

HOUSE BILL REPORT

HB 2014

As Reported by House Committee On:
Innovation, Community & Economic Development, & Veterans
Appropriations

Title: An act relating to the definition of veteran and restoring honor to veterans.

Brief Description: Concerning the definition of veteran and restoring honor to veterans.

Sponsors: Representatives Volz, Donaghy, Leavitt, Couture, Ryu, Reed, Ormsby, Graham, Sandlin, Jacobsen, Schmidt, Harris, Steele, Fey, Riccelli, Low, Reeves, Paul, Macri and Shavers; by request of Attorney General.

Brief History:

Committee Activity:

Innovation, Community & Economic Development, & Veterans: 1/10/24, 1/19/24 [DPS];
Appropriations: 1/31/24, 2/2/24 [DP2S(w/o sub ICEV)].

Brief Summary of Second Substitute Bill

- Standardizes requirements relating to qualifying discharges for the purpose of establishing eligibility for various benefit programs for veterans.
- Provides a definition of "qualifying discharge."

HOUSE COMMITTEE ON INNOVATION, COMMUNITY & ECONOMIC DEVELOPMENT, & VETERANS

Majority Report: The substitute bill be substituted therefor and the substitute bill do pass. Signed by 15 members: Representatives Ryu, Chair; Donaghy, Vice Chair; Rule, Vice Chair; Volz, Ranking Minority Member; Barnard, Assistant Ranking Minority Member; Caldier, Chambers, Christian, Cortes, Paul, Senn, Shavers, Street, Waters and Wilcox.

This analysis was prepared by non-partisan legislative staff for the use of legislative members in their deliberations. This analysis is not part of the legislation nor does it constitute a statement of legislative intent.

Staff: Emily Poole (786-7106).

Background:

Veteran Status.

An individual's status as a veteran is used as an eligibility requirement for various benefit and assistance programs.

Benefits for general service status include, among others:

- certain services administered by the Washington Department of Veterans Affairs (WDVA);
- license plates for disabled veterans and prisoners of war;
- admission to state soldiers' and veterans' homes;
- veterans' scoring preference on civil service exams;
- veteran homeownership down payment assistance programs; and
- license extensions for licenses issued by the Department of Licensing or the Department of Health.

A separate status is recognized for veterans who served in a period of war or conflict. Such combat veterans may be eligible to receive additional benefits, including, but not limited to:

- higher scoring preference on civil service exams;
- participation in a designated shared leave pool program;
- special designated license plates;
- property tax relief from the veterans' widow and widower property tax exemption grant; and
- tuition waivers or reductions.

In addition, the state-sponsored retirement systems provide service credit to veterans who meet certain criteria.

Characterization of Service.

For the purpose of establishing eligibility for various benefits and programs, veteran status is generally recognized for a service member who received an honorable discharge or other excusable discharge. Prior to its formal repeal in 2011, a United States Department of Defense policy established that a service member may receive an other than honorable discharge because of the service member's sexual orientation.

Summary of Substitute Bill:

Qualifying Discharge.

The term "qualifying discharge" is added to provisions establishing various benefit programs for veterans, generally replacing references to "honorable discharge." "Qualifying discharge" is defined as:

- a discharge with an honorable characterization of service;
- a discharge with a general under honorable conditions characterization of service;
- a discharge with an other than honorable characterization of service if the applicant provides certain documentation from the United States Department of Veterans Affairs showing eligibility for or receipt of monetary benefits; or
- any characterization of service if the reason for discharge was listed as due to:
 - a person's sexual orientation, gender identity, or gender expression;
 - statements, consensual sexual conduct, or consensual acts relating to sexual orientation, gender identity, or gender expression; or
 - the disclosure of statements, conduct, or acts relating to sexual orientation, gender identity, or gender expression to military officials.

To prove a "qualifying discharge," an individual must provide official documentation that shows the following to the agency administering the sought benefit or protection:

- the individual's characterization of service; and
- if an individual has a "qualifying discharge," the individual's reason for discharge or narrative reason for separation.

Repealed Statutes.

The provision establishing that a physical disability discharge is generally considered an honorable discharge for purposes of admitting certain veterans to the Washington State Bar Association is repealed.

The requirement that county auditors record certificates of discharge for veterans of World War I and the Spanish-American War is repealed.

Miscellaneous.

The bill is exempt from certain requirements regarding newly enacted tax preferences.

The WDVA is required to develop and implement an outreach program to ensure that veterans are aware of state veterans' benefits and programs.

Substitute Bill Compared to Original Bill:

The substitute bill establishes documentation requirements for an individual to prove a "qualifying discharge." The substitute bill also removes the expansion of veterans' eligibility for service credit for certain state-sponsored retirement systems.

The substitute bill makes certain changes applying to the veterans' widow and widower property tax exemption grant, including:

- applying the expansion of eligibility for the property tax exemption grant to only combat veterans; and
- exempting the expansion of eligibility for the property tax exemption grant from certain requirements regarding newly enacted tax preferences, including the 10-year

expiration and tax preference performance statement requirements.

The substitute bill establishes that certain provisions pertaining to vehicle registrations and license plates do not go into effect until, or are not required to be implemented before, April 1, 2025.

Appropriation: None.

Fiscal Note: Preliminary fiscal note available.

Effective Date of Substitute Bill: The bill contains multiple effective dates. Please see the bill.

Staff Summary of Public Testimony:

(In support) This bill will create state veteran benefits eligibility for approximately 35,000 veterans in Washington who are currently eligible for federal benefits. This bill will also create eligibility for any veteran who was separated solely as a result of anti-LGBTQ policies. Veteran benefit programs, such as admission to veterans' homes, are an important safety net for veterans. Current definitions of veteran in state law contribute to inequitable outcomes for certain populations, such as veterans with behavioral health issues.

(Opposed) None.

(Other) This bill does not provide additional funding to counties, who will be tasked with providing services to additional veterans. The lack of funding in this bill will result in less assistance to each veteran. The section of the bill requiring the WDVA to conduct an outreach program is very important. The WDVA does not know the discharge status of all veterans in Washington, so the WDVA will have to conduct outreach to all veterans.

Persons Testifying: (In support) Representative Mike Volz, prime sponsor; Mariah Hanley and Rosa Mai, Attorney General's Office.

(Other) Juliana Roe, Washington State Association of Counties; and David Puente, Washington State Department of Veterans Affairs.

Persons Signed In To Testify But Not Testifying: None.

HOUSE COMMITTEE ON APPROPRIATIONS

Majority Report: The second substitute bill be substituted therefor and the second substitute bill do pass and do not pass the substitute bill by Committee on Innovation, Community & Economic Development, & Veterans. Signed by 29 members:

Representatives Ormsby, Chair; Bergquist, Vice Chair; Gregerson, Vice Chair; Macri, Vice Chair; Corry, Ranking Minority Member; Chambers, Assistant Ranking Minority Member; Connors, Assistant Ranking Minority Member; Couture, Assistant Ranking Minority Member; Berg, Callan, Chopp, Davis, Dye, Fitzgibbon, Harris, Lekanoff, Pollet, Riccelli, Rude, Ryu, Sandlin, Schmick, Senn, Simmons, Springer, Stokesbary, Stonier, Tharinger and Wilcox.

Staff: David Pringle (786-7310).

Summary of Recommendation of Committee On Appropriations Compared to Recommendation of Committee On Innovation, Community & Economic Development, & Veterans:

The Appropriations Committee recommendation makes technical corrections removing references to the Firefighters' Relief and Pension System 1947 Act, the Police Relief and Pension 1955 Act (pre-Law Enforcement Officers' and Firefighters Retirement System pension plans), and the Public Employees' Retirement System Plan 1, consistent with the modified definition of veteran in the second substitute bill. Eligibility is expanded to be consistent with the definition changes in the second substitute bill for veterans' preferences in public employment. The criteria for a qualifying discharge related to a person's sexual orientation is clarified to specify that the discharge must be solely due to a person's sexual orientation, gender identity or gender expression, or related statements, conduct, or acts. The Appropriations Committee also added a null and void clause, making the bill void unless funded by June 30, 2024 in the omnibus appropriations act.

Appropriation: None.

Fiscal Note: Available.

Effective Date of Second Substitute Bill: The bill contains multiple effective dates. Please see the bill. However, the bill is null and void unless funded in the budget.

Staff Summary of Public Testimony:

(In support) An investment in veterans and their families is an investment in Washington State. Some of the provisions in the bill will bring additional federal reimbursement for veterans' programs being operated in the state, including veterans' homes and counties. The Attorney General's Office has a technical amendment to offer to improve part of the bill.

(Opposed) None.

Persons Testifying: Nathan Olson, Attorney General's Office.

Persons Signed In To Testify But Not Testifying: None.