

SENATE BILL NO. 50  
INTRODUCED BY D. SHEA

A BILL FOR AN ACT ENTITLED: "AN ACT REVISING THE MEMBERSHIP OF THE BOARD OF VETERANS' AFFAIRS; SPECIFYING DUTIES OF THE BOARD; PROVIDING RULEMAKING AUTHORITY FOR THE BOARD; ESTABLISHING A SPECIAL REVENUE ACCOUNT TO BE USED FOR VETERANS' SERVICES UNDER THE BOARD AND PROVIDING A SOURCE OF FUNDING; EXPANDING THE BOARD'S AUTHORITY TO ACCEPT AND USE ADDITIONAL SOURCES OF FUNDING; ALLOWING THE BOARD TO ESTABLISH ADDITIONAL VETERANS' CEMETERIES; PROVIDING RULEMAKING AUTHORITY TO THE BOARD, RATHER THAN THE DEPARTMENT OF MILITARY AFFAIRS, FOR THE STATE VETERANS' CEMETERY PROGRAM; TRANSFERRING AUTHORITY OVER THE SPECIAL REVENUE ACCOUNT FOR STATE VETERANS' CEMETERIES TO THE BOARD FROM THE DEPARTMENT OF MILITARY AFFAIRS AND PROVIDING FOR FUND TRANSFERS; REQUIRING THE BOARD TO SOLICIT CERTAIN REVENUE; PROVIDING A STATE INCOME TAX DEDUCTION FOR CONTRIBUTIONS TO CERTAIN VETERANS' PROGRAMS; REQUIRING THE DEPARTMENT OF REVENUE TO DEVELOP FORMS FOR CONTRIBUTIONS AND TO FORWARD CONTRIBUTIONS SENT WITH INCOME TAXES TO SPECIFIED ACCOUNTS; REVISING LICENSE PLATE REGISTRATION FEES TO INCLUDE A 25 CENT A VEHICLE LICENSE PLATE FEE TO BE ASSIGNED TO A VETERANS' SERVICES SPECIAL REVENUE ACCOUNT; AMENDING SECTIONS 2-15-1205, 10-2-102, 10-2-106, 10-2-601, 10-2-602, 10-2-603, 15-30-121, AND 61-3-321, MCA; AND PROVIDING A DELAYED EFFECTIVE DATE."

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:

**Section 1.** Section 2-15-1205, MCA, is amended to read:

**"2-15-1205. Board of veterans' affairs -- composition -- quorum -- voting -- compensation -- allocation.** (1) There is a board of veterans' affairs.

(2) The board consists of ~~five~~ 15 members. Eight are voting members, and 7 are ex officio members.

(a) Six voting members must be appointed by the governor with the consent of the senate. ~~Not more than one member shall be appointed from a single county. However, a change of residence within the state after appointment does not alter a member's status.~~ These members must meet the following criteria:

(i) All members shall ~~shall~~ must be residents of this state and ~~shall~~ must have been honorably discharged from

service in the military forces of the United States ~~in any of its wars.~~

(ii) Five members must be appointed to represent a different geographic region of the state and must be a resident of that geographic region. The board shall set the geographic regions by rule. A member who represents a geographic region and who changes residence to a different geographic region may no longer serve on the board unless appointed as a representative for the new location.

(iii) One member must be appointed as an at-large veterans' representative.

(b) Of the voting members not appointed by the governor and confirmed by the senate, one must be from the governor's office of state coordinator of Indian affairs and one must be from the department of public health and human services.

(c) Ex officio membership is composed of one Montana-based representative from each of the following:

(i) the United States department of veterans affairs;

(ii) the veterans' employment and training service office in the United States department of labor;

(iii) the state administration and veterans' affairs interim committee;

(iv) each house and senate member of Montana's congressional delegation; and

(v) the administrator of the board of veterans' affairs, who must be appointed by the board and who is an ex officio member of the board except for personnel issues regarding the administrator's position.

(3) A vacancy occurring on the board among members appointed by the governor shall must be filled by the governor, subject to the conditions of this subsection (2).

(4) A quorum is five voting members.

(5) A vote resulting in a tie is the same as a negative vote.

(3)(6) Each member appointed by the governor shall must receive compensation meals, lodging, and travel expenses as provided for in ~~37-1-133~~ 2-18-501 through 2-18-503.

(4)(7) Each member shall appointed by the governor may serve for a term of 5 years maximum of two terms. Each term is for 5 years.

(5)(8) Members appointed by the governor may be removed by the governor only for cause.

(9) The board is allocated to the department of military affairs for administrative purposes only as prescribed in 2-15-121. However, the board may hire its own personnel, and ~~2-15-121(2)(d) does not apply.~~ The administrator of the board may represent the board in communications with the governor, and 2-15-121(3)(a) does not apply."

**Section 2.** Section 10-2-102, MCA, is amended to read:

**"10-2-102. ~~Duty~~ Duties of board -- employee qualifications.** ~~(4)~~ The board shall:

(1) establish a statewide service for discharged veterans and their families; by providing outreach and information and by addressing the following issues, among others determined to be necessary by the board:

(a) veteran job training and education;

(b) homelessness among veterans; and

(c) medical, dental, and long-term care benefits, services, and policies for veterans;

(2) actively cooperate with local, state and federal agencies having to do with the affairs of veterans and their families; and;

(3) promote the general welfare of all veterans and their families;

(4) work with veterans' services organizations, services assisting Indian veterans, and services supporting veterans' families;

(5) identify and apply for grants relevant to duties under this section; and

(6) hire an administrator to implement board policy and carry out the duties of the board.

~~(2)(7)~~ Employees of the board must be residents of this state. Whenever possible, all employees of the board must have served in the military forces of the United States during World War I, World War II, the Korean war, ~~or~~ the Vietnam conflict, or other periods of conflict involving the United States military overseas and must have been honorably discharged. Preference for employment must be given to disabled veterans."

**NEW SECTION. Section 3. Rulemaking authority.** The board shall adopt rules in accordance with the Montana Administrative Procedure Act provided for in Title 2, chapter 4, to implement the provisions of Title 10, chapter 2, part 1.

**NEW SECTION. Section 4. Veterans' services special revenue account -- sources of funds -- designated uses.** (1) There is a veterans' services account in the state special revenue fund to the credit of the board.

(2) Money collected from fees on motor vehicle registrations, as described in 61-3-321, and from gifts, grants, donations, or federal funds received under 10-2-106 must be deposited in the veterans' services account.

(3) Legislative appropriations of money in the account must be used for the purposes identified in 10-2-102 or other functions authorized by the board.

**Section 5.** Section 10-2-106, MCA, is amended to read:

**"10-2-106. Acceptance of federal funds or other funds.** (1) The board may accept from the federal government or any of its agencies thereof any funds made available to carry out ~~purposes within the scope of~~ the activities and purposes of the board as identified in 10-2-102 ~~and accept such funds as the board directs.~~

(2) The board may accept gifts, grants, or donations from other public or private sources, which must be used within the scope of activities and purposes identified in 10-2-102 or as otherwise authorized by the board.

(3) Gifts, grants, or donations must be deposited in the veterans' services special revenue account established in [section 4] unless specifically assigned by the donor to the special revenue account for state veterans' cemeteries established in 10-2-603."

**Section 6.** Section 10-2-601, MCA, is amended to read:

**"10-2-601. State veterans' cemeteries.** ~~The department of military affairs~~ board shall establish and operate state veterans' cemeteries. A cemetery must be located at Fort William Henry Harrison, Lewis and Clark County, Montana, and at Miles City. The board may establish additional state veterans' cemeteries as funding appropriated pursuant to 10-2-603 allows."

**Section 7.** Section 10-2-602, MCA, is amended to read:

**"10-2-602. Rulemaking authority.** ~~The department of military affairs~~ board shall adopt rules that to administer the state veterans' cemetery program and to provide criteria for determining which veterans who may be buried in a state veterans' cemetery. The criteria must include but are not limited to discharge status and length of service. The rules must be adopted in accordance with the Montana Administrative Procedure Act provided for in Title 2, chapter 4."

**Section 8.** Section 10-2-603, MCA, is amended to read:

**"10-2-603. Special revenue account -- use of funds -- solicitation.** (1) There is an account in the special revenue fund to the credit of the ~~department of military affairs~~ board for the state veterans' cemeteries.

(2) Plot allowances, ~~and~~ donations to the cemetery program, and fund transfers pursuant to 15-1-122(3)(d) must be deposited into the account.

(3) As appropriated by the legislature, money in the account may be used only for the construction, maintenance, operation, and administration of the state veterans' cemeteries.

(4) ~~The department of military affairs may~~ board shall solicit veterans' license plate sales and donations on behalf of the state veterans' cemeteries."

**Section 9.** Section 15-30-121, MCA, is amended to read:

**"15-30-121. Deductions allowed in computing net income.** (1) In computing net income, there are allowed as deductions:

(a) the items referred to in sections 161, including the contributions referred to in 33-15-201(5)(b), and 211 of the Internal Revenue Code of 1954 (26 U.S.C. 161 and 211), or as sections 161 and 211 are labeled or amended, subject to the following exceptions, which are not deductible:

- (i) items provided for in 15-30-123;
- (ii) state income tax paid;
- (iii) premium payments for medical care as provided in subsection (1)(g)(i);
- (iv) long-term care insurance premium payments as provided in subsection (1)(g)(ii);

(b) federal income tax paid within the tax year;

(c) expenses of household and dependent care services as outlined in subsections (1)(c)(i) through (1)(c)(iii) and (2) and subject to the limitations and rules as set out in subsections (1)(c)(iv) through (1)(c)(vi), as follows:

(i) expenses for household and dependent care services necessary for gainful employment incurred for:

(A) a dependent under 15 years of age for whom an exemption can be claimed;

(B) a dependent as allowable under 15-30-112(5), except that the limitations for age and gross income do not apply, who is unable to provide self-care because of physical or mental illness; and

(C) a spouse who is unable to provide self-care because of physical or mental illness;

(ii) employment-related expenses incurred for the following services, but only if the expenses are incurred to enable the taxpayer to be gainfully employed:

(A) household services that are attributable to the care of the qualifying individual; and

(B) care of an individual who qualifies under subsection (1)(c)(i);

(iii) expenses incurred in maintaining a household if over half of the cost of maintaining the household is furnished by an individual or, if the individual is married during the applicable period, is furnished by the individual and the individual's spouse;

(iv) the amounts deductible in subsections (1)(c)(i) through (1)(c)(iii), subject to the following limitations:

(A) a deduction is allowed under subsection (1)(c)(i) for employment-related expenses incurred during the year only to the extent that the expenses do not exceed \$4,800;

(B) expenses for services in the household are deductible under subsection (1)(c)(i) for employment-related expenses only if they are incurred for services in the taxpayer's household, except that

employment-related expenses incurred for services outside the taxpayer's household are deductible, but only if incurred for the care of a qualifying individual described in subsection (1)(c)(i)(A) and only to the extent that the expenses incurred during the year do not exceed:

- (I) \$2,400 in the case of one qualifying individual;
- (II) \$3,600 in the case of two qualifying individuals; and
- (III) \$4,800 in the case of three or more qualifying individuals;

(v) if the combined adjusted gross income of the taxpayers exceeds \$18,000 for the tax year during which the expenses are incurred, the amount of the employment-related expenses incurred, to be reduced by one-half of the excess of the combined adjusted gross income over \$18,000;

(vi) for purposes of this subsection (1)(c):

(A) married couples shall file a joint return or file separately on the same form;

(B) if the taxpayer is married during any period of the tax year, employment-related expenses incurred are deductible only if:

(I) both spouses are gainfully employed, in which case the expenses are deductible only to the extent that they are a direct result of the employment; or

(II) the spouse is a qualifying individual described in subsection (1)(c)(i)(C);

(C) an individual legally separated from the individual's spouse under a decree of divorce or of separate maintenance may not be considered as married;

(D) the deduction for employment-related expenses must be divided equally between the spouses when filing separately on the same form;

(E) payment made to a child of the taxpayer who is under 19 years of age at the close of the tax year and payments made to an individual with respect to whom a deduction is allowable under 15-30-112(5) are not deductible as employment-related expenses;

(d) in the case of an individual, political contributions determined in accordance with the provisions of section 218(a) and (b) of the Internal Revenue Code (now repealed) that were in effect for the tax year ended December 31, 1978;

(e) that portion of expenses for organic fertilizer and inorganic fertilizer produced as a byproduct allowed as a deduction under 15-32-303 that was not otherwise deducted in computing taxable income;

(f) contributions to the child abuse and neglect prevention program provided for in 52-7-101, subject to the conditions set forth in 15-30-156;

(g) the entire amount of premium payments made by the taxpayer, except premiums deducted in

determining Montana adjusted gross income, or for which a credit was claimed under 15-30-128, for:

(i) insurance for medical care, as defined in 26 U.S.C. 213(d), for coverage of the taxpayer, the taxpayer's dependents, and the parents and grandparents of the taxpayer; and

(ii) long-term care insurance policies or certificates that provide coverage primarily for any qualified long-term care services, as defined in 26 U.S.C. 7702B(c), for:

(A) the benefit of the taxpayer for tax years beginning after December 31, 1994; or

(B) the benefit of the taxpayer, the taxpayer's dependents, and the parents and grandparents of the taxpayer for tax years beginning after December 31, 1996;

(h) light vehicle registration fees, as provided for in 61-3-560 through 61-3-562, paid during the tax year;

and

(i) per capita livestock fees imposed pursuant to 15-24-921, 15-24-922, 81-6-104, 81-6-204, 81-6-209, 81-7-118, or 81-7-201; and

(j) contributions made in support of Montana's veterans to the following funds:

(i) the special revenue account established in [section 4]; or

(ii) the special revenue account established in 10-2-603 for the state veterans' cemeteries.

(2) (a) Subject to the conditions of subsection (1)(c), a taxpayer who operates a family day-care home or a group day-care home, as these terms are defined in 52-2-703, and who cares for the taxpayer's own child and at least one unrelated child in the ordinary course of business may deduct employment-related expenses considered to have been paid for the care of the child.

(b) The amount of employment-related expenses considered to have been paid by the taxpayer is equal to the amount that the taxpayer charges for the care of a child of the same age for the same number of hours of care. The employment-related expenses apply regardless of whether any expenses actually have been paid. Employment-related expenses may not exceed the amounts specified in subsection (1)(c)(iv)(B).

(c) Only a day-care operator who is licensed and registered as required in 52-2-721 is allowed the deduction under this subsection (2)."

**NEW SECTION. Section 10. Contributions made to veterans' programs through income tax deductions -- process -- distribution.** (1) A taxpayer making a timely filing of an income tax return, in accordance with 15-30-144, may enclose a separate check or other payment to contribute to veterans' special revenue accounts, established in [section 4] and 10-2-603, and may count that contribution as a deduction from the taxes owed in the year for which the taxpayer is filing the return.

(2) The department of revenue shall provide a form to identify the deduction, and the contribution must be attached to the form.

(3) All money received pursuant to subsection (1) must be forwarded upon receipt by the department of revenue to the state treasurer for deposit in the veterans' services account established in [section 4] or to the special revenue account established in 10-2-603. If the taxpayer does not specify to which fund the contribution is intended to go, the department of revenue shall deposit the money in the veterans' services account established in [section 4]. The department of revenue may not make deductions for administrative expenses in handling these contributions.

**Section 11.** Section 61-3-321, MCA, is amended to read:

**"61-3-321. Registration fees of vehicles -- certain vehicles exempt from license or registration fees -- disposition of fees.** (1) Registration or license fees must be paid upon registration or reregistration of motor vehicles, trailers, and semitrailers, in accordance with this chapter, as follows:

- (a) light vehicles under 2,850 pounds, \$13.75;
- (b) trailers with a declared weight of less than 2,500 pounds and semitrailers, \$8.25;
- (c) motor vehicles registered pursuant to 61-3-411 that are:
  - (i) over 2,850 pounds, \$10; and
  - (ii) under 2,850 pounds, \$5;
- (d) off-highway vehicles registered pursuant to 23-2-817, \$9;
- (e) light vehicles over 2,850 pounds, trucks and buses less than 1 ton, and heavy trucks in excess of 1 ton, \$18.75;
- (f) logging trucks less than 1 ton, \$23.75;
- (g) motor homes, \$22.25;
- (h) motorcycles and quadricycles, \$9.75;
- (i) trailers and semitrailers between 2,500 and 6,000 pounds, \$11.25;
- (j) trailers and semitrailers in excess of 6,000 pounds, other than trailers and semitrailers registered in other jurisdictions and registered through a proportional registration agreement, \$16.25;
- (k) travel trailers, \$11.75; and
- (l) recreational vehicles, \$3.50.

(2) If a motor vehicle, trailer, or semitrailer is originally registered 6 months after the time of registration as set by law, the registration or license fee for the remainder of the year is one-half of the regular fee.



(3) An additional fee of \$5 must be collected for the registration of each motorcycle as a safety fee and must be deposited in the state motorcycle safety account provided for in 20-25-1002.

(4) A fee of \$2 for each set of new number plates must be collected when number plates provided for under 61-3-332(2) are issued.

(5) The provisions of this part with respect to the payment of registration fees do not apply to and are not binding upon motor vehicles, trailers, semitrailers, or tractors owned or controlled by the United States of America or any state, county, city, or special district, as defined in 18-8-202.

(6) (a) Except as provided in 61-3-562 and subsection (6)(b) of this section, a fee of 25 cents a year for each registration of a vehicle must be collected when a vehicle is registered or reregistered. The revenue derived from this fee must be forwarded by the county treasurer for deposit in the general fund for transfer to the credit of the senior citizens and persons with disabilities transportation services account provided for in 7-14-112.

(b) The following vehicles are not subject to the fee imposed in subsection (6)(a):

(i) trailers and semitrailers registered in other jurisdictions and registered through a proportional registration agreement; and

(ii) travel trailers, recreational vehicles, and off-highway vehicles registered pursuant to 23-2-817.

(7) (a) Except as provided in 61-3-562 and subsection (7)(b) of this section, a fee of 25 cents a year for each registration of a vehicle must be collected for deposit in the veterans' services special revenue account established in [section 4] when a vehicle is registered or reregistered. The county treasurer shall forward revenue derived from this fee to the state for deposit in the account.

(b) The following vehicles are not subject to the fee:

(i) trailers and semitrailers registered in other jurisdictions and registered through a proportional registration agreement;

(ii) off-highway vehicles registered pursuant to 23-2-817; and

(iii) vehicles bearing license plates described in 61-3-332(10)(d).

~~(7)(8)~~ The provisions of this section relating to the payment of registration fees or new number plate fees do not apply when number plates are transferred to a replacement vehicle under 61-3-317, 61-3-332, or 61-3-335.

~~(8)(9)~~ A person qualifying under 61-3-332(10)(d) is exempt from the fees required under this section.

~~(9)(10)~~ Except as otherwise provided in this section, revenue collected under this section must be deposited in the state general fund."

NEW SECTION. Section 12. Implementation. (1) The members of the board of veterans' affairs,

established in 2-15-1205, who are members on the day before [the effective date of this act] may continue to serve the remainder of their terms as described under the provisions of 2-15-1205.

(2) Appointments to the board made after [the effective date of this act] must be made as described in 2-15-1205(2).

**NEW SECTION. Section 13. Notification to tribal governments.** The secretary of state shall send a copy of [this act] to each tribal government located on the seven Montana reservations and to the Little Shell band of Chippewa.

**NEW SECTION. Section 14. Codification instruction.** (1) [Sections 3 and 4] are intended to be codified as an integral part of Title 10, chapter 2, part 1, and the provisions of Title 10, chapter 2, part 1, apply to [sections 3 and 4].

(2) [Section 10] is intended to be codified as an integral part of Title 15, chapter 30, and the provisions of Title 15, chapter 30, apply to [section 10].

**NEW SECTION. Section 15. Effective date.** [This act] is effective January 1, 2004.

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