

SESSION OF 2008

**SUPPLEMENTAL NOTE ON
SENATE SUBSTITUTE FOR HOUSE BILL NO. 2923**

As Recommended by Senate Committee on
Ways and Means

Brief*

Senate Sub. for HB 2923 would appropriate \$60,000 from the State General Fund in FY 2009 to the Kansas Commission on Veterans' Affairs to fund a new position under the Administration Program. It also would increase the one-time activation payment of \$1,000 made to those Kansas employees currently on or called to full-time military duty to \$1,500 as well as raise the wage differential payment from an amount not to exceed \$500 gross payment per pay period to \$1,000 gross payment per pay period. It would allow a full-time military service member who has been, or will be, deployed outside the United States to defer all or part of the real property tax owed for the person's principal place of residence in Kansas for up to two years while serving on active duty.

The bill would provide annual hunting and fishing licenses at no cost to disabled veterans, and would appropriate \$75,392 from the State General Fund during FY 2009 to the Department of Wildlife and Parks to reimburse the Wildlife Parks Fee Fund for the licenses.

It also would amend existing law to make military persons currently on active duty eligible for distinctive license plates.

Additionally, the bill would amend existing law to allow the Kansas Lottery to sell Veterans Benefit Game lottery tickets year-round and would change the distribution of net profits for the Veterans Benefit Game in both FY 2009 and FY 2010. The

*Supplemental notes are prepared by the Legislative Research Department and do not express legislative intent. The supplemental note and fiscal note for this bill may be accessed on the Internet at <http://www.kslegislature.org>

bill would require 40.0 percent of the net profits to be used for Kansas National Guard scholarships; 30.0 percent to benefit the Kansas Veterans Home, Kansas Soldiers Home, and the Veterans Cemetery System; and 30.0 percent to the Museum of the Kansas National Guard for the expansion of its facility to include a 35th Infantry Division Museum and Education Center. The distribution of net profits would return to 50.0 percent to benefit Kansas National Guard scholarships and 50.0 percent to benefit the Kansas Veterans Home, Kansas Soldiers Home, and the Veterans Cemetery System in FY 2011.

Background

The Senate Committee on Ways and Means adopted a substitute for HB 2923 which deletes all the provisions HB 2923, as passed by the House, and inserts some provisions from two separate bills: SB 533, and SB 680.

Regarding SB 533, the Committee heard testimony from the following proponents: a representative from the Kansas Commission on Veterans' Affairs; a representative from the American Legion; and a representative from the Veterans of Foreign Wars. All proponents supported the bill. A representative from the Kansas Department of Revenue testified as a neutral party.

No opponents testified against the bill at the hearing.

Regarding SB 680, the Committee heard testimony from the following proponents: a representative of the Kansas Commission on Veterans' Affairs; and a representative from the Museum of the Kansas National Guard.

No opponents testified against the bill at the hearing.

The fiscal note prepared by the Division of the Budget for the original version of SB 533 included estimates of \$50,000 for the Kansas Commission on Veterans' Affairs for Administration Program, \$500,000 for the Veteran's Claims Assistance

Program, and \$500,000 to establish the State Soldiers' Assistance Program for a total of \$1,050,000 for the Kansas Commission on Veterans' Affairs budget. The fiscal note includes estimates of \$7.6 million in lost tax revenue due to the tax credits included in the original version, and estimated a cost of \$1.475 million, all funds, including \$1.4 million from the State General Fund, to the Department of Revenue to implement the credits. The fiscal note estimates reimbursement of \$75,392 from the State General Fund to Wildlife and Parks to provide hunting and fishing licenses.

Under current law, the Kansas Lottery conducts a Veterans Benefit Game, selling lottery tickets from May 1 to November 30 each calendar year. After computing the net profits in mid-June, a transfer to the State Gaming Revenues Fund is certified for the purpose of National Guard Educational Assistance and assistance for veterans programs. Those funds are subsequently transferred to the State General Fund at the end of a fiscal year, and would be available for appropriation by the Legislature in the following fiscal year after July 1.

The fiscal note indicates the proposed one-year schedule of games would yield \$1.5 million in FY 2009 net profits, compared with \$960,000 estimated in FY 2009 for the current six-month schedule of games. The distribution of the annual net profits would be as follows:

	Current Law FY 2009	SB 680 FY 2009- FY 2010	SB 680 FY 2011
National Guard	\$ 480,000	\$ 600,000	\$ 750,000
Veterans	480,000	450,000	750,000
Museum	0	450,000	0
Total	\$ 960,000	\$ 1,500,000	\$ 1,500,000

The Division of the Budget fiscal note indicates that SB 680, if enacted, would increase by \$540,000 the amount of State General Fund revenue in FY 2009 that is dedicated for statutory purposes, and thus not available for other appropriations.