that duty. To date, the total tax check-off and donations to the Fund amount to \$4,309,957, and 665 applicants have been assisted. The current fund balance is \$2,351,179.

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.