

SENATE
STATE OF MINNESOTA
EIGHTY-EIGHTH LEGISLATURE

S.F. No. 1278

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DATE	D-PG	OFFICIAL STATUS
03/11/2013	777	Introduction and first reading Referred to State and Local Government See SF1589, Art. 1, Sec. 35

A bill for an act

1.1 relating to veterans; making changes to various provisions related to veterans;
 1.2 modifying certain provisions related to veterans income tax issues; making
 1.3 changes to the GI Bill; modifying county veteran service officer grants;
 1.4 appropriating money for the Gold Star Program and to certain veterans service
 1.5 organizations; providing civil immunity for participation in the yellow ribbon
 1.6 program in certain situations; providing a military retirement pay subtraction;
 1.7 providing a veterans jobs tax credit; making honor guard funding permanent;
 1.8 authorizing a special veterans license plate; creating a special lottery game for
 1.9 veterans; designating the Honor and Remember Flag as an official symbol of the
 1.10 state's commitment to military service members who have lost their lives in
 1.11 service to our country; establishing a presumption of rehabilitation through a
 1.12 person's honorable military service following a prior offense; extending the
 1.13 market value exclusion for surviving spouses; appropriating money for a new
 1.14 veterans cemetery; authorizing American Indian veterans plaque; appropriating
 1.15 money; amending Minnesota Statutes 2012, sections 124D.09, subdivision
 1.16 9; 197.608, subdivisions 3, 4, 5, 6; 197.791, subdivisions 1, 4, 5; 273.13,
 1.17 subdivision 34; 290.01, subdivision 19b; 290.0677, subdivisions 1a, 2; 290.091,
 1.18 subdivision 2; 364.03, subdivision 3; proposing coding for new law in Minnesota
 1.19 Statutes, chapters 168; 192; 196; 197; 290; 349A; repealing Minnesota Statutes
 1.20 2012, section 197.608, subdivision 2a.
 1.21

1.22 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MINNESOTA:

ARTICLE 1

VETERANS TAX ISSUES

1.25 Section 1. Minnesota Statutes 2012, section 273.13, subdivision 34, is amended to read:

1.26 Subd. 34. **Homestead of disabled veteran or family caregiver.** (a) All or a
 1.27 portion of the market value of property owned by a veteran and serving as the veteran's
 1.28 homestead under this section is excluded in determining the property's taxable market
 1.29 value if the veteran has a service-connected disability of 70 percent or more as certified
 1.30 by the United States Department of Veterans Affairs. To qualify for exclusion under this

2.1 subdivision, the veteran must have been honorably discharged from the United States
2.2 armed forces, as indicated by United States Government Form DD214 or other official
2.3 military discharge papers.

2.4 (b)(1) For a disability rating of 70 percent or more, \$150,000 of market value is
2.5 excluded, except as provided in clause (2); and

2.6 (2) for a total (100 percent) and permanent disability, \$300,000 of market value is
2.7 excluded.

2.8 (c) If a disabled veteran qualifying for a valuation exclusion under paragraph (b),
2.9 clause (2), predeceases the veteran's spouse, and if upon the death of the veteran the
2.10 spouse holds the legal or beneficial title to the homestead and permanently resides there,
2.11 the exclusion shall carry over to the benefit of the veteran's spouse ~~for the current taxes~~
2.12 ~~payable year and for five additional taxes payable years or~~ until such time as the spouse
2.13 remarries, or sells, transfers, or otherwise disposes of the property, ~~whichever comes first~~.
2.14 Qualification under this paragraph requires an annual application under paragraph (h).

2.15 (d) If the spouse of a member of any branch or unit of the United States armed
2.16 forces who dies due to a service-connected cause while serving honorably in active
2.17 service, as indicated on United States Government Form DD1300 or DD2064, holds
2.18 the legal or beneficial title to a homestead and permanently resides there, the spouse is
2.19 entitled to the benefit described in paragraph (b), clause (2), ~~for five taxes payable years,~~
2.20 ~~or~~ until such time as the spouse remarries or sells, transfers, or otherwise disposes of the
2.21 property, ~~whichever comes first~~.

2.22 (e) If a veteran meets the disability criteria of paragraph (a) but does not own
2.23 property classified as homestead in the state of Minnesota, then the homestead of the
2.24 veteran's primary family caregiver, if any, is eligible for the exclusion that the veteran
2.25 would otherwise qualify for under paragraph (b).

2.26 (f) In the case of an agricultural homestead, only the portion of the property
2.27 consisting of the house and garage and immediately surrounding one acre of land qualifies
2.28 for the valuation exclusion under this subdivision.

2.29 (g) A property qualifying for a valuation exclusion under this subdivision is not
2.30 eligible for the market value exclusion under subdivision 35, or classification under
2.31 subdivision 22, paragraph (b).

2.32 (h) To qualify for a valuation exclusion under this subdivision a property owner
2.33 must apply to the assessor by July 1 of each assessment year, except that an annual
2.34 reapplication is not required once a property has been accepted for a valuation exclusion
2.35 under paragraph (a) and qualifies for the benefit described in paragraph (b), clause (2), and
2.36 the property continues to qualify until there is a change in ownership. For an application

3.1 received after July 1 of any calendar year, the exclusion shall become effective for the
 3.2 following assessment year.

3.3 (i) A first-time application by a qualifying spouse for the market value exclusion under
 3.4 paragraph (d) must be made any time within two years of the death of the service member.

3.5 (j) For purposes of this subdivision:

3.6 (1) "active service" has the meaning given in section 190.05;

3.7 (2) "own" means that the person's name is present as an owner on the property deed;

3.8 (3) "primary family caregiver" means a person who is approved by the secretary of
 3.9 the United States Department of Veterans Affairs for assistance as the primary provider
 3.10 of personal care services for an eligible veteran under the Program of Comprehensive
 3.11 Assistance for Family Caregivers, codified as United States Code, title 38, section 1720G;
 3.12 and

3.13 (4) "veteran" has the meaning given the term in section 197.447.

3.14 (k) The purpose of this provision of law providing a level of homestead property tax
 3.15 relief for gravely disabled veterans, their primary family caregivers, and their surviving
 3.16 spouses is to help ease the burdens of war for those among our state's citizens who bear
 3.17 those burdens most heavily.

3.18 **EFFECTIVE DATE.** This section is effective beginning with taxes payable in 2014.

3.19 Sec. 2. Minnesota Statutes 2012, section 290.01, subdivision 19b, is amended to read:

3.20 Subd. 19b. **Subtractions from federal taxable income.** For individuals, estates,
 3.21 and trusts, there shall be subtracted from federal taxable income:

3.22 (1) net interest income on obligations of any authority, commission, or
 3.23 instrumentality of the United States to the extent includable in taxable income for federal
 3.24 income tax purposes but exempt from state income tax under the laws of the United States;

3.25 (2) if included in federal taxable income, the amount of any overpayment of income
 3.26 tax to Minnesota or to any other state, for any previous taxable year, whether the amount
 3.27 is received as a refund or as a credit to another taxable year's income tax liability;

3.28 (3) the amount paid to others, less the amount used to claim the credit allowed under
 3.29 section 290.0674, not to exceed \$1,625 for each qualifying child in grades kindergarten
 3.30 to 6 and \$2,500 for each qualifying child in grades 7 to 12, for tuition, textbooks, and
 3.31 transportation of each qualifying child in attending an elementary or secondary school
 3.32 situated in Minnesota, North Dakota, South Dakota, Iowa, or Wisconsin, wherein a
 3.33 resident of this state may legally fulfill the state's compulsory attendance laws, which
 3.34 is not operated for profit, and which adheres to the provisions of the Civil Rights Act
 3.35 of 1964 and chapter 363A. For the purposes of this clause, "tuition" includes fees or

4.1 tuition as defined in section 290.0674, subdivision 1, clause (1). As used in this clause,
4.2 "textbooks" includes books and other instructional materials and equipment purchased
4.3 or leased for use in elementary and secondary schools in teaching only those subjects
4.4 legally and commonly taught in public elementary and secondary schools in this state.
4.5 Equipment expenses qualifying for deduction includes expenses as defined and limited in
4.6 section 290.0674, subdivision 1, clause (3). "Textbooks" does not include instructional
4.7 books and materials used in the teaching of religious tenets, doctrines, or worship, the
4.8 purpose of which is to instill such tenets, doctrines, or worship, nor does it include books
4.9 or materials for, or transportation to, extracurricular activities including sporting events,
4.10 musical or dramatic events, speech activities, driver's education, or similar programs. No
4.11 deduction is permitted for any expense the taxpayer incurred in using the taxpayer's or
4.12 the qualifying child's vehicle to provide such transportation for a qualifying child. For
4.13 purposes of the subtraction provided by this clause, "qualifying child" has the meaning
4.14 given in section 32(c)(3) of the Internal Revenue Code;

4.15 (4) income as provided under section 290.0802;

4.16 (5) to the extent included in federal adjusted gross income, income realized on
4.17 disposition of property exempt from tax under section 290.491;

4.18 (6) to the extent not deducted or not deductible pursuant to section 408(d)(8)(E)
4.19 of the Internal Revenue Code in determining federal taxable income by an individual
4.20 who does not itemize deductions for federal income tax purposes for the taxable year, an
4.21 amount equal to 50 percent of the excess of charitable contributions over \$500 allowable
4.22 as a deduction for the taxable year under section 170(a) of the Internal Revenue Code,
4.23 under the provisions of Public Law 109-1 and Public Law 111-126;

4.24 (7) for individuals who are allowed a federal foreign tax credit for taxes that do not
4.25 qualify for a credit under section 290.06, subdivision 22, an amount equal to the carryover
4.26 of subnational foreign taxes for the taxable year, but not to exceed the total subnational
4.27 foreign taxes reported in claiming the foreign tax credit. For purposes of this clause,
4.28 "federal foreign tax credit" means the credit allowed under section 27 of the Internal
4.29 Revenue Code, and "carryover of subnational foreign taxes" equals the carryover allowed
4.30 under section 904(c) of the Internal Revenue Code minus national level foreign taxes to
4.31 the extent they exceed the federal foreign tax credit;

4.32 (8) in each of the five tax years immediately following the tax year in which an
4.33 addition is required under subdivision 19a, clause (7), or 19c, clause (15), in the case of a
4.34 shareholder of a corporation that is an S corporation, an amount equal to one-fifth of the
4.35 delayed depreciation. For purposes of this clause, "delayed depreciation" means the amount
4.36 of the addition made by the taxpayer under subdivision 19a, clause (7), or subdivision 19c,

5.1 clause (15), in the case of a shareholder of an S corporation, minus the positive value of
5.2 any net operating loss under section 172 of the Internal Revenue Code generated for the
5.3 tax year of the addition. The resulting delayed depreciation cannot be less than zero;

5.4 (9) job opportunity building zone income as provided under section 469.316;

5.5 (10) to the extent included in federal taxable income, the amount of compensation
5.6 paid to members of the Minnesota National Guard or other reserve components of the
5.7 United States military for active service, excluding compensation for services performed
5.8 under the Active Guard Reserve (AGR) program. For purposes of this clause, "active
5.9 service" means (i) state active service as defined in section 190.05, subdivision 5a, clause
5.10 (1); or (ii) federally funded state active service as defined in section 190.05, subdivision
5.11 5b, but "active service" excludes service performed in accordance with section 190.08,
5.12 subdivision 3;

5.13 (11) to the extent included in federal taxable income, the amount of compensation
5.14 paid to Minnesota residents who are members of the armed forces of the United States
5.15 or United Nations for active duty performed under United States Code, title 10; or the
5.16 authority of the United Nations;

5.17 (12) an amount, not to exceed \$10,000, equal to qualified expenses related to a
5.18 qualified donor's donation, while living, of one or more of the qualified donor's organs
5.19 to another person for human organ transplantation. For purposes of this clause, "organ"
5.20 means all or part of an individual's liver, pancreas, kidney, intestine, lung, or bone marrow;
5.21 "human organ transplantation" means the medical procedure by which transfer of a human
5.22 organ is made from the body of one person to the body of another person; "qualified
5.23 expenses" means unreimbursed expenses for both the individual and the qualified donor
5.24 for (i) travel, (ii) lodging, and (iii) lost wages net of sick pay, except that such expenses
5.25 may be subtracted under this clause only once; and "qualified donor" means the individual
5.26 or the individual's dependent, as defined in section 152 of the Internal Revenue Code. An
5.27 individual may claim the subtraction in this clause for each instance of organ donation for
5.28 transplantation during the taxable year in which the qualified expenses occur;

5.29 (13) in each of the five tax years immediately following the tax year in which an
5.30 addition is required under subdivision 19a, clause (8), or 19c, clause (16), in the case of a
5.31 shareholder of a corporation that is an S corporation, an amount equal to one-fifth of the
5.32 addition made by the taxpayer under subdivision 19a, clause (8), or 19c, clause (16), in the
5.33 case of a shareholder of a corporation that is an S corporation, minus the positive value of
5.34 any net operating loss under section 172 of the Internal Revenue Code generated for the
5.35 tax year of the addition. If the net operating loss exceeds the addition for the tax year, a
5.36 subtraction is not allowed under this clause;

6.1 (14) to the extent included in the federal taxable income of a nonresident of
6.2 Minnesota, compensation paid to a service member as defined in United States Code, title
6.3 10, section 101(a)(5), for military service as defined in the Servicemembers Civil Relief
6.4 Act, Public Law 108-189, section 101(2);

6.5 (15) to the extent included in federal taxable income, the amount of national service
6.6 educational awards received from the National Service Trust under United States Code,
6.7 title 42, sections 12601 to 12604, for service in an approved Americorps National Service
6.8 program;

6.9 (16) to the extent included in federal taxable income, discharge of indebtedness
6.10 income resulting from reacquisition of business indebtedness included in federal taxable
6.11 income under section 108(i) of the Internal Revenue Code. This subtraction applies only
6.12 to the extent that the income was included in net income in a prior year as a result of the
6.13 addition under section 290.01, subdivision 19a, clause (16); ~~and~~

6.14 (17) the amount of the net operating loss allowed under section 290.095, subdivision
6.15 11, paragraph (c); and

6.16 (18) to the extent included in federal taxable income, compensation received from a
6.17 pension or other retirement pay from the federal government for service in the military,
6.18 as computed under United States Code, title 10, sections 1401 to 1414, 1447 to 1455,
6.19 and 12733.

6.20 **EFFECTIVE DATE.** This section is effective for taxable years beginning after
6.21 December 31, 2012.

6.22 Sec. 3. Minnesota Statutes 2012, section 290.0677, subdivision 1a, is amended to read:

6.23 Subd. 1a. **Credit allowed; past military service.** (a) A qualified individual is
6.24 allowed a credit against the tax imposed under this chapter for past military service. The
6.25 credit equals \$750. The credit allowed under this subdivision is reduced by ~~ten~~ five percent
6.26 of adjusted gross income in excess of \$30,000, but in no case is the credit less than zero.

6.27 (b) For a nonresident or a part-year resident, the credit under this subdivision
6.28 must be allocated based on the percentage calculated under section 290.06, subdivision
6.29 2c, paragraph (e).

6.30 **EFFECTIVE DATE.** This section is effective for taxable years beginning after
6.31 December 31, 2012.

6.32 Sec. 4. Minnesota Statutes 2012, section 290.0677, subdivision 2, is amended to read:

7.1 Subd. 2. **Definitions.** (a) For purposes of this section, the following terms have
7.2 the meanings given.

7.3 (b) "Designated area" means a:

7.4 (1) combat zone designated by Executive Order from the President of the United
7.5 States;

7.6 (2) qualified hazardous duty area, designated in Public Law; or

7.7 (3) location certified by the U. S. Department of Defense as eligible for combat zone
7.8 tax benefits due to the location's direct support of military operations.

7.9 (c) "Active military service" means active duty service in any of the United States
7.10 armed forces, the National Guard, or reserves.

7.11 (d) "Qualified individual" means an individual who has:

7.12 (1) either (i) met one of the following criteria:

7.13 (i) has served at least 20 years in the military or;

7.14 (ii) has a service-connected disability rating of 100 percent for a total and permanent
7.15 disability; or

7.16 (iii) has been determined by the military to be eligible for compensation from a
7.17 pension or other retirement pay from the federal government for service in the military,
7.18 as computed under United States Code, title 10, sections 1401 to 1414, 1447 to 1455,
7.19 or 12733; and

7.20 (2) separated from military service before the end of the taxable year.

7.21 (e) "Adjusted gross income" has the meaning given in section 61 of the Internal
7.22 Revenue Code.

7.23 **EFFECTIVE DATE.** This section is effective for taxable years beginning after
7.24 December 31, 2012.

7.25 Sec. 5. **[290.0693] VETERANS JOBS TAX CREDIT.**

7.26 Subdivision 1. Definitions. (a) For the purposes of this section, the following terms
7.27 have the meanings given.

7.28 (b)(1) "Qualified employee" means an employee as defined in section 290.92,
7.29 subdivision 1, who meets the following criteria:

7.30 (i) the employee is a resident of Minnesota on the date of hire;

7.31 (ii) the employee is paid wages as defined in section 290.92, subdivision 1; and

7.32 (iii) the employee's wages are attributable to Minnesota under section 290.191,
7.33 subdivision 12;

7.34 (2) "Qualified employee" does not include:

8.1 (i) any employee who bears any of the relationships to the employer described in
8.2 subparagraphs (A) to (G) of section 152(d)(2) of the Internal Revenue Code;

8.3 (ii) if the employer is a corporation, an employee who owns, directly or indirectly,
8.4 more than 50 percent in value of the outstanding stock of the corporation, or if the
8.5 employer is an entity other than a corporation, an employee who owns, directly or
8.6 indirectly, more than 50 percent of the capital and profits interests in the entity, as
8.7 determined with the application of section 267(c) of the Internal Revenue Code; or

8.8 (iii) if the employer is an estate or trust, any employee who is a fiduciary of the estate
8.9 or trust, or is an individual who bears any of the relationships described in subparagraphs
8.10 (A) to (G) of section 152(d)(2) of the Internal Revenue Code to a grantor, beneficiary,
8.11 or fiduciary of the estate or trust.

8.12 (c) "Qualified employer" means an employer that hired a disabled veteran, an
8.13 unemployed veteran, or a veteran as a qualified employee.

8.14 (d) "Disabled veteran" is a veteran who has a service-connected disability rating
8.15 as adjudicated by the United States Department of Veterans Affairs, or by the retirement
8.16 board of one of the several branches of the armed forces.

8.17 (e) "Unemployed veteran" is a veteran who:

8.18 (1) received unemployment compensation under state or federal law at any time
8.19 during the two-year period prior to the date of hire; and

8.20 (2) was unemployed on the date of hire.

8.21 (f) "Veteran" has the meaning given in section 197.447.

8.22 (g) "Date of hire" means the day that the qualified employee begins performing
8.23 services as an employee of the qualified employer.

8.24 Subd. 2. **Credit allowed.** (a) A qualified employer is allowed a credit for each
8.25 of the following individuals that the qualified employer hires as a qualified employee
8.26 during the taxable year:

8.27 (1) a disabled veteran;

8.28 (2) an unemployed veteran; or

8.29 (3) a veteran.

8.30 (b) Subject to the requirements of this section, there is no limit to the number of
8.31 credits that a qualified employer may claim under this section during a taxable year.

8.32 Subd. 3. **Credit amount for hiring certain veterans.** (a) A qualified employer who
8.33 is required to file a return under section 289A.08, subdivision 1, 2, or 3, is allowed a credit
8.34 against the tax imposed by this chapter as determined under this subdivision.

9.1 (b) For hiring a disabled veteran as a qualified employee, the credit equals ten
9.2 percent of the wages paid to the qualified employee during the taxable year, but the
9.3 amount of the credit shall not exceed \$3,000.

9.4 (c) For hiring an unemployed veteran as a qualified employee, the credit equals
9.5 ten percent of the wages paid to the qualified employee during the taxable year, but the
9.6 amount of the credit shall not exceed \$1,500.

9.7 (d) For hiring a veteran as a qualified employee, the credit equals ten percent
9.8 of the wages paid to the qualified employee during the taxable year, but the amount of
9.9 the credit shall not exceed \$500.

9.10 (e) The credit is limited to the liability for tax under this chapter for the taxable year.
9.11 If the credit for a taxable year exceeds the liability for tax under this chapter, the excess
9.12 may not be carried over to a subsequent taxable year.

9.13 (f) A qualified employer may claim the credit available under paragraph (b), (c), or
9.14 (d) either for the taxable year in which the qualified employee is hired or for the taxable
9.15 year immediately following the year in which the qualified employee was hired, but the
9.16 qualified employer may not claim the credit for both taxable years.

9.17 (g) A qualified employer is allowed only one of the credits authorized under
9.18 paragraphs (b) to (d) upon hiring a disabled veteran, an unemployed veteran, or a veteran
9.19 as a qualified employee.

9.20 (h) A qualified employer may not claim a credit under this subdivision for hiring a
9.21 disabled veteran, an unemployed veteran, or a veteran as a qualified employee if the
9.22 qualified employer currently employs or has previously employed the disabled veteran,
9.23 unemployed veteran, or veteran.

9.24 Subd. 4. **Flow-through entities.** Credits granted to a partnership, limited liability
9.25 company taxed as a partnership, S corporation, or multiple owners of a business are passed
9.26 through to the partners, members, shareholders, or owners, respectively, pro rata to each
9.27 partner, member, shareholder, or owner based on their share of the entity's assets or as
9.28 specially allocated in their organizational documents, as of the last day of the taxable year.

9.29 **EFFECTIVE DATE.** This section is effective for taxable years beginning after
9.30 December 31, 2012.

9.31 Sec. 6. Minnesota Statutes 2012, section 290.091, subdivision 2, is amended to read:

9.32 Subd. 2. **Definitions.** For purposes of the tax imposed by this section, the following
9.33 terms have the meanings given:

9.34 (a) "Alternative minimum taxable income" means the sum of the following for
9.35 the taxable year:

10.1 (1) the taxpayer's federal alternative minimum taxable income as defined in section
10.2 55(b)(2) of the Internal Revenue Code;

10.3 (2) the taxpayer's itemized deductions allowed in computing federal alternative
10.4 minimum taxable income, but excluding:

10.5 (i) the charitable contribution deduction under section 170 of the Internal Revenue
10.6 Code;

10.7 (ii) the medical expense deduction;

10.8 (iii) the casualty, theft, and disaster loss deduction; and

10.9 (iv) the impairment-related work expenses of a disabled person;

10.10 (3) for depletion allowances computed under section 613A(c) of the Internal
10.11 Revenue Code, with respect to each property (as defined in section 614 of the Internal
10.12 Revenue Code), to the extent not included in federal alternative minimum taxable income,
10.13 the excess of the deduction for depletion allowable under section 611 of the Internal
10.14 Revenue Code for the taxable year over the adjusted basis of the property at the end of the
10.15 taxable year (determined without regard to the depletion deduction for the taxable year);

10.16 (4) to the extent not included in federal alternative minimum taxable income, the
10.17 amount of the tax preference for intangible drilling cost under section 57(a)(2) of the
10.18 Internal Revenue Code determined without regard to subparagraph (E);

10.19 (5) to the extent not included in federal alternative minimum taxable income, the
10.20 amount of interest income as provided by section 290.01, subdivision 19a, clause (1); and

10.21 (6) the amount of addition required by section 290.01, subdivision 19a, clauses (7)
10.22 to (9), (12), (13), and (16) to (18);

10.23 less the sum of the amounts determined under the following:

10.24 (1) interest income as defined in section 290.01, subdivision 19b, clause (1);

10.25 (2) an overpayment of state income tax as provided by section 290.01, subdivision
10.26 19b, clause (2), to the extent included in federal alternative minimum taxable income;

10.27 (3) the amount of investment interest paid or accrued within the taxable year on
10.28 indebtedness to the extent that the amount does not exceed net investment income, as
10.29 defined in section 163(d)(4) of the Internal Revenue Code. Interest does not include
10.30 amounts deducted in computing federal adjusted gross income;

10.31 (4) amounts subtracted from federal taxable income as provided by section 290.01,
10.32 subdivision 19b, clauses (6), (8) to (14), ~~and (16)~~, and (18); and

10.33 (5) the amount of the net operating loss allowed under section 290.095, subdivision
10.34 11, paragraph (c).

10.35 In the case of an estate or trust, alternative minimum taxable income must be
10.36 computed as provided in section 59(c) of the Internal Revenue Code.

11.1 (b) "Investment interest" means investment interest as defined in section 163(d)(3)
11.2 of the Internal Revenue Code.

11.3 (c) "Net minimum tax" means the minimum tax imposed by this section.

11.4 (d) "Regular tax" means the tax that would be imposed under this chapter (without
11.5 regard to this section and section 290.032), reduced by the sum of the nonrefundable
11.6 credits allowed under this chapter.

11.7 (e) "Tentative minimum tax" equals 6.4 percent of alternative minimum taxable
11.8 income after subtracting the exemption amount determined under subdivision 3.

11.9 **EFFECTIVE DATE.** This section is effective for taxable years beginning after
11.10 December 31, 2012.

11.11 **ARTICLE 2**

11.12 **COUNTY VETERANS SERVICE OFFICERS**

11.13 Section 1. Minnesota Statutes 2012, section 197.608, subdivision 3, is amended to read:

11.14 Subd. 3. **Eligibility.** (a) To be eligible for a grant under ~~this program~~ subdivision 6,
11.15 a county must employ a county veterans service officer as authorized by sections 197.60
11.16 and 197.606, who is certified to serve in this position by the commissioner.

11.17 (b) A county that employs a newly hired county veterans service officer who is
11.18 serving an initial probationary period and who has not been certified by the commissioner
11.19 is eligible to receive a grant under subdivision ~~2a~~ 6 for one year from the date the county
11.20 veterans service officer is appointed.

11.21 (c) ~~Except for the situation described in paragraph (b),~~ A county whose county
11.22 veterans service officer does not receive certification ~~during any year of the three-year~~
11.23 ~~cycle is not eligible to receive a grant during the remainder of that cycle or the next~~
11.24 ~~three-year cycle~~ by the end of the first year of the county veterans service officer's
11.25 appointment is ineligible for the grant under subdivision 6 until the county veterans
11.26 service officer receives certification.

11.27 Sec. 2. Minnesota Statutes 2012, section 197.608, subdivision 4, is amended to read:

11.28 Subd. 4. **Grant process.** (a) The commissioner shall determine the process for
11.29 awarding grants. A grant may be used only for the purpose of enhancing the operations of
11.30 the County Veterans Service Office.

11.31 (b) The commissioner shall provide a list of qualifying uses for grant expenditures
11.32 as developed in subdivision 5 and shall approve a grant under subdivision 6 only for a

12.1 qualifying use and if there are sufficient funds remaining in the grant program to cover the
 12.2 full amount of the grant.

12.3 (c) The commissioner is authorized to use any unexpended funding for this program
 12.4 to provide training and education for county veterans service officers.

12.5 Sec. 3. Minnesota Statutes 2012, section 197.608, subdivision 5, is amended to read:

12.6 Subd. 5. **Qualifying uses.** The commissioner shall consult with the Minnesota
 12.7 Association of County Veterans Service Officers in developing a list of qualifying uses for
 12.8 grants awarded under ~~this program~~ subdivision 6.

12.9 ~~The commissioner is authorized to use any unexpended funding for this program to~~
 12.10 ~~provide training and education for county veterans service officers.~~

12.11 Sec. 4. Minnesota Statutes 2012, section 197.608, subdivision 6, is amended to read:

12.12 Subd. 6. **Grant amount.** (a) Each county is eligible to receive an annual grant of
 12.13 \$7,500 for the following purposes:

12.14 (1) to provide outreach to the county's veterans;

12.15 (2) to assist in the reintegration of combat veterans into society;

12.16 (3) to collaborate with other social service agencies, educational institutions, and
 12.17 other community organizations for the purposes of enhancing services offered to veterans;

12.18 (4) to reduce homelessness among veterans; and

12.19 (5) to enhance the operations of the county veterans service office.

12.20 (b) In addition to the grant amount in paragraph (a), each county is eligible to receive
 12.21 an additional annual grant under this paragraph. The amount of each additional annual
 12.22 grant must be determined by the commissioner and may not exceed:

12.23 (1) ~~\$1,400~~ \$0, if the county's veteran population is less than 1,000;

12.24 (2) ~~\$2,800~~ \$2,500, if the county's veteran population is 1,000 or more but less than
 12.25 3,000;

12.26 (3) ~~\$4,200~~ \$5,000, if the county's veteran population is 3,000 or more but less than
 12.27 ~~10,000~~ than 4,999; or

12.28 (4) ~~\$5,600~~ \$7,500, if the county's veteran population is ~~10,000~~ 5,000 or more: but
 12.29 less than 9,999;

12.30 (5) \$10,000, if the county's veteran population is 10,000 or more but less than 19,999;

12.31 (6) \$15,000, if the county's veteran population is 20,000 or more but less than
 12.32 29,999; or

12.33 (7) \$20,000, if the county's veteran population is 30,000 or more.

13.1 (c) The Minnesota Association of County Veterans Service Officers is eligible to
13.2 receive an annual grant of \$50,000. The grant shall be used for administrative costs of
13.3 the association, certification of mandated county veterans service officer training and
13.4 accreditation, and costs associated with reintegration services.

13.5 The veteran population of each county shall be determined by the figure supplied by
13.6 the United States Department of Veterans Affairs, as adopted by the commissioner.

13.7 **Sec. 5. VETERANS SERVICE OFFICE; APPROPRIATION.**

13.8 \$1,005,000 is appropriated in fiscal year 2014 and \$1,005,000 is appropriated in fiscal
13.9 year 2015 from the general fund to the commissioner of veterans affairs for the additional
13.10 grants authorized by section 4. This amount is added to the agency's base budget.

13.11 **Sec. 6. REPEALER.**

13.12 Minnesota Statutes 2012, section 197.608, subdivision 2a, is repealed.

13.13 **ARTICLE 3**

13.14 **MISCELLANEOUS VETERANS PROVISIONS**

13.15 Section 1. Minnesota Statutes 2012, section 124D.09, subdivision 9, is amended to read:

13.16 Subd. 9. **Enrollment priority.** (a) A postsecondary institution shall give priority
13.17 to its postsecondary students when enrolling 10th, 11th, and 12th grade pupils in its
13.18 courses. A postsecondary institution may provide information about its programs to a
13.19 secondary school or to a pupil or parent and it may advertise or otherwise recruit or solicit
13.20 a secondary pupil to enroll in its programs on educational and programmatic grounds only.
13.21 An institution must not enroll secondary pupils, for postsecondary enrollment options
13.22 purposes, in remedial, developmental, or other courses that are not college level. Once a
13.23 pupil has been enrolled in a postsecondary course under this section, the pupil shall not
13.24 be displaced by another student.

13.25 (b) If a postsecondary institution enrolls a secondary school pupil in a course under
13.26 this section, the postsecondary institution may not deny access to that same course to an
13.27 otherwise enrolled and qualified postsecondary student who qualifies as a veteran under
13.28 section 197.447, and who can demonstrate to the postsecondary institution's satisfaction
13.29 that the institution's established enrollment timelines were not practicable for that student.

13.30 **EFFECTIVE DATE.** This section is effective July 1, 2013.

14.1 Sec. 2. [192.535] CIVIL IMMUNITY; BEYOND THE YELLOW RIBBON
 14.2 PROGRAM.

14.3 Subdivision 1. Definitions. As used in this section, the following terms have the
 14.4 meanings given them:

14.5 (1) "program" means the "Beyond the Yellow Ribbon" program;

14.6 (2) "program administrator" means any individual with responsibility for
 14.7 coordinating the program or coordinating volunteers participating in the program;

14.8 (3) "services" means any voluntary assistance coordinated by the program that is
 14.9 related to the home maintenance, transportation, physical or emotional health, personal
 14.10 finances, or other similar needs of a service member, a retired service member, or a veteran;

14.11 (4) "service member" means a person serving in active military service, as defined
 14.12 in section 190.05, subdivision 5;

14.13 (5) "retired service member" means a former service member who has been awarded
 14.14 an honorable discharge or a medical discharge under honorable conditions from any
 14.15 branch or unit of the United States armed forces, and is eligible for a pension or other
 14.16 retirement pay from the federal government for service in the military; and

14.17 (6) "veteran" has the meaning given in section 197.447.

14.18 Subd. 2. Civil immunity. (a) A program administrator and any person that, in good
 14.19 faith, participates in any capacity in the program and provides services is not liable for
 14.20 damages resulting from the acts or omissions by that person in providing the services,
 14.21 unless the damage is the result of a willful, wanton, or reckless act or omission of the
 14.22 person providing the service.

14.23 (b) A recipient of services provided by a person participating in any capacity in the
 14.24 program is not liable for damages incurred by the person in the course of providing the
 14.25 services, unless the damage is the result of a willful, wanton, or reckless act or omission of
 14.26 the recipient.

14.27 Subd. 3. Exception. This section does not apply:

14.28 (1) to the extent the acts or omissions are covered by an insurance policy issued to
 14.29 the person or to the entity providing the services; and

14.30 (2) to a person who provides services during the course of the person's regular
 14.31 employment and for which the person receives compensation.

14.32 EFFECTIVE DATE. This section is effective the day following final enactment
 14.33 and applies to damages incurred on or after that date.

14.34 Sec. 3. [197.987] HONOR AND REMEMBER FLAG.

15.1 Subdivision 1. **Legislative findings.** The legislature of the state of Minnesota finds
15.2 and determines that:

15.3 (1) since the Revolutionary War, more than 1,000,000 members of the United States
15.4 armed forces have paid the ultimate price by sacrificing their lives in active military
15.5 service for the United States of America;

15.6 (2) the contribution made by those fallen members of the armed forces is deserving
15.7 of state and national recognition; and

15.8 (3) the Honor and Remember Flag is an appropriate symbol that acknowledges the
15.9 selfless sacrifice of those members of the United States armed forces.

15.10 Subd. 2. **Designation.** The Honor and Remember Flag described in subdivision
15.11 3 is designated as the symbol of our state's concern and commitment to honoring and
15.12 remembering the lives of all members of the United States armed forces who have lost
15.13 their lives in the line of duty while serving honorably in active military service in the
15.14 United States armed forces or of a service-connected cause due to or aggravated by that
15.15 service, as determined by the United States Department of Defense or the United States
15.16 Department of Veterans Affairs. This designation is contingent on the flag being available
15.17 for purchase at a reasonable price.

15.18 Subd. 3. **Description.** The Honor and Remember Flag shall conform substantially
15.19 to the following description: The Honor and Remember Flag is the same standard
15.20 proportions as the flag of the United States of America. Its design contains a red field that
15.21 occupies the top three-quarters and a white field that occupies the bottom quarter of the
15.22 flag. In the center of the red field is a five-pointed, gold star with the top point located
15.23 near the top of the red field and the two bottom points extending about one-quarter of the
15.24 way into the white field. The gold star has a white border surrounded by a blue border.
15.25 Between the two bottom points of the star is a tri-folded American flag displaying the blue
15.26 field and some stars, which is the configuration of the American flag presented to the
15.27 family of the deceased at a military memorial service. At the top of the tri-folded flag,
15.28 extending into the center of the gold star, is a stylized, three-part flame, with one blue part
15.29 and two red parts. In the white field below the tri-folded flag, the words "Honor and
15.30 Remember" are centered. The Honor and Remember Flag is protected by U. S. copyright,
15.31 registration number VA0001670661, owned by Honor and Remember, Inc.

15.32 Subd. 4. **Suggested days for flag display.** (a) The chief administrator of each
15.33 governmental building or facility within this state, as defined in paragraph (b), is
15.34 encouraged to display the Honor and Remember Flag on the following days each year:

15.35 (1) Armed Forces Day, the third Saturday in May;

15.36 (2) Flag Day, June 14;

16.1 (3) July 2nd and July 3rd, in remembrance of the 262 soldiers of the 1st Regiment
 16.2 Minnesota Volunteer Infantry who, at the Battle of Gettysburg during the American Civil
 16.3 War, fought so gallantly and successfully to repulse two major Confederate attacks on the
 16.4 main Union line, suffering over 80 percent casualties, thereby turning the battle and the
 16.5 war and helping to preserve the Union itself at that pivotal moment in our nation's history;

16.6 (4) July 4th, Independence Day;

16.7 (5) the third Friday of September, National POW/MIA Recognition Day;

16.8 (6) November 11, Veterans Day;

16.9 (7) July 27, Korean War Armistice Day;

16.10 (8) March 29, Vietnam Veterans Day; and

16.11 (9) any day on which the United States flag is displayed at a governmental building
 16.12 or facility within this state.

16.13 (b) For purposes of this section, "governmental building or facility within this state"
 16.14 means the following locations:

16.15 (1) the Minnesota State Capitol, the Office of the Governor and each other Minnesota
 16.16 constitutional office, the chambers of the Minnesota Senate and the Minnesota House of
 16.17 Representatives, the Minnesota Judicial Center and each Minnesota District Court House,
 16.18 any official state of Minnesota veterans memorial, Minnesota veterans home, Minnesota
 16.19 veterans cemetery, state veterans service centers, and state veterans community-based
 16.20 outreach centers; and

16.21 (2) any appropriate local government building or facility, as determined by the
 16.22 governing body of that local government.

16.23 Subd. 5. **Limitation.** This section may not be construed or interpreted to require
 16.24 any employee to report to work solely for the purpose of providing for the display of the
 16.25 Honor and Remember Flag or any other flag.

16.26 Subd. 6. **Implementation.** If a governmental building or facility within this state
 16.27 opts to display the Honor and Remember Flag, the chief administrator of that facility shall
 16.28 prescribe procedures necessary for the display.

16.29 Subd. 7. **Flag donation.** Notwithstanding sections 10A.071 and 471.895, any
 16.30 named public office or public official may accept a donation of one or more Honor and
 16.31 Remember Flags for the purpose of this section.

16.32 **EFFECTIVE DATE.** This section is effective the day following final enactment.

16.33 Sec. 4. Minnesota Statutes 2012, section 364.03, subdivision 3, is amended to read:

16.34 Subd. 3. **Evidence of rehabilitation.** (a) A person who has been convicted of a
 16.35 crime or crimes which directly relate to the public employment sought or to the occupation

17.1 for which a license is sought shall not be disqualified from the employment or occupation
 17.2 if the person can show competent evidence of sufficient rehabilitation and present fitness
 17.3 to perform the duties of the public employment sought or the occupation for which the
 17.4 license is sought. ~~Sufficient~~ Competent evidence of sufficient rehabilitation may be
 17.5 established by the production of a certified copy of a United States Department of Defense
 17.6 form DD-214 showing the person's honorable discharge, or separation under honorable
 17.7 conditions, from the United States armed forces for military service rendered following
 17.8 conviction for any crime that would otherwise disqualify the person from the public
 17.9 employment sought or the occupation for which the license is sought, or:

17.10 (1) a copy of the local, state, or federal release order; and

17.11 (2) evidence showing that at least one year has elapsed since release from any local,
 17.12 state, or federal correctional institution without subsequent conviction of a crime; and
 17.13 evidence showing compliance with all terms and conditions of probation or parole; or

17.14 (3) a copy of the relevant Department of Corrections discharge order or other
 17.15 documents showing completion of probation or parole supervision.

17.16 (b) In addition to the documentary evidence presented, the licensing or hiring
 17.17 authority shall consider any evidence presented by the applicant regarding:

17.18 (1) the nature and seriousness of the crime or crimes for which convicted;

17.19 (2) all circumstances relative to the crime or crimes, including mitigating
 17.20 circumstances or social conditions surrounding the commission of the crime or crimes;

17.21 (3) the age of the person at the time the crime or crimes were committed;

17.22 (4) the length of time elapsed since the crime or crimes were committed; and

17.23 (5) all other competent evidence of rehabilitation and present fitness presented,
 17.24 including, but not limited to, letters of reference by persons who have been in contact with
 17.25 the applicant since the applicant's release from any local, state, or federal correctional
 17.26 institution.

17.27 (c) The certified copy of a person's United States Department of Defense form
 17.28 DD-214 showing the person's honorable discharge or separation under honorable
 17.29 conditions from the United States armed forces ceases to qualify as competent evidence of
 17.30 sufficient rehabilitation for purposes of this section upon the person's conviction for any
 17.31 felony crime committed by the person subsequent to the effective date of that honorable
 17.32 discharge or separation from military service.

17.33 Sec. 5. MINNESOTA ASSISTANCE COUNCIL FOR VETERANS;

17.34 APPROPRIATION.

18.1 \$250,000 in fiscal year 2014 and \$250,000 in fiscal year 2015 are appropriated from
18.2 the general fund to the commissioner of veterans affairs for a grant to the Minnesota
18.3 Assistance Council for Veterans to provide assistance throughout Minnesota to veterans
18.4 and their families who are homeless or in danger of homelessness, including assistance
18.5 with the following: (1) utilities; (2) employment; and (3) legal issues. The assistance
18.6 authorized under this section must be made according to guidelines established by the
18.7 commissioner. In order to avoid duplication of services, the commissioner must ensure
18.8 that this assistance is coordinated with all other available programs for veterans.

18.9 **Sec. 6. AMERICAN INDIAN VETERANS PLAQUE AUTHORIZED.**

18.10 (a) The legislature and Minnesota's American Indian veterans wish to honor
18.11 American Indian veterans from this state who have honorably and bravely served in the
18.12 United States armed forces, during both peacetime and war.

18.13 (b) A memorial plaque may be placed in the court of honor on the Capitol grounds
18.14 by Minnesota's American Indian veterans to recognize the valiant service of American
18.15 Indian veterans from this state who have honorably and bravely served in the United
18.16 States armed forces, during both peacetime and war. The plaque must be furnished by
18.17 Minnesota's American Indian veterans and must be approved by the commissioner of
18.18 veterans affairs and the Capitol Area Architectural and Planning Board.

18.19 **ARTICLE 4**

18.20 **GOVERNOR'S FUND-RAISING INITIATIVES FOR VETERANS**

18.21 **Section 1. [168.1299] SPECIAL "SUPPORT OUR VETERANS" PLATES.**

18.22 Subdivision 1. **General requirements and procedures.** (a) The commissioner shall
18.23 issue special "Support Our Veterans" plates to an applicant who:

18.24 (1) is a registered owner of a passenger automobile;

18.25 (2) pays a fee of \$10 to cover costs of handling and manufacturing the plates;

18.26 (3) pays the registration tax required under section 168.013;

18.27 (4) pays the fees required under this chapter;

18.28 (5) contributes a minimum of \$30 annually to the "Support Our Troops" account
18.29 under section 190.19; and

18.30 (6) complies with this chapter and the rules governing registration of motor vehicles
18.31 and licensing of drivers.

18.32 (b) The Support Our Veterans plate application must indicate that the annual
18.33 contribution specified under paragraph (a), clause (5), is a minimum contribution to receive
18.34 the special plate and that the applicant may make an additional contribution to the account.

19.1 Subd. 2. **Design.** After consultation with interested groups, the commissioner of
19.2 veterans affairs shall design the "Support Our Veterans" plates, subject to the approval of
19.3 the commissioner.

19.4 Subd. 3. **No refund.** Contributions under this section must not be refunded.

19.5 Subd. 4. **Plates transfer.** Notwithstanding section 168.12, subdivision 1, on
19.6 payment of a transfer fee of \$5, plates issued under this section may be transferred to
19.7 another passenger automobile by the individual to whom the "Support Our Veterans"
19.8 plates were issued.

19.9 Subd. 5. **Contribution and fees credited.** Contributions under subdivision
19.10 1, paragraph (a), clause (5), must be paid to the commissioner and credited to the
19.11 "Support Our Troops" account established in section 190.19. The contribution credited
19.12 to the "Support Our Troops" account under this subdivision must be transferred to the
19.13 commissioner of veterans affairs and used only for the purposes established under section
19.14 196.31, subdivision 4. The fees collected under this section must be deposited in the
19.15 vehicle services operating account in the special revenue fund under section 299A.705.

19.16 Subd. 6. **Record.** The commissioner shall maintain a record of the number of
19.17 plates issued under this section.

19.18 **EFFECTIVE DATE.** This section is effective January 1, 2014, for plates issued
19.19 on or after that date.

19.20 Sec. 2. **[196.31] SUPPORT OUR VETERANS ACCOUNT.**

19.21 Subdivision 1. **Establishment.** The Minnesota "Support Our Veterans" account
19.22 is established in the special revenue fund. The account shall consist of contributions
19.23 from private sources and appropriations. Money in the account is appropriated to the
19.24 Department of Veterans Affairs.

19.25 Subd. 2. **Purpose.** Money appropriated to the Department of Veterans Affairs from
19.26 the Minnesota "Support Our Veterans" account shall be used to establish a grant program
19.27 to address the emerging needs of veterans. The commissioner shall administer a grant
19.28 program and award grants with the money from this account to eligible individuals or
19.29 organizations.

19.30 Subd. 3. **Eligibility.** To be eligible for a grant under this section, an individual or
19.31 organization must apply to the commissioner by submitting a proposal that meets the
19.32 criteria specified by the commissioner. In addition, the proposal must:

19.33 (1) not duplicate services provided elsewhere;

19.34 (2) have set goals and performance measures; and

19.35 (3) be used for one of the purposes listed in subdivision 4.

20.1 Subd. 4. **Uses.** Money appropriated to the Department of Veterans Affairs from the
20.2 Minnesota "Support Our Veterans" account may be used to award grants for the following
20.3 purposes:

- 20.4 (1) outreach to underserved veterans;
20.5 (2) providing services and programs for veterans and their families;
20.6 (3) assisting in the reintegration of combat veterans into society;
20.7 (4) assisting in the reduction of homelessness among veterans; and
20.8 (5) addressing other emerging needs of veterans as determined by the commissioner.

20.9 Subd. 5. **Annual report.** The commissioner of veterans affairs must report by
20.10 February 1, 2014, and each year thereafter, to the chairs and ranking minority members
20.11 of the legislative committees and divisions with jurisdiction over veterans affairs on
20.12 the number, amounts, and use of grants made by the commissioner from the Minnesota
20.13 "Support Our Veterans" account in the previous year.

20.14 Sec. 3. **[349A.17] SPECIAL GAME; VETERANS.**

20.15 (a) The Minnesota Lottery shall establish a scratch-off game whose receipts are
20.16 dedicated to the "Support Our Veterans" account established under section 196.31. The
20.17 game shall be in play at least once each year, on a theme and with content chosen by
20.18 the lottery.

20.19 (b) The transfer under paragraph (a) shall consist of gross receipts, as defined
20.20 in section 349A.01, subdivision 7, less the lottery's expenses related to the veterans'
20.21 scratch-off games, as described in section 349A.10, subdivision 6, and less amounts
20.22 transmitted to the Environmental and Natural Resources Trust Fund pursuant to the
20.23 Minnesota Constitution, article XI, section 14.

20.24 Sec. 4. **DEPOSIT OF FUNDS.**

20.25 The Minnesota Lottery shall deposit any funds created under games authorized
20.26 under Minnesota Statutes, section 349A.17, on a monthly basis into the "Support Our
20.27 Veterans" account established under Minnesota Statutes, section 196.31, and shall be made
20.28 available for those uses listed in Minnesota Statutes, section 196.31, subdivision 4.

20.29 **ARTICLE 5**

20.30 **GOVERNOR'S GI BILL MODIFICATIONS**

20.31 Section 1. Minnesota Statutes 2012, section 197.791, subdivision 1, is amended to read:

20.32 Subdivision 1. **Definitions.** (a) The definitions in this subdivision apply to this
20.33 section.

21.1 (b) "Commissioner" means the commissioner of veterans affairs, unless otherwise
21.2 specified.

21.3 (c) "Cost of attendance" for undergraduate students has the meaning given in section
21.4 136A.121, subdivision 6, multiplied by a factor of 1.2. Cost of attendance for graduate
21.5 students has the meaning given in section 136A.121, subdivision 6, multiplied by a factor
21.6 of 1.2, using the tuition and fee maximum established by law for four-year programs. For
21.7 purposes of calculating the cost of attendance for graduate students, full time is eight
21.8 credits or more per term or the equivalent.

21.9 (d) "Child" means a natural or adopted child of a person described in subdivision 4,
21.10 paragraph (a), clause (1), item (i) or (ii).

21.11 (e) "Eligible institution" means a postsecondary institution under section 136A.101,
21.12 subdivision 4, or a graduate school licensed or registered with the state of Minnesota
21.13 serving only graduate students.

21.14 (f) "Program" means the Minnesota GI Bill program established in this section,
21.15 unless otherwise specified.

21.16 (g) "Time of hostilities" means any action by the armed forces of the United States
21.17 that is recognized by the issuance of a presidential proclamation or a presidential executive
21.18 order in which the armed forces expeditionary medal or other campaign service medals
21.19 are awarded according to presidential executive order, and any additional period or place
21.20 that the commissioner determines and designates, after consultation with the United States
21.21 Department of Defense, to be a period or place where the United States is in a conflict that
21.22 places persons at such a risk that service in a foreign country during that period or in that
21.23 place should be considered to be included.

21.24 (h) "Veteran" has the meaning given in section 197.447. ~~Veteran also includes~~
21.25 ~~a service member who has received an honorable discharge after leaving each period of~~
21.26 ~~federal active duty service and has:~~

21.27 ~~(1) served 90 days or more of federal active duty in a foreign country during a time~~
21.28 ~~of hostilities in that country; or~~

21.29 ~~(2) been awarded any of the following medals:~~

21.30 ~~(i) Armed Forces Expeditionary Medal;~~

21.31 ~~(ii) Kosovo Campaign Medal;~~

21.32 ~~(iii) Afghanistan Campaign Medal;~~

21.33 ~~(iv) Iraq Campaign Medal;~~

21.34 ~~(v) Global War on Terrorism Expeditionary Medal; or~~

21.35 ~~(vi) any other campaign medal authorized for service after September 11, 2001; or~~

22.1 ~~(3) received a service-related medical discharge from any period of service in a~~
 22.2 ~~foreign country during a time of hostilities in that country.~~

22.3 A service member who has fulfilled the requirements for being a veteran under this
 22.4 paragraph but is still serving actively in the United States armed forces is also a veteran
 22.5 for the purposes of this section.

22.6 Sec. 2. Minnesota Statutes 2012, section 197.791, subdivision 4, is amended to read:

22.7 Subd. 4. **Eligibility.** (a) A person is eligible for educational assistance under this
 22.8 section if:

22.9 (1) the person is:

22.10 (i) a veteran who is serving or has served honorably in any branch or unit of the
 22.11 United States armed forces at any time ~~on or after September 11, 2001~~;

22.12 (ii) a nonveteran who has served honorably for a total of five years or more
 22.13 cumulatively as a member of the Minnesota National Guard or any other active or reserve
 22.14 component of the United States armed forces, and any part of that service occurred on or
 22.15 after September 11, 2001;

22.16 (iii) the surviving spouse or child of a person who has served in the military ~~at any~~
 22.17 ~~time on or after September 11, 2001~~, and who has died as a direct result of that military
 22.18 service, only if the surviving spouse or child is eligible to receive federal education
 22.19 benefits under United States Code, title 38, chapter 33, as amended, or United States
 22.20 Code, title 38, chapter 35, as amended; or

22.21 (iv) the spouse or child of a person who has served in the military at any time ~~on or~~
 22.22 ~~after September 11, 2001~~, and who has a total and permanent service-connected disability
 22.23 as rated by the United States Veterans Administration, only if the spouse or child is
 22.24 eligible to receive federal education benefits under United States Code, title 38, chapter
 22.25 33, as amended, or United States Code, title 38, chapter 35, as amended; and

22.26 (2) the person receiving the educational assistance is a Minnesota resident, as
 22.27 defined in section 136A.101, subdivision 8; and

22.28 (3) the person receiving the educational assistance:

22.29 (i) is an undergraduate or graduate student at an eligible institution;

22.30 (ii) is maintaining satisfactory academic progress as defined by the institution for
 22.31 students participating in federal Title IV programs;

22.32 (iii) is enrolled in an education program leading to a certificate, diploma, or degree
 22.33 at an eligible institution;

22.34 (iv) has applied for educational assistance under this section prior to the end of the
 22.35 academic term for which the assistance is being requested;

23.1 (v) is in compliance with child support payment requirements under section
23.2 136A.121, subdivision 2, clause (5); and

23.3 (vi) has completed the Free Application for Federal Student Aid (FAFSA).

23.4 (b) A person's eligibility terminates when the person becomes eligible for benefits
23.5 under section 135A.52.

23.6 (c) To determine eligibility, the commissioner may require official documentation,
23.7 including the person's federal form DD-214 or other official military discharge papers;
23.8 correspondence from the United States Veterans Administration; birth certificate; marriage
23.9 certificate; proof of enrollment at an eligible institution; signed affidavits; proof of
23.10 residency; proof of identity; or any other official documentation the commissioner
23.11 considers necessary to determine eligibility.

23.12 (d) The commissioner may deny eligibility or terminate benefits under this section
23.13 to any person who has not provided sufficient documentation to determine eligibility for
23.14 the program. An applicant may appeal the commissioner's eligibility determination or
23.15 termination of benefits in writing to the commissioner at any time. The commissioner
23.16 must rule on any application or appeal within 30 days of receipt of all documentation that
23.17 the commissioner requires. The decision of the commissioner regarding an appeal is final.
23.18 However, an applicant whose appeal of an eligibility determination has been rejected by
23.19 the commissioner may submit an additional appeal of that determination in writing to the
23.20 commissioner at any time that the applicant is able to provide substantively significant
23.21 additional information regarding the applicant's eligibility for the program. An approval
23.22 of an applicant's eligibility by the commissioner following an appeal by the applicant is
23.23 not retroactively effective for more than one year or the semester of the person's original
23.24 application, whichever is later.

23.25 (e) Upon receiving an application with insufficient documentation to determine
23.26 eligibility, the commissioner must notify the applicant within 30 days of receipt of the
23.27 application that the application is being suspended pending receipt by the commissioner of
23.28 sufficient documentation from the applicant to determine eligibility.

23.29 Sec. 3. Minnesota Statutes 2012, section 197.791, subdivision 5, is amended to read:

23.30 Subd. 5. **Benefit amount.** (a) On approval by the commissioner of eligibility for
23.31 the program, the applicant shall be awarded, on a funds-available basis, the educational
23.32 assistance under the program for use at any time according to program rules at any
23.33 eligible institution.

24.1 (b) The amount of educational assistance in any semester or term for an eligible
 24.2 person must be determined by subtracting from the eligible person's cost of attendance the
 24.3 amount the person received or was eligible to receive in that semester or term from:

24.4 (1) the federal Pell Grant;

24.5 (2) the state grant program under section 136A.121; and

24.6 (3) any federal military or veterans educational benefits including but not limited
 24.7 to the Montgomery GI Bill, GI Bill Kicker, the federal tuition assistance program,
 24.8 vocational rehabilitation benefits, and any other federal benefits associated with the
 24.9 person's status as a veteran, except veterans disability payments from the United States
 24.10 Veterans Administration and payments made under the Veterans Retraining Assistance
 24.11 Program (VRAP).

24.12 (c) The amount of educational assistance for any eligible person who is a full-time
 24.13 student must not exceed the following:

24.14 (1) \$1,000 per semester or term of enrollment;

24.15 (2) \$3,000 per state fiscal year; and

24.16 (3) \$10,000 in a lifetime.

24.17 For a part-time student, the amount of educational assistance must not exceed
 24.18 \$500 per semester or term of enrollment. For the purpose of this paragraph, a part-time
 24.19 undergraduate student is a student taking fewer than 12 credits or the equivalent for a
 24.20 semester or term of enrollment and a part-time graduate student is a student considered
 24.21 part time by the eligible institution the graduate student is attending. The minimum award
 24.22 for undergraduate and graduate students is \$50 per term.

24.23 **Sec. 4. APPROPRIATION; GI BILL.**

24.24 \$100,000 is appropriated from the general fund to the commissioner of veterans
 24.25 affairs to administer the changes made to the GI Bill in sections 3 and 4. This appropriation
 24.26 is added to the agency's base budget.

24.27 **ARTICLE 6**

24.28 **ADDITIONAL GOVERNOR APPROPRIATIONS**

24.29 **Section 1. APPROPRIATION; GOLD STAR PROGRAM.**

24.30 \$100,000 in fiscal year 2014 and \$100,000 in fiscal year 2015 are appropriated from
 24.31 the general fund to the commissioner of veterans affairs to administer and implement the
 24.32 Gold Star Program for surviving family members of deceased veterans.

24.33 **Sec. 2. APPROPRIATION; HONOR GUARDS.**

25.1 \$200,000 in fiscal year 2014 and \$200,000 in fiscal year 2015 are appropriated
25.2 from the general fund to the commissioner of veterans affairs for compensation for
25.3 honor guards at the funerals of veterans under Minnesota Statutes, section 197.231. This
25.4 appropriation is added to the agency's base budget.

25.5 Sec. 3. **APPROPRIATION; IT UPGRADES.**

25.6 \$618,000 in fiscal year 2014 and \$382,000 in fiscal year 2015 are appropriated from
25.7 the general fund to the commissioner of veterans affairs to improve and modernize the
25.8 department's information technology systems. These funds shall be transferred to the
25.9 Office of Enterprise Technology. This is a onetime transfer and is available until spent.

25.10 Sec. 4. **APPROPRIATION; VETERANS CEMETERY IN FILLMORE COUNTY.**

25.11 \$425,000 in fiscal year 2015 is appropriated from the general fund to the
25.12 commissioner of veterans affairs for operation of the new veterans cemetery in Fillmore
25.13 County. This amount is added to the program's base funding.

25.14 Sec. 5. **APPROPRIATION; VETERANS SERVICE ORGANIZATIONS.**

25.15 \$353,000 in fiscal year 2014 and \$353,000 in fiscal year 2015 are appropriated
25.16 from the general fund to the commissioner of veterans affairs for grants to the
25.17 following congressionally chartered veterans service organizations, as designated by
25.18 the commissioner: Disabled American Veterans, Military Order of the Purple Heart,
25.19 American Legion, Veterans of Foreign Wars, Vietnam Veterans of America, AMVETS,
25.20 and Paralyzed Veterans of America. This funding must be allocated in direct proportion to
25.21 the funding currently being provided by the commissioner to these organizations.

APPENDIX
Article locations in 13-2398

ARTICLE 1	VETERANS TAX ISSUES	Page.Ln 1.23
ARTICLE 2	COUNTY VETERANS SERVICE OFFICERS	Page.Ln 11.11
ARTICLE 3	MISCELLANEOUS VETERANS PROVISIONS	Page.Ln 13.13
ARTICLE 4	GOVERNOR'S FUND-RAISING INITIATIVES FOR VETERANS ..	Page.Ln 18.19
ARTICLE 5	GOVERNOR'S GI BILL MODIFICATIONS	Page.Ln 20.29
ARTICLE 6	ADDITIONAL GOVERNOR APPROPRIATIONS	Page.Ln 24.27

APPENDIX
Repealed Minnesota Statutes: 13-2398

197.608 VETERANS SERVICE OFFICE GRANT PROGRAM.

Subd. 2a. **Grant cycle.** Counties may become eligible to receive grants on a three-year rotating basis according to a schedule to be developed and announced in advance by the commissioner. The schedule must list no more than one-third of the counties in each year of the three-year cycle. A county may be considered for a grant only in the year of its listing in the schedule.