



February 10, 2017

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## HOUSE BILL No. 1508

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DIGEST OF HB 1508 (Updated February 8, 2017 12:51 pm - DI 107)

**Citations Affected:** IC 4-30; IC 6-3.6; IC 10-17.

**Synopsis:** Veterans affairs issues. Requires the state lottery commission to adopt rules to establish a scratch off game to benefit Indiana veterans. Deposits revenue from sales of tickets for the scratch off game into the veterans service officer fund, the veterans service officer training fund, and the veterans disability clinic fund. Requires a part of local income taxes to be withheld from cities and counties that fail to enforce accreditation and reaccreditation requirements for city and county veterans service officers. Requires notification from the director of the department of veterans affairs to county and city executives concerning noncompliance of veterans service officer accreditation requirements. Requires county executives to designate county veterans service officers for five year terms. Sets minimum work hours for veterans service officers. Creates the veterans service officer fund. Creates the veterans service officer training fund.

**Effective:** July 1, 2017.

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### Judy, Macer, Zent, Morris

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January 18, 2017, read first time and referred to Committee on Public Policy.  
February 9, 2017, amended, reported — Do Pass. Referred to Committee on Ways and Means pursuant to Rule 127.

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HB 1508—LS 7512/DI 109





February 10, 2017

First Regular Session of the 120th General Assembly (2017)

PRINTING CODE. Amendments: Whenever an existing statute (or a section of the Indiana Constitution) is being amended, the text of the existing provision will appear in this style type, additions will appear in **this style type**, and deletions will appear in ~~this style type~~.

Additions: Whenever a new statutory provision is being enacted (or a new constitutional provision adopted), the text of the new provision will appear in **this style type**. Also, the word **NEW** will appear in that style type in the introductory clause of each SECTION that adds a new provision to the Indiana Code or the Indiana Constitution.

Conflict reconciliation: Text in a statute in *this style type* or ~~this style type~~ reconciles conflicts between statutes enacted by the 2016 Regular Session of the General Assembly.

## HOUSE BILL No. 1508

A BILL FOR AN ACT to amend the Indiana Code concerning military and veterans and to make an appropriation.

*Be it enacted by the General Assembly of the State of Indiana:*

1 SECTION 1. IC 4-30-3-20.5 IS ADDED TO THE INDIANA CODE  
2 AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY  
3 1, 2017]: **Sec. 20.5. (a) The commission shall adopt rules under**  
4 **IC 4-22-2 to establish a scratch off game to benefit veterans.**  
5 **(b) Beginning January 1, 2018, the scratch off game described**  
6 **in subsection (a) must be available to the public for play.**  
7 **(c) Profits from the sale of tickets for the scratch off game**  
8 **described in subsection (a) must be deposited as follows:**  
9 **(1) The first two million two hundred thousand dollars**  
10 **(\$2,200,000) of the profits to the veterans service officer fund**  
11 **established by IC 10-17-13.5-4.**  
12 **(2) The next seventy-seven thousand fifty dollars (\$77,050) of**  
13 **the profits to the veterans service officer training fund**  
14 **established by IC 10-17-1-10.5.**  
15 **(3) The remainder of the profits to the veterans disability**  
16 **clinic fund established by IC 10-17-12.5-7.**  
17 SECTION 2. IC 4-30-10-3 IS AMENDED TO READ AS

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1 FOLLOWS [EFFECTIVE JULY 1, 2017]: Sec. 3. **(a)** Each retailer is  
 2 liable to the commission for any and all tickets accepted or generated  
 3 by an employee or representative of that retailer. These tickets are  
 4 considered to have been purchased by the retailer, unless returned to  
 5 the commission within the time and in the manner prescribed by the  
 6 commission.

7 **(b) Except as provided in subsection (c),** all money received by  
 8 retailers from the sale of lottery tickets, less the amount retained as  
 9 compensation for the sale of the tickets and the amount paid out as  
 10 prizes by the retailer, shall be held in trust until its delivery to the  
 11 commission or electronic transfer to the administrative trust fund.

12 **(c) All money received by retailers from the sale of tickets for a**  
 13 **scratch off game established under IC 4-30-3-20.5, less the amount**  
 14 **retained as compensation for the sale of the tickets and the amount**  
 15 **paid out as prizes by the retailer, shall be held in trust until its**  
 16 **delivery to the commission for deposit in or electronic transfer to:**

17 **(1) the veterans service officer fund established by**  
 18 **IC 10-17-13.5-4;**

19 **(2) the veterans service officer training fund established by**  
 20 **IC 10-17-1-10.5.**

21 **(3) the veterans disability clinic fund established by**  
 22 **IC 10-17-12.5-7.**

23 SECTION 3. IC 4-30-15-1 IS AMENDED TO READ AS  
 24 FOLLOWS [EFFECTIVE JULY 1, 2017]: Sec. 1. **(a)** There is created  
 25 an administrative trust fund to be administered by the commission in  
 26 accordance with this article.

27 **(b) Except as provided in subsection (c),** all money received by  
 28 the commission shall be deposited into the fund. All money in the fund  
 29 is continually appropriated to the commission for the purposes  
 30 specified in this article.

31 **(c) The commission shall deposit profits from the sale of tickets**  
 32 **for a scratch off game established under IC 4-30-3-20.5 as follows:**

33 **(1) The first two million two hundred thousand dollars**  
 34 **(\$2,200,000) of the profits to the veterans service officer fund**  
 35 **established by IC 10-17-13.5-4.**

36 **(2) The next seventy-seven thousand fifty dollars (\$77,050) of**  
 37 **the profits to the veterans service officer training fund**  
 38 **established by IC 10-17-1-10.5.**

39 **(3) The remainder of the profits to the veterans disability**  
 40 **clinic fund established by IC 10-17-12.5-7.**

41 SECTION 4. IC 6-3.6-9-12, AS ADDED BY P.L.243-2015,  
 42 SECTION 10, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE



1 JULY 1, 2017]: Sec. 12. (a) **Except as provided in subsection (b),**  
 2 one-twelfth (1/12) of each adopting county's certified distribution for  
 3 a calendar year shall be distributed from its trust account established  
 4 under this chapter to the appropriate county treasurer on the first  
 5 regular business day of each month of that calendar year.

6 **(b) If the Indiana veterans' affairs commission has certified to**  
 7 **the auditor of state and the budget agency that a county or city is**  
 8 **not in compliance with IC 10-17-1, one-fourth (1/4) of the part of**  
 9 **the certified distribution that would be distributed to the county**  
 10 **civil taxing unit shall be withheld by the auditor of state until the**  
 11 **city or county has complied with IC 10-17-1.**

12 **(c) If a part of a distribution is withheld under subsection (b)**  
 13 **and the city or county subsequently complies with IC 10-17-1, the**  
 14 **auditor of state shall distribute to the county civil taxing unit the**  
 15 **amount of the distribution that was withheld, without interest for**  
 16 **the period during which the distribution was withheld.**

17 **(d) A withholding made under subsection (b) does not affect a**  
 18 **distribution to any unit other than the county civil taxing unit.**

19 SECTION 5. IC 10-17-1-6, AS AMENDED BY P.L.136-2014,  
 20 SECTION 1, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
 21 JULY 1, 2017]: Sec. 6. (a) The director of veterans' affairs:

- 22 (1) is the executive and administrative head of the Indiana  
 23 department of veterans' affairs; and  
 24 (2) shall direct and supervise the administrative and technical  
 25 activities of the department;

26 subject to the general supervision of the commission.

27 (b) The duties of the director include the following:

- 28 (1) To attend all meetings of the commission and to act as  
 29 secretary and keep minutes of the commission's proceedings.  
 30 (2) To appoint the employees of the department necessary to carry  
 31 out this chapter and to fix the compensation of the employees.  
 32 Employees of the department must qualify for the job concerned.  
 33 (3) To carry out the program for veterans' affairs as directed by  
 34 the governor and the commission.  
 35 (4) To carry on field direction, inspection, and coordination of  
 36 county and city service officers as provided in this chapter.  
 37 (5) To prepare and conduct service officer training schools with  
 38 the voluntary aid and assistance of the service staffs of the major  
 39 veterans' organizations.  
 40 (6) To maintain an information bulletin service to county and city  
 41 service officers for the necessary dissemination of material  
 42 pertaining to all phases of veterans' rehabilitation and service



1 work, including information necessary to inform veterans of the  
2 provisions of IC 22-9-10.

3 (7) To perform the duties described in IC 10-17-11 for the Indiana  
4 state veterans' cemetery.

5 (8) To perform the duties described in IC 10-17-12 for the  
6 military family relief fund.

7 (9) To establish a program and set guidelines under which a  
8 medal of honor awardee may receive compensation when  
9 attending and participating in official ceremonies.

10 **(10) To notify county executives and city executives of any**  
11 **noncompliance with the requirement in IC 10-17-1-9**  
12 **concerning the designation or employment of a service officer**  
13 **within sixty (60) days after the date of a vacancy in the office**  
14 **of county service officer.**

15 SECTION 6. IC 10-17-1-9, AS AMENDED BY P.L.108-2016,  
16 SECTION 2, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
17 JULY 1, 2017]: Sec. 9. (a) A county executive:

18 (1) shall designate ~~and may:~~

19 ~~(A) appoint~~ a county service officer for a ~~four (4)~~ **five (5)** year  
20 term; ~~or~~

21 ~~(B) employ a county service officer;~~ and

22 (2) may employ service officer assistants;

23 to serve the veterans of the county.

24 (b) The mayor of a city may employ a service officer and may  
25 employ service officer assistants to serve the veterans of the city.

26 (c) If the remuneration and expenses of a county or city service  
27 officer are paid from the funds of the county or city employing the  
28 service officer, the service officer shall:

29 (1) have the same qualifications and be subject to the same rules  
30 as the director, assistant director, and state service officers of the  
31 Indiana department of veterans' affairs; and

32 (2) serve under the supervision of the director of veterans' affairs.

33 A service officer assistant must have the same qualifications as an  
34 employee described in section 11(b) of this chapter. A rule contrary to  
35 this subsection is void.

36 (d) County and city fiscal bodies may appropriate funds necessary  
37 for the purposes described in this section.

38 **(e) A county service officer designated under this section must**  
39 **work at least one thousand (1,000) hours annually.**

40 SECTION 7. IC 10-17-1-10, AS AMENDED BY P.L.99-2016,  
41 SECTION 5, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
42 JULY 1, 2017]: Sec. 10. (a) Within thirty (30) days of their



1 appointment, new county, or city service officers must attend a new  
 2 service officer orientation presented by the Indiana department of  
 3 veterans' affairs and, according to the standards established under  
 4 section 4(4) of this chapter, become certified to assist veterans and  
 5 their dependents and survivors. The curriculum for the new service  
 6 officer orientation presented under this subsection shall be determined  
 7 by the director.

8 (b) Within one (1) year of appointment, new service officers must  
 9 attend a course presented by a national organization and become  
 10 accredited to represent veterans.

11 (c) An individual employed as a county, or city service officer under  
 12 this chapter is required to become accredited by a national veterans  
 13 service organization through the United States Department of Veterans  
 14 Affairs Office of General Counsel not later than one (1) year from the  
 15 date of **the** individual's employment, in order to represent veterans.

16 (d) Annually, all county, or city service officers shall undergo a  
 17 course of training to adequately address problems of discharged  
 18 veterans in the service officer's county, or city, including a thorough  
 19 familiarization with laws, rules, and regulations of the federal  
 20 government and the state that affect benefits to which the veterans and  
 21 dependents of the veterans are entitled. After a service officer has  
 22 undergone this sustainment training and successfully passed a written  
 23 test, the service officer shall be recertified by the director to assist  
 24 veterans for the following year.

25 **(e) A county service officer designated under section 9 of this**  
 26 **chapter must work at least one thousand (1,000) hours annually.**

27 **(f) If a city or county service officer resigns or is terminated**  
 28 **from the service officer position, the county executive or city**  
 29 **executive shall appoint a new service officer not more than thirty**  
 30 **(30) days after the resignation or termination.**

31 **(g) A county executive or city executive that fails to comply with**  
 32 **this chapter shall be penalized as provided in IC 6-3.6-9-12(b).**

33 SECTION 8. IC 10-17-1-10.5 IS ADDED TO THE INDIANA  
 34 CODE AS A NEW SECTION TO READ AS FOLLOWS  
 35 [EFFECTIVE JULY 1, 2017]: **Sec. 10.5. (a) As used in this section,**  
 36 **"fund" refers to the veterans service officer training fund**  
 37 **established by this section.**

38 **(b) The veterans service officer training fund is established to**  
 39 **provide the following:**

40 **(1) Grants for reimbursement for training for county and city**  
 41 **veterans service officers.**

42 **(2) Grants to purchase computer equipment and software for**



- 1 county and city veterans service officers.
- 2 (c) The department shall administer the fund. The fund consists  
3 of the following:
- 4 (1) Appropriations made by the general assembly.
- 5 (2) Donations to the fund.
- 6 (3) Interest.
- 7 (4) Money deposited under IC 4-30-15-1(c).
- 8 (5) Money from any other source authorized or appropriated  
9 for the fund.
- 10 (d) The expenses of administering the fund shall be paid from  
11 money in the fund.
- 12 (e) The treasurer of state shall invest the money in the fund not  
13 currently needed to meet the obligations of the fund in the same  
14 manner as other public money may be invested. Interest that  
15 accrues from these investments shall be deposited in the fund.
- 16 (f) Money in the fund at the end of a state fiscal year does not  
17 revert to the state general fund.
- 18 (g) The department shall adopt rules under IC 4-22-2, including  
19 emergency rules under IC 4-22-2-37.1, to implement this section,  
20 including rules that establish an application process for providing  
21 grants under this section. Subject to the approval of the budget  
22 agency, any appropriation to the department may be used to  
23 augment appropriations made to the department for use in funding  
24 grants under this section.
- 25 (h) There is appropriated annually to the fund from the state  
26 general fund an amount sufficient to cover any shortfall from  
27 deposits made under IC 4-30-15-1(c) to award grants under this  
28 section.
- 29 (i) A county or city veterans service officer may receive a grant  
30 for reimbursement for training expenses associated with veterans  
31 service officer training, including travel and incidental expenses of  
32 eligible county and city veterans service officers seeking initial or  
33 renewal veterans service officer accreditation. The department  
34 shall set standards for the reimbursement grants. A county or city  
35 veterans service officer may apply to the department for a  
36 reimbursement grant, and the department may make a grant based  
37 on the department's review of an application.
- 38 (j) A county or city that employs a veterans service officer may  
39 receive a grant in an amount not to exceed five hundred dollars  
40 (\$500) for reimbursement for computer equipment and software  
41 to enable the veterans service officer to access national data bases  
42 for benefits for veterans. The department shall set standards for





1 the review of grants for the purchase of computer equipment and  
 2 software under this subsection. A county or city may apply to the  
 3 department for a grant for reimbursement for the purchase of  
 4 computer equipment and software, and the department may make  
 5 a grant based on the department's review of an application.

6 SECTION 9. IC 10-17-13.5 IS ADDED TO THE INDIANA CODE  
 7 AS A NEW CHAPTER TO READ AS FOLLOWS [EFFECTIVE  
 8 JULY 1, 2017]:

9 **Chapter 13.5. Veterans Service Officer Fund**

10 **Sec. 1.** As used in this chapter, "commission" refers to the  
 11 Indiana veterans' affairs commission established by IC 10-17-13-4.

12 **Sec. 2.** As used in this chapter, "department" refers to the  
 13 Indiana department of veterans' affairs established by  
 14 IC 10-17-1-2.

15 **Sec. 3.** As used in this chapter, "fund" refers to the veterans  
 16 service officer fund established by section 4 of this chapter.

17 **Sec. 4. (a)** The veterans service officer fund is established to  
 18 provide funding for grants to counties for salaries for veterans  
 19 service officers. A grant awarded for veterans service officer  
 20 salaries under this chapter will be awarded to counties only for  
 21 paying salaries of veterans service officers who work at least one  
 22 thousand (1,000) hours annually.

23 (b) The fund shall be administered by the commission.

24 (c) The fund consists of the following:

25 (1) Appropriations made by the general assembly.

26 (2) Donations to the fund.

27 (3) Interest.

28 (4) Money deposited under IC 4-30-15-1(c).

29 (5) Money from any other source authorized or appropriated  
 30 for the fund.

31 (d) The expenses of administering the fund shall be paid from  
 32 money in the fund.

33 (e) The treasurer of state shall invest the money in the fund not  
 34 currently needed to meet the obligations of the fund in the same  
 35 manner as other public money may be invested. Interest that  
 36 accrues from these investments shall be deposited in the fund.

37 (f) Money in the fund at the end of a state fiscal year does not  
 38 revert to the state general fund.

39 (g) The commission shall adopt rules under IC 4-22-2, including  
 40 emergency rules under IC 4-22-2-37.1 to implement this chapter  
 41 including rules that establish an application process for providing  
 42 grants to counties under this section for salaries for county



1 veterans service officers. Subject to the approval of the budget  
2 agency, any appropriation to the department or the commission  
3 may be used to augment appropriations made to the commission  
4 for use in funding grants under this chapter.

5 (h) The maximum amount of a grant the commission may award  
6 to any county under this section per year for a veterans service  
7 officer required to be designated under IC 10-17-1-9 is equal to  
8 fifteen thousand dollars (\$15,000).

9 Sec. 5. A county may receive, in addition to a grant under  
10 section 4 of this chapter, a subsequent grant annually that is equal  
11 to thirty five thousand dollars (\$35,000) multiplied by the amount  
12 determined under STEP FOUR of the following formula:

13 STEP ONE: Determine the number of veterans in the county.

14 STEP TWO: Divide the number determined in STEP ONE by  
15 ten thousand (10,000).

16 STEP THREE: Round the amount determined in STEP TWO  
17 to the nearest five-tenths (0.5).

18 STEP FOUR: Subtract one (1) from the amount determined  
19 in STEP THREE.

20 Sec. 6. The department may establish procedures, forms, and  
21 standards to carry out this chapter.



## COMMITTEE REPORT

Mr. Speaker: Your Committee on Public Policy, to which was referred House Bill 1508, has had the same under consideration and begs leave to report the same back to the House with the recommendation that said bill be amended as follows:

Page 1, between lines 4 and 5, begin a new paragraph and insert:

**"(b) Beginning January 1, 2018, the scratch off game described in subsection (a) must be available to the public for play."**

Page 1, line 5, delete "(b)" and insert "(c)".

Page 1, line 11, delete "department of veterans' affairs" and insert **"veterans service officer training fund"**.

Page 1, line 12, delete "IC 10-17-1-2." and insert **"IC 10-17-1-10.5."**

Page 2, line 35, delete "department of veterans' affairs" and insert **"veterans service officer training fund"**.

Page 2, line 36, delete "IC 10-17-1-2." and insert **"IC 10-17-1-10.5."**

Page 8, line 6, delete "fifty percent (50%) of the minimum federal exempt employee" and insert **"fifteen thousand dollars (\$15,000)"**.

Page 8, delete line 7.

Page 8, between lines 7 and 8, begin a new paragraph and insert:

**"Sec. 5. A county may receive, in addition to a grant under section 4 of this chapter, a subsequent grant annually that is equal to thirty five thousand dollars (\$35,000) multiplied by the amount determined under STEP FOUR of the following formula:**

**STEP ONE: Determine the number of veterans in the county.**

**STEP TWO: Divide the number determined in STEP ONE by ten thousand (10,000).**

**STEP THREE: Round the amount determined in STEP TWO to the nearest five-tenths (0.5).**

**STEP FOUR: Subtract one (1) from the amount determined in STEP THREE."**

Page 8, delete lines 8 through 19.

Page 8, line 20, delete "(j)" and insert **"Sec. 6."**

Page 8, delete lines 22 through 28.

and when so amended that said bill do pass.

(Reference is to HB 1508 as introduced.)

SMALTZ

Committee Vote: yeas 11, nays 0.

**HB 1508—LS 7512/DI 109**

