

**LEGISLATIVE SERVICES AGENCY
OFFICE OF FISCAL AND MANAGEMENT ANALYSIS**

301 State House
(317) 232-9855

FISCAL IMPACT STATEMENT

LS 6286

BILL NUMBER: HB 1071

DATE PREPARED: Nov 16, 1998

BILL AMENDED:

SUBJECT: Desert Shield and Desert Storm bonus.

FISCAL ANALYST: Mark Bucherl

PHONE NUMBER: 232-9869

FUNDS AFFECTED: **GENERAL**
 DEDICATED
FEDERAL

IMPACT: State & Local

Summary of Legislation: This bill provides for a bonus to be paid to a member of the armed forces of the United States if the member: (1) was a resident of Indiana for at least six months immediately before the member's enlistment, induction, or call to active duty in the armed forces of the United States; (2) was on active duty during Operation Desert Shield or Operation Desert Storm; and (3) served after July 31, 1990, and before August 1, 1991. It allows for certain surviving next of kin to receive the bonus if a member of the armed forces of the United States who is eligible to receive the bonus is deceased. It also specifies that the amount of the bonus is: (1) \$300 for a member of the armed forces who qualifies; (2) \$600 for a member of the armed forces who qualifies and was awarded a Purple Heart decoration or received a disability rating of at least 10% because the person was injured while on active duty; and (3) \$1,000 for the next of kin of a member of the armed forces who qualifies and was killed while on active duty. (The introduced version of this bill was prepared by the Military and Veterans Affairs Commission.)

Effective Date: July 1, 1999.

Explanation of State Expenditures: According to Department of Defense figures, 14,725 Hoosiers served in Saudi Arabia, Kuwait, Iraq, Yemen, Oman, Bahrain, Qatar, the United Arab Emirates, the Persian Gulf, the Red Sea, the Gulf of Oman, the Arabian Sea, the Gulf of Aden or the airspace above these areas during the period of August 1, 1990 through July 31, 1991. Under this proposal, these 14,725 Hoosier servicemen and women would be eligible for a bonus paid from the state General Fund.

Five Hoosiers were killed in action in the Gulf region during the specified time frame. Each of their families would be entitled to a \$1,000 payment. The remaining 14,720 veterans or their families would receive a bonus of \$300 or \$600. It is estimated that between 2,900 and 3,625 veterans were awarded the Purple Heart or received at least a 10% disability rating for injuries suffered on active duty. These veterans would receive \$600 each. The remaining veterans would each be entitled to a bonus of \$300. Based on this information, the estimated cost of this bill would be between \$5.3 million and \$5.5 million over the life of the program.

The Indiana Department of Veterans' Affairs would administer the bonus program and furnish application forms to veterans. Notices of claim rejections would be sent by first class mail. Claimants may appeal rejections to the Veterans Affairs' Commission. The Department and Commission would incur an indeterminable cost for printing and postage related to the program.

The bill imposes a Class D felony for a person to make a false or fraudulent statement of material fact on a claim, appeal, or supporting document regarding a bonus. Also, persons who charge a fee to assist in bonus collection may be charged with a Class B misdemeanor under this bill.

A Class D felony is punishable by a prison term ranging from 6 months to 3 years or reduction to Class A misdemeanor depending upon mitigating and aggravating circumstances. A Class B misdemeanor is punishable by up to 180 days in jail.

Explanation of State Revenues:

Explanation of Local Expenditures:

Explanation of Local Revenues:

State Agencies Affected: Indiana Department of Veterans' Affairs; Veterans' Affairs Commission; Department of Correction.

Local Agencies Affected: Trial courts, local law enforcement agencies.

Information Sources: Rick Wilson, Congressman Dan Burton's Office (848-0201); Indiana Sheriffs Association; Department of Correction.