

2016 Minnesota Legislative Session Recap – Veterans-Related Legislation

Ch. 189, HF 2749

Summary

The Omnibus Supplemental Budget bill included 12 provisions of interest to the Minnesota Department of Veterans Affairs, including \$845,000 worth of funding that will directly or indirectly benefit Veterans and their dependents through programs or studies, a major tax benefit to retired Veterans residing in the state, and policy initiatives including changes to the Veterans Preference Statute, Veteran-Owned small businesses, and a provision allowing for the creation of a Medal of Honor Memorial on the Capitol Grounds.

Military Pension Tax Subtraction

Included in the Supplemental Budget bill was the provision of a new income tax subtraction for military retirement pay. The new language amends Minnesota Statutes Chapter 290 which covers Income Taxes, specifically that Section defining items which shall be subtracted from federal taxable income. The language reads as follows:

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

Individuals, estates and trusts eligible for this subtraction from taxable income may include:

- Members of active components of the armed forces who have performed the required years of qualifying service
- Members of a reserve component, the National Guard, Army National Guard or Air National guard who have performed or were credited for the required years of qualifying service
- Eligible combat-related disabled uniformed services retirees
- Members retired under 10 U.S.C. Chapter 61 - Retirement or Separation for Physical Disability
- Individuals, including Surviving Spouses and/or Dependent Children, eligible for the federal Survivor Benefit Plan

The new subtraction for pension or other military retirement pay is effective for taxable years beginning after December 31, 2015.

Appropriations and Programming

Also included in this Omnibus bill are the following items of interest to Veterans:

- \$50,000 (onetime appropriation) for AMPERS Veterans Voices programming (Public Broadcasting)
- \$95,000 (onetime) for Veterans Voices (Minnesota Humanities Center)
- \$100,000 (onetime) in rent subsidies for Veterans at Cottages of Anoka

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- \$200,000 (onetime) for “State Soldiers Assistance: Grants for Housing & Health Assistance”
- \$150,000 (onetime) for Veterans Mental Health Study - Requires the Commissioner to study, quantify and describe unmet mental health needs among veterans
- \$250,000 (onetime) for “Disabled Veterans Interim Housing Study” - Requires the Commissioner to study the feasibility of partnering with a non-profit organization to provide interim housing for disabled veterans.
- Minor changes to Veterans driver’s license designation language – allow for pictorial or symbol (“V”) designation on DL’s
- Inclusion of Veteran-owned business in Minnesota Emerging Entrepreneur Board
- Changes to state procurement contracts to certified Veteran-owned small businesses (Businesses which are majority-owned and operated by Veterans).

“The commissioner may award a contract for goods, services, or construction directly to a veteran-owned small business without going through a competitive solicitation process up to a total contract award value, including extension options, of \$25,000.”

- Language allowing MDVA to solicit donations for the Medal of Honor Memorial on the Capitol grounds.
- Character development education curriculum in elementary, middle and high school programs incorporating the history and values of Medal of Honor recipients.

Changes to Veterans Preference

The following modifications were made to the Veterans Preference Act, Minnesota Statutes 2014, section 197.46:

- Increased parity in Veterans employed by county, home rule charter or statutory city, town, school district, or other municipality or political subdivision and state-employed Veterans
- Hearing request changed from 60 to 30 days to request a hearing to contest a notice of dismissal
- Inclusion of the selection of an arbitrator from the MN Bureau of Mediation Services in place of a three-person panel. Important for those locations where no civil service board or commission or merit system authority exists
- The creation of a probationary period following initial hire (where Veteran is not eligible for Vets Preference protections) in ‘non-state government’ political subdivisions
- Language defining who pays costs and attorney’s fees

“For disputes heard by a civil service board, commission or merit system authority, or an arbitrator, the governmental subdivisions shall bear all costs associated with the hearing but not including attorney fees for attorneys representing the veteran. If the veteran prevails in a dispute heard by a civil service board, commission or merit system authority, or an arbitrator and the

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hearing reverses the level of the alleged incompetency or misconduct requiring discharge, the governmental subdivision shall pay the veteran's reasonable attorney fees.”

Ch. 90, HF3252

Bill allowing certain military members, Veterans and their spouses to have the experience requirement for real estate broker’s license waived, if the licenses were cancelled due to their service.