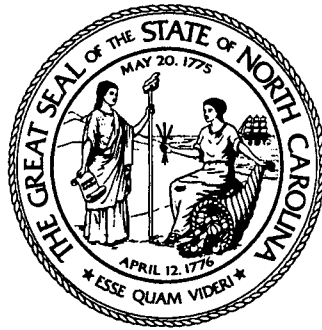


2005-2006

**HOUSE
MILITARY, VETERANS
& INDIAN AFFAIRS**

**COMMITTEE
MINUTES**



HOUSE STANDING COMMITTEE

ON

**MILITARY, VETERANS
AND INDIAN AFFAIRS**

2005-2006 SESSIONS

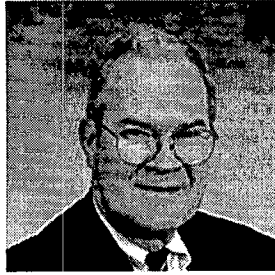
BOOK 1 OF 1

Representative Louis Pate
And
Representative Alice Underhill, Chairs

Committee Counsel:
Hal Pell, Research Division
Theresa Matula, Research Division

Committee Assistants:
Edna Pearce
Judy Veorse

NORTH CAROLINA GENERAL ASSEMBLY
MILITARY, VETERANS AND INDIAN AFFAIRS
COMMITTEE NAME
2005 – 2006 SESSION



Rep. Louis Pate
Chair



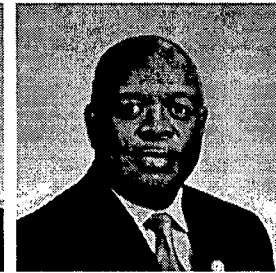
Rep. Alice Underhill
Chair



Rep. Mark Hollo
Vice chair



Rep. Marvin Lucas
Vice chair



Rep. William Wainwright
Vice chair



Rep. George Cleveland



Rep. Lorene Coates



Rep. Margaret Dickson



Rep. Rick Glazier



Rep. Grier Martin



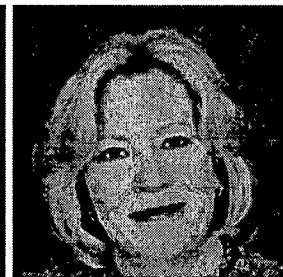
Rep. Jean Preston



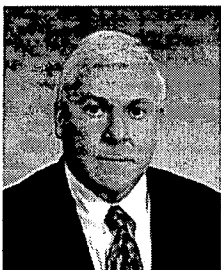
Rep. Ronnie Sutton



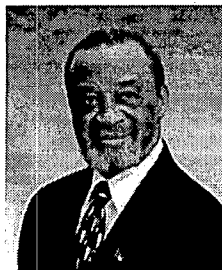
Rep. Douglas Vinson



Rep. Laura Wiley



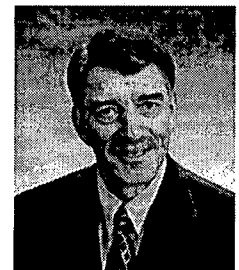
Rep. Culpepper
Ex-officio



Rep. Cunningham
Ex-officio



Rep. Eddins
Ex-officio



Rep. Hackney
Ex-officio

**HOUSE COMMITTEE ON MILITARY, VETERANS & INDIAN AFFAIRS
2005 – 2006**

MEMBER	ASSISTANT	PHONE	OFFICE	SEAT
PATE, Louis – Chair	Edna Pearce Committee Assistant	3-5755	503	63
UNDERHILL, Alice - Chair	Judy Veorse Committee Assistant	3-5853	1206	17
HOLLO, Mark – VC	Martha Hoover	5-3009	418B	86
LUCAS, Marvin – VC	Thelma Utley	3-5775	1323	20
WAINWRIGHT, -William - VC	Belinda Edwards	3-5995	532	8
CLEVELAND, George	Susan West	5-6707	504	110
COATES, Lorene	Melissa Lennon	3-5784	633	19
DICKSON, Margaret	Sue Buehlmann	3-5776	1219	42
GLAZIER, Rick	Carin Savel	3-5601	2215	81
MARTIN, Grier	Charlotte Graham	3-5758	2123	95
PRESTON, Jean	Suzanne Castleberry	3-5706	603	90
SUTTON, Ronnie	Juanita Coley	5-0875	1321	71
VINSON, Doug	Darden Trotter	3-5886	1010	89
WILEY, Laura	Susan Brothers	3-5877	513	88
CULPEPPER, Bill – Ex Officio	Dot Crocker	5-3028	404	36
CUNNINGHAM, Pete – Ex-Officio	Valerie Rustin	3-5778	541	7
EDDINS, Rick – Ex-Officio	Susan Phillips	3-5828	2002	26
HACKNEY, Joe – Ex-Officio	Emily Reynolds	3-5752	2207	69
PELL, Hal – Staff Attorney		3-2578	545	
MATULA, Theresa – Staff Analyst		3-2578	545	

MILITARY, VETERANS AND INDIAN AFFAIRS

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North Carolina General Assembly
Through House Committee on
Military, Veterans and Indian Affairs

Date: 07/25/2006
Time: 13:18
Page: 001 of 001

2005-2006 Biennium

Leg. Day: H-171/S-173

Bill	Introducer	Short Title	Latest Action	In Date	Out Date
H0061	Culpepper	INCOME TAX - EXEMPT CERTAIN MILITARY INCOME.	H Re-ref Com On Finance	02-07-05	03-16-05
H0062=	Culpepper	ADJUTANT GENERAL CHANGE.	HR Ch. SL 2005-314	02-07-05	03-16-05
H0139	Brubaker	INCREASE DISABLED VET PROPERTY TAX EXCLUSION.	H Ref to the Com on Military, Veterans and Indian Affairs and, if favorable, to the Com on Finance	02-09-05	
H0266=	Sutton	RECOGNIZE TRIBAL GOVERNMENTS.	H Ref To Com On Military, Veterans and Indian Affairs	02-17-05	
H0741	Coates	DEPARTMENT OF VETERANS AFFAIRS.	*H Re-ref Com On Appropriations	03-17-05	04-13-05
H0897=	Owens	NCNGUARD-TUITION ASSISTANCE PROGRAM CHANGES.	*H Re-ref Com On Rules, Calendar, and Operations of the House	03-24-05	04-06-05
H0898=	Owens	NCNG - DEPENDENTS PAY IN-STATE TUITION.	H Re-ref Com On Appropriations	03-24-05	04-06-05
H1348	Hunter	RECOGNIZING THE NOTTOWAY TRIBAL COMMUNITY.	H Ref To Com On Military, Veterans and Indian Affairs	04-21-05	
H2883	Goforth	SERVICE MEMBERS AND VETERANS/ID THEFT.	*HR Ch. SL 2006-158	06-19-06	06-21-06
S0491	Doug Berger	BUTNER WATER/SEWER TRANSF/PUB SAFETY.	*HR Ch. SL 2006-159	05-26-05	07-06-06
S1857	Doug Berger	HALIWA-SAPONI TRIBE NAME CHANGE.	*HR Ch. SL 2006-111	06-21-06	06-28-06

'\$' indicates the bill is an appropriation bill.

A bold line indicates the bill is an appropriation bill.

'*' indicates that the text of the original bill was changed by some action.

'=' indicates that the original bill is identical to another bill.

**NORTH CAROLINA HOUSE OF REPRESENTATIVES
COMMITTEE MEETING NOTICE
2005-2006 SESSION**

You are hereby notified that the Committee on **MILITARY, VETERANS & INDIAN AFFAIRS** will meet as follows:

DAY & DATE: **Wednesday, March 2, 2005**

TIME: **10:00 AM**

LOCATION: **1425 LB**

No bills will be discussed. This meeting will be for organizational purposes only.

Respectfully,

Representatives Pate and Underhill
Chairs

I hereby certify this notice was filed by the committee assistant at the following offices at
1:00 p.m. on Thursday, February 24, 2005.

____Principal Clerk
____Reading Clerk - House Chamber

Edna Pearce (Committee Assistant)

MILITARY, VETERANS AND INDIAN AFFAIRS

A G E N D A

March 2, 2005

Room 1425

10:00 AM

Representative Louis M. Pate, Jr.

Representative Alice Underhill

CHAIRS

Representative Louis Pate Presiding

WELCOME

INTRODUCTIONS

REMARKS

ADJOURNMENT

**MINUTES
HOUSE COMMITTEE
ON
MILITARY, VETERANS AND INDIAN AFFAIRS**

March 2, 2005

The House Military, Veterans and Indian Affairs Committee met at 10:00 A.M. on Wednesday, March 2, 2005, in Room 1425 of the Legislative Building. The following members were present: Chairman Louis Pate, Co-Chair Alice Underhill, Vice-Chairs Hollo, Lucas and Wainwright, Representatives Cleveland, Coates, Dickson, Glazier, Martin, Preston, Sutton, Vinson and Wiley.

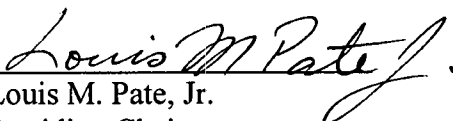
The Chairman called the meeting to order and recognized the Pages and Sergeant-at-Arms working with the Committee.


Chairman Pate then introduced Representative Alice Underhill, Co-Chair of the Committee and Vice Chairs Hollo, Lucas and Wainwright. He also introduced Hal Pell - Staff Attorney, Theresa Matula - Staff Analyst, as well as Committee Assistants - Edna Pearce and Judy Veorse. Following these introductions, Chairman Pate asked the members to introduce themselves and tell a little about their interest in the Committee. He then gave the visitors an opportunity to introduce themselves and tell why they were interested in the Committee.

Chairman Pate read a list of bills that had been referred to the Committee for consideration and action. He explained the importance of the Committee and asked for the cooperation of all members in attending the meetings and working toward processing all bills in an efficient and expedient manner.

There being no further business, the meeting adjourned at 10:20 AM

Respectfully submitted,


Louis M. Pate, Jr.
Presiding Chair


Edna Pearce
Committee Assistant

VISITOR REGISTRATION SHEET

MILITARY, VETERANS & INDIAN AFFAIRS

March 2, 2005

Name of Committee

Date

VISITORS: PLEASE SIGN IN BELOW AND RETURN TO COMMITTEE CLERK

NAME

FIRM OR AGENCY AND ADDRESS

CURTIS B WOODS

INTERN FOR REP. SUTTON

John Mottel

GOV OFFICE

Charlie Smith

NC DVA

Wayne Peedin

N.C.D.V.A.

Lee R. Egan

NC Indian Econ. Development

Isaburo Gash

NC Indian Econ. Dev. Initiative

Greg Heberster

NC Commission of Indian Affairs, Raleigh, NC

House Pages

1. Name: Flattie Walter
County: Wake
Sponsor: Speaker James Black

2. Name: Katherine Carlton
County: Wake
Sponsor: Speaker James Black

3. Name: _____
County: _____
Sponsor: _____

4. Name: _____
County: _____
Sponsor: _____

5. Name: _____
County: _____
Sponsor: _____

Sgt-At-Arms

1. Name: FRED HINES
2. Name: FRANK PREVU
3. Name: _____
4. Name: _____

Edna Pearce (Rep. Pate)

Subject: FW: Corrected Copy: Military, Veterans & Indian Affairs Committee Meeting - Wed. March 16, 2005

**NORTH CAROLINA HOUSE OF REPRESENTATIVES
COMMITTEE MEETING NOTICE
AND
BILL SPONSOR NOTIFICATION
2005-2006 SESSION**

You are hereby notified that the Committee on Military, Veterans and Indian Affairs will meet as follows:

DAY & DATE: **Wednesday, March 16, 2005**
TIME: **10:00 AM**
LOCATION: **Room 1425 – Legislative Building**

The following bills will be considered (Bill # & Short Title & Bill Sponsor):

HB 61 – Income Tax – Exempt Certain Military Income; Rep. Culpepper
HB 62 – Adjutant General Change; Rep. Culpepper

Respectfully,
Representatives Pate and Underhill
Chairs

I hereby certify this notice was filed by the committee assistant at the following offices at **4:20 PM** on **March 9, 2005**.

____Principal Clerk
____Reading Clerk - House Chamber

Judith M. Veorse (Committee Assistant)

MILITARY, VETERANS AND INDIAN AFFAIRS

A G E N D A

March 16, 2005

Room 1425

10:00 AM

Representative Louis M. Pate, Jr.

Representative Alice Underhill

CHAIRS

OPENING REMARKS

Representative Alice Underhill, Chair

BILLS TO BE DISCUSSED IN COMMITTEE:

HB 61 – INCOME TAX – EXEMPT CERTAIN MILITARY INCOME – Rep. Culpepper
HB 62 – ADJUTANT GENERAL CHANGE – Rep. Culpepper

ADJOURNMENT

**MINUTES
HOUSE COMMITTEE
ON
MILITARY, VETERANS AND INDIAN AFFAIRS**

MARCH 16, 2004

The House Committee on Military, Veterans and Indian Affairs met on Wednesday, March 16, 2005, in Room 1425 of the Legislative Building at 10:00 a.m. The following members were present: Chairs-Representatives Pate and Underhill; Vice Chairs - Hollo and Lucas; Ex-Officio Members - Culpepper and Eddins; Representatives Cleveland, Coates, Dickson, Glazier, Martin, Sutton, Vinson and Wiley.

Chairwoman Underhill called the meeting to order and recognized the Pages and Sergeant-at-Arms who were assisting with the Committee. She then advised the Committee of the following bills to be discussed:

HB 62 – ADJUTANT GENERAL CHANGE – Representative Culpepper was recognized to explain the bill, after which he recognized retired Colonel Doug Phelps to give his views regarding the bill. Representative Sutton moved that the bill be given a favorable report; motion carried unanimously.


HB 61 – INCOME TAX – EXEMPT CERTAIN MILITARY INCOME - Representative Culpepper was recognized to explain the bill. General Shaver, Colonel Pike and Colonel Phelps were also recognized to speak on the bill. After all questions had been answered, it was concluded that this was a very important bill that should be handled in an expedient manner. Representative Coates moved that the bill be given a favorable report and re-referred to the Committee on Finance; the motion passed unanimously.

There being no further business, the meeting adjourned at 10:30 a.m.

Respectfully submitted,



Representative Alice Underhill
Chair



Edna Pearce
Committee Assistant

**2005 COMMITTEE REPORT
HOUSE OF REPRESENTATIVES**

The following report(s) from standing committee(s) is/are presented:

By Representatives **Pate & Underhill** (Chairs) for the Committee on **MILITARY,
VETERANS AND INDIAN AFFAIRS.**

☐ Committee Substitute for

H.B. 61 A BILL TO BE ENTITLED AN ACT TO EXEMPT FROM INCOME TAX
CERTAIN COMPENSATION PAID TO MILITARY PERSONNEL OR THEIR
SURVIVORS.

☐ With a favorable report.

☒ With a favorable report and recommendation that the bill be re-referred to the Committee on
~~Appropriations~~ ☐ Finance ☒ ☐.

☐ With a favorable report, as amended.

☐ With a favorable report, as amended, and recommendation that the bill be re-referred to the
Committee on Appropriations ☐ Finance ☐ ☐.

☐ With a favorable report as to the committee substitute bill (#), ☐ which changes the
title, unfavorable as to (the original bill) (Committee Substitute Bill #), (and
recommendation that the committee substitute bill #) be re-referred to the Committee
on .)

☐ With a favorable report as to House committee substitute bill (#), ☐ which changes
the title, unfavorable as to Senate committee substitute bill.

☐ With an unfavorable report.

☐ With recommendation that the House concur.

☐ With recommendation that the House do not concur.

☐ With recommendation that the House do not concur; request conferees.

☐ With recommendation that the House concur; committee believes bill to be material.

☐ With an unfavorable report, with a Minority Report attached.

☐ Without prejudice.

☐ With an indefinite postponement report.

☐ With an indefinite postponement report, with a Minority Report attached.

☐ With recommendation that it be adopted. (HOUSE RESOLUTION ONLY)

03/19/03

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2005

H

1

HOUSE BILL 61

Short Title: Income Tax - Exempt Certain Military Income.

(Public)

Sponsors: Representatives Culpepper; Alexander, Capps, Cleveland, Dickson, Dollar, Faison, Frye, Glazier, Grady, Harrison, Jeffus, Moore, Pate, Preston, and Rayfield.

Referred to: Military, Veterans and Indian Affairs, if favorable, Finance.

February 7, 2005

A BILL TO BE ENTITLED

AN ACT TO EXEMPT FROM INCOME TAX CERTAIN COMPENSATION PAID
TO MILITARY PERSONNEL OR THEIR SURVIVORS.

The General Assembly of North Carolina enacts:

SECTION 1. G.S. 105-134.6(b) reads as rewritten:

"(b) Deductions. – The following deductions from taxable income shall be made in calculating North Carolina taxable income, to the extent each item is included in taxable income:

...

(5b) The amount received during the taxable year from one or more State, local, or federal government retirement plans to the extent the amount is exempt from tax under this Part pursuant to a court order in settlement of the following cases: Bailey v. State, 92 CVS 10221, 94 CVS 6904, 95 CVS 6625, 95 CVS 8230; Emory v. State, 98 CVS 0738; and Patton v. State, 95 CVS 04346. Amounts deducted under this subdivision may not also be deducted under subdivision (5c) or (6) of this subsection.

(5c) The amount received during the taxable year from the United States government as retirement pay for a retired member of the armed forces of the United States or as survivorship benefits for survivors of active duty or retired members of the armed forces of the United States. Amounts deducted under this subdivision may not also be deducted under subdivision (5b) or (6) of this subsection.

...

(18) Compensation that is paid by the armed forces of the United States to an individual who is on active duty as a full-time officer or enlisted member."

1 **SECTION 2.** This act is effective for taxable years beginning on or after
2 January 1, 2004.

GENERAL ASSEMBLY OF NORTH CAROLINA

Session 2005

Legislative Fiscal Note

BILL NUMBER: House Bill 61 (First Edition)

SHORT TITLE: Income Tax - Exempt Certain Military Income.

SPONSOR(S): Representative Culpepper

FISCAL IMPACT

	Yes ()	No ()	No Estimate Available ()		
	<u>FY 2005-06</u>	<u>FY 2006-07</u>	<u>FY 2007-08</u>	<u>FY 2008-09</u>	<u>FY 2009-10</u>
REVENUES:					
Traditional Military	(154.4)	(83.4)	(87.2)	(91.1)	(94.9)
Guard & Reserve	(1.6)	(0.8)	(0.8)	(0.8)	(0.8)
Retirees	(17.1)	(9.6)	(24.5)	(25.1)	(27.1)
Survivors	(9.2)	(4.6)	(4.6)	(4.6)	(4.6)
TOTAL	(182.3)	(98.4)	(117.1)	(121.6)	(127.4)

PRINCIPAL DEPARTMENT(S) & PROGRAM(S) AFFECTED: North Carolina
Department of Revenue.

EFFECTIVE DATE: January 1, 2004

BILL SUMMARY:

Enacts new GS 105-134.6(b)(5c) to exempt the amount received during the taxable year from the U.S. government as retirement pay for a retired member of the armed forces or as survivorship benefits for survivors of active duty or retired members of the armed forces. Further enacts new GS 105-134.6(b)(18) to exempt compensation paid by the armed forces to an individual on active duty as a full-time officer or enlisted member. Effective Jan. 1, 2004.

ASSUMPTIONS AND METHODOLOGY: The legislation exempts four classes of military or military service related pay. They are traditional military pay, active duty pay to Army Reserve and National Guard, military retirement pay not covered by the Bailey decision, and survivorship benefits.

Active Duty, Army Reserve, and National Guard: Presently, all military pay earned by enlisted personnel, warrant officers, and commissioned warrant officers are exempt from state income tax if the individual is either serving in a combat zone or is hospitalized as a result of serving in a combat zone. A similar exemption is applied to commissioned officers serving in a combat zone

or hospitalized as a result of serving in a combat zone. However, the exemption is limited to the highest rate of enlisted pay plus imminent danger/hostile fire pay. As a result, the legislation only impact military personnel who list North Carolina as their state of residence and are not in a combat zone, or those officers whose current exemption is capped. Through a variety of executive orders the President has deemed the following areas combat zones, the equivalent of combat zones, or combat support zones eligible for tax exemption: Persian Gulf, Red Sea, Gulf of Oman, portions of the Arabian Sea, the Gulf of Aden, Bahrain, Iraq, Kuwait, Oman, Qatar, Saudi Arabia, United Arab Emirates, Yugoslavia, Albania, the Adriatic Sea, portions of the Ionian Sea, Afghanistan, Bosnia, Herzegovina, Croatia, Macedonia, Pakistan, Tajikistan, Jordan, Turkey, Kyrgyzstan, Uzbekistan, portions of the Philippines, Yemen, Djibouti, Israel, portions of the Mediterranean Sea, Jordan, and Egypt.

According to the Department of Defense 2003 Atlas/Data Abstract Workforce publication, there were 96,560 active duty military personnel in North Carolina in 2003. Their average pay at that time \$35,455. Approximately 47.4% of those individuals are in the Army, 41.7% are Navy and Marine Corp personnel, and the balance are in the Air Force.

According to the Department of Defense Statistical Report of Personnel and Readiness, there are approximately 25,500 military personnel who declare North Carolina as their legal residence in 2001. This number is increased by 10% to 28,050 and is used as a proxy for current levels. The average military pay at North Carolina military installations was \$35,455 in 2003. Under federal law, military pay increases are linked to the Bureau of Labor Statistics generated Employment Cost Index (ECI) for civilian employment. Between 2000 and 2006 military pay increases must meet or exceed 1/2% above the private sector increase for employment costs. After 2006, the increase must match ECI. Historic data from Labor Statistics and forecasts provided by Economy.com suggest the following average salaries for calendar years 2004 – 2010.

Calendar year	Average Pay
2003	35,455
2004	36,529
2005	37,852
2006	39,335
2007	40,685
2008	42,056
2009	43,448
2010	44,882

Previously provided military data suggests that 53% of North Carolina residents that are active duty military are married with an average of two dependents. The remaining 47% are single. For purposes of this analysis, spouses are assumed to earn 80% of the average military pay. No other exemptions or exclusions to state income are considered. Using this data, applying the appropriate federal and state deductions, exemptions, and credits, produces the following calendar year losses.

	2005	2006	2007	2008	2009	2010
Married	51,083,012	53,892,875	56,390,531	58,992,256	61,593,981	64,255,174
Single	28,198,437	29,529,920	30,782,305	32,074,239	33,313,441	34,658,107
TOTAL Loss	79,281,449	83,422,795	87,172,836	91,066,495	94,907,422	98,913,281

The legislation also exempts pay received by Reserve and National Guard members while on active duty. According to the North Carolina Army Reserve and National Guard comptroller, in the most recent fiscal year North Carolina Guard and Reserve soldiers earned \$10.67 million in taxable active duty pay. Applying an average personal income tax rate of 7.0% suggests a loss of approximately \$750,000 annually.

Military Retirees and Survivors: As a result of the North Carolina Supreme Court's decision in *Bailey v. State of North Carolina*, North Carolina may not tax certain retirement benefits received by retirees of the State of North Carolina and its local government or by the United States government retirees for each retirement plan if the retiree has five or more years of creditable service as of August 12, 1989. This exclusion includes military retirees who had five years of military service by August 12, 1989.

In 2003 North Carolina military retirees received \$1,275,163,000 in retirement pay from the service. This equates to approximately \$17,250 per retiree. Because all current retirees are covered by the Bailey decision, all that income is excluded from tax. Under the federal military retirement program, service members are eligible for retirement after twenty years of service. Beginning in 2004, some active duty military that are too young to be covered by the Bailey decision are eligible for retirement. Their retirement will be taxable. Using the 2003 pay stream, with Consumer Price Index based cost of living (COLA) adjustments, and applying the 7.0% income tax rate suggests the following potential tax revenue stream.

	Total pay	Growth	Potential tax
2003	1,275,163,000	0.0227	89,261,410
2004	1,304,109,200	0.0269	91,287,644
2005	1,339,189,738	0.0231	93,743,282
2006	1,370,125,021	0.0211	95,908,751
2007	1,399,034,658	0.0247	97,932,426
2008	1,433,590,815	0.0219	100,351,357
2009	1,464,986,453	0.0213	102,549,052
2010	1,496,190,665	0.021	104,733,347

While this is the maximum potential cost for each fiscal year, the actual number of retirees that are not covered by Bailey is expected to be relatively small for the first few fiscal years. However, because the legislation is retroactive to January 1, 2004, the first year's estimate is increased to reflect likely refunds because of amended returns.

In terms of survivors, data from the North Carolina Office of Veterans Affairs indicates that in 2003 there were 8,683 individuals in the state receiving military survivor benefits. These benefits total \$66.0 million annually and are taxable. Applying a 7.0% tax rate suggests annual losses of \$4.6 million. The first year fiscal impact is increased to account for the retroactive effective date.

NOTE: Given the age of the active military estimates, and the current deployment situation, actual impacts could vary significantly.

SOURCES OF DATA: Department of Defense, North Carolina National Guard, Army Reserve, and the North Carolina Division of Veterans Affairs.

TECHNICAL CONSIDERATIONS: None

FISCAL RESEARCH DIVISION: (919) 733-4910

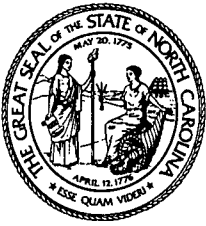
PREPARED BY: Linda Millsaps

APPROVED BY: James D. Johnson, Director
Fiscal Research Division



DATE: March 3, 2005

Signed Copy Located in the NCGA Principal Clerk's Offices



HOUSE BILL 61: Income Tax-Exempt Certain Military Income.

BILL ANALYSIS

Committee: House Military, Veterans &
Indian Affairs

Date: March 16, 2005

Version: First Edition

Introduced by: Representative Culpepper

Summary by: Theresa Matula
Committee Staff

SUMMARY: *House Bill 61 deducts from North Carolina taxable income: retirement pay for a retired member of the armed forces, survivorship benefits for survivors of active duty or retired members of the armed forces; and compensation paid by the armed forces of the US to an individual who is on active duty as a full-time officer or enlisted member.*

CURRENT LAW:

Military Retirees Vested as of August 12, 1989

As a result of several court decisions in 1998, NC law (G.S. 105-134.6(b)(5b)) provides that the retirement benefits of all State, local, and federal employees (including military employees) who were vested on or before August 12, 1989, are exempt from State income taxation.

Military Retirees Not Vested as of August 12, 1989

State, local, and federal employees (including military employees) who were not "vested" as of August 12, 1989, do pay tax on retirement benefits, subject to a \$4,000 deduction allowed to all government retirees under G.S. 105-134.6(b)(6).

Military Pay For Service in a Combat Zone

North Carolina follows the provisions of the Internal Revenue Code as it relates to members of the US Armed Forces serving in a designated combat zone. Thus, all military pay received by members of the United States Armed Forces serving in a combat zone, as an enlisted person or as a warrant officer (including commissioned warrant officers), is excluded from gross income. Also excluded is: military pay received by enlisted personnel who are hospitalized as a result of injuries sustained while serving in a combat zone; and payments upon discharge for those portions of the annual leave that was accrued during any month in which the member served in a combat zone. (For commissioned officers, the monthly exclusion is capped at the highest enlisted pay, plus any hostile fire or imminent danger pay).

Combat zones are designated by an Executive Order from the President as areas in which the U.S. Armed Forces are engaging or have engaged in combat. There are currently three combat zones (including the airspace above each) Arabian Peninsula Areas, Kosovo area, and Afghanistan. Three parts of the former Yugoslavia are Qualified Hazardous Duty Area, to be treated as if it were a combat zone, and the Department of Defense has certified areas in the Afghanistan combat zone supporting Operation Enduring Freedom, and Arabian Peninsula Areas combat zone supporting Operation Iraqi Freedom as locations to receive the combat zone tax benefits due to their direct support for military operations.

BILL ANALYSIS:

House Bill 61 amends the statutes that outline allowable deductions when calculating North Carolina taxable income. The bill amends G.S. 105-134.6(b)(5b) to conform to the existing limitation clarifying that the retirement pay deduction may only be taken once.

HOUSE BILL 61

Page 2

The bill also adds two new subdivisions:

G.S. 105-134.6(b)(5c) allows the following income received during the taxable year to be deducted from taxable income:

- Retirement pay received by retired members of the armed forces of the United States, and
- Survivorship benefits received by survivors of active duty or retired members of the US armed forces.

G.S. 105-134.6(b)(18) allows the following income received during the taxable year to be deducted from taxable income:

- Compensation paid by the armed forces of the United States to an individual who is on active duty as a full-time officer or enlisted member.

As a result, House Bill 61 excludes military retirement pay and survivor benefits from taxable income thereby benefiting those individuals who are not currently covered by G.S. 105-134.6(b) because they were not vested as of August 12, 1989. House Bill 61 also excludes compensation paid by the armed forces of the US to all individuals on active duty as full-time officers and enlisted members, which is broader than the current exclusion for pay while serving in a combat zone.

This bill is effective for taxable years beginning on or after January 1, 2004.

BACKGROUND:

The following information was compiled by the Research Division and represents a summary of the taxation of active duty pay, and retirement pay and survivors benefits pay in all 50 states.

Taxation of Active Duty Pay in All 50 States

- 2 States Do Not Tax Active Duty Pay.
- 39 States Tax Active Duty Pay. Of this 39, 37 states tax active duty military pay the same as federal which means that combat pay is exempt. (North Carolina is currently one of the 37.)
- 9 States Do Not Have an Income Tax.

Taxation of Retirement Pay and Survivors Benefits Pay in All 50 States

- 12 States Do Not Tax Retirement Pay and Survivors Benefit Pay, But Also Extend This Benefit Beyond the Military.
- 27 States Totally or Partially Tax Retirement Pay and Survivors Benefit Pay.
- 1 State Partially Taxes Retirement Pay, But Does Not Tax Survivors Benefits Pay.
- 1 State has a Full Public Pension Exemption, but Does Tax Survivors Benefits Pay.
- 9 States Do Not Have An Income Tax.

H61-SMSH-001

**2005 COMMITTEE REPORT
HOUSE OF REPRESENTATIVES**

The following report(s) from standing committee(s) is/are presented:

By Representatives **Pate & Underhill** (Chairs) for the Committee on **MILITARY,
VETERANS AND INDIAN AFFAIRS.**

- ☐ Committee Substitute for
H.B. 62 A BILL TO BE ENTITLED AN ACT TO MAKE CHANGES REGARDING THE
ADJUTANT GENERAL.
- ☒ With a favorable report.
- ☐ With a favorable report and recommendation that the bill be re-referred to the Committee on
Appropriations ☐ Finance ☐ ☐.
- ☐ With a favorable report, as amended.
- ☐ With a favorable report, as amended, and recommendation that the bill be re-referred to the
Committee on Appropriations ☐ Finance ☐ ☐.
- ☐ With a favorable report as to the committee substitute bill (#), ☐ which changes the
title, unfavorable as to (the original bill) (Committee Substitute Bill #), (and
recommendation that the committee substitute bill #) be re-referred to the Committee
on .)
- ☐ With a favorable report as to House committee substitute bill (#), ☐ which changes
the title, unfavorable as to Senate committee substitute bill.
- ☐ With an unfavorable report.
- ☐ With recommendation that the House concur.
- ☐ With recommendation that the House do not concur.
- ☐ With recommendation that the House do not concur; request conferees.
- ☐ With recommendation that the House concur; committee believes bill to be material.
- ☐ With an unfavorable report, with a Minority Report attached.
- ☐ Without prejudice.
- ☐ With an indefinite postponement report.
- ☐ With an indefinite postponement report, with a Minority Report attached.
- ☐ With recommendation that it be adopted. (HOUSE RESOLUTION ONLY)

03/19/03

GENERAL ASSEMBLY OF NORTH CAROLINA

SESSION 2005

H

1

HOUSE BILL 62

Short Title: Adjutant General Change.

(Public)

Sponsors: Representative Culpepper.

Referred to: Military, Veterans and Indian Affairs.

February 7, 2005

A BILL TO BE ENTITLED

AN ACT TO MAKE CHANGES REGARDING THE ADJUTANT GENERAL.

The General Assembly of North Carolina enacts:

SECTION 1. G.S. 127A-19 reads as rewritten:

"§ 127A-19. Adjutant General.

The military head of the militia shall be the Adjutant General who shall hold the rank of major general. The Adjutant General shall be appointed by the Governor in his capacity as commander in chief of the militia, in consultation with the Secretary of Crime Control and Public Safety, and shall serve at the pleasure of the Governor. No person shall be appointed as Adjutant General who has less than five years' commissioned service in an active status in any component of the armed forces of the United States. The Adjutant General, while holding such office, may be a member of the active national guard or naval militia.

Subject to the approval of the Governor and in consultation with the Secretary, Department of Crime Control and Public Safety, the Adjutant General may appoint a deputy adjutant general for Army National Guard, an assistant adjutant general for Army National Guard, and an assistant adjutant general for Air National Guard, each of whom may hold the rank of brigadier general and who shall serve at the pleasure of the Governor. ~~The assistant adjutant general for Army National Guard shall also serve in the military position of Brigadier General Line, Deputy, State Area Command (STARC) Commander.~~ The Adjutant General may also employ such staff members and other personnel as may be authorized by the Secretary and funded."

SECTION 2. This act is effective when it becomes law.

VISITOR REGISTRATION SHEET

MILITARY, VETERANS & INDIAN AFFAIRS

March 16, 2005

Name of Committee

Date

VISITORS: PLEASE SIGN IN BELOW AND RETURN TO COMMITTEE CLERK

NAME

FIRM OR AGENCY AND ADDRESS

Nancy Pomeranz	NC DOR
John McHarg	Gov Office
F. Doug Phelps	NLW 15 MOON
Gen Mark G. Shaver (ret)	USA Policy Officer DOR 1 DOR
COL VERNER N. PIKE, USA (ret)	MOAA, VP - PINEHURST, NC
LTC Kenneth D. Tigges, USA (ret)	Triangle Chapter MOAA, President
LTC William Rotliff	NCNG
Ken Melton	D.O.R.
Nancy Pomeranz	D.O.R.
CASANDRA SKINNER	CCPS
Charlie Smith	NC DVA

VISITOR REGISTRATION SHEET

MILITARY, VETERANS & INDIAN AFFAIRS

March 16, 2005

Name of Committee

Date

VISITORS: PLEASE SIGN IN BELOW AND RETURN TO COMMITTEE CLERK

NAME _____

FIRM OR AGENCY AND ADDRESS

Wayne Peedin

N.C. Division of Veterans Affairs

VISITOR REGISTRATION SHEET

Military, Veterans & Indian Affairs
Name of Committee

March 16, 2005
Date

VISITORS: PLEASE SIGN BELOW AND RETURN TO COMMITTEE ASSISTANT

NAME

FIRM OR AGENCY

Carol Williams
San Palomares

Ady
Equality NC

**NORTH CAROLINA HOUSE OF REPRESENTATIVES
COMMITTEE MEETING NOTICE
2005-2006 SESSION**

You are hereby notified that the Committee on **MILITARY, VETERANS AND INDIAN AFFAIRS** will meet as follows:

DAY & DATE: **Wednesday, April 6, 2005**

TIME: **10:00 AM**

LOCATION: **1425**

The following bills will be considered (Bill # & Short Title & Bill Sponsor):

HB 897 - NCNGuard - Tuition Assistance Program Changes - Rep. Owens

HB 898 - NCNG - Dependents Pay In-State Tuition - Rep. Owens

HB 741 - Department of Veterans Affairs - Rep. Coates

Respectfully,

Representatives Pate and Underhill
Co-chairs

I hereby certify this notice was filed by the committee clerk at the following offices at
9:00 AM on April 4, 2005.

____Principal Clerk
____Reading Clerk - House Chamber

Edna Pearce (Committee Assistant)

MILITARY, VETERANS AND INDIAN AFFAIRS

A G E N D A

April 6, 2005

Room 1425

10:00 AM

Representative Louis M. Pate, Jr.

Representative Alice Underhill

CHAIRS

OPENING REMARKS

Representative Louis Pate, Chair

BILLS TO BE DISCUSSED IN COMMITTEE:

HB 897 – NCNGUARD-TUITION ASSISTANCE PROGRAM CHANGES – Rep. Owens

HB 898 – NCNG – DEPENDENTS PAY IN-STATE TUITION – Rep. Owens

HB 741 – DEPARTMENT OF VETERANS AFFAIRS – Rep. Coates

ADJOURNMENT

MINUTES
HOUSE COMMITTEE ON
MILITARY, VETERANS AND INDIAN AFFAIRS

April 6, 2005

The House Committee on Military, Veterans and Indian Affairs met on Wednesday, April 6, 2005, in Room 1425 of the Legislative Building. The following members were present: Chairman Louis Pate, Co-Chair Alice Underhill, Vice-Chairs Hollo and Lucas, Representatives Cleveland, Coates, Dickson, Glazier, Martin, Preston, Sutton and Wiley.

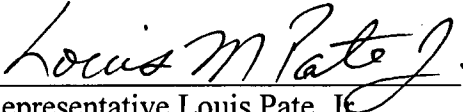
Chairman Pate called the meeting to order and recognized the Pages, Sergeant-at-Arms and visitors. He then informed the Committee of the following bills to be discussed:


HB 897 – NCNGuard – Tuition Assistance Program Changes – Legislative Analyst, Theresa Matula, was asked to explain the bill analysis and a Proposed Committee Substitute for the bill. Representative Martin moved that the Proposed Committee Substitute be considered for discussion. Representative Owens was then asked to explain the intent of the bill. After a brief question and answer session, Representative Glazier moved for a favorable report as to the Proposed Committee Substitute, unfavorable as to the original bill. Motion carried. The bill would then be re-referred to the Committee on Appropriations.

HB 898 – NCNG – DEPENDENTS PAY IN-STATE TUITION – Staff Attorney Hal Pell was asked to explain the bill. Representative Owens then explained the bill in further. After a brief discussion, Representative Lucas moved for a favorable report; motion carried. The bill will be re-referred to the Committee on Appropriations.

HB 741 – DEPARTMENT OF VETERANS AFFAIRS – Staff Attorney Hal Pell handed out copies of a Proposed Committee Substitute for the bill, and Representative Glazier moved for consideration of the Proposed Committee Substitute for discussion purposes only. Motion carried. Mr. Pell then explained the changes in the Committee Substitute. Representative Coates also explained the bill. After numerous questions and much conversation regarding the bill, it was decided that Representative Coates would revise the bill to incorporate some of the comments made in the meeting, and bring it up again at a later date.

There being no further business, the Chair adjourned the meeting at 10:40 AM.


Representative Louis Pate, Jr.
Chair


Edna Pearce
Committee Assistant

**2005 COMMITTEE REPORT
HOUSE OF REPRESENTATIVES**

The following report(s) from standing committee(s) is/are presented:

By Representatives **Pate & Underhill** (Chairs) for the Committee on **MILITARY,
VETERANS AND INDIAN AFFAIRS.**

☐ Committee Substitute for

H.B. 897 A BILL TO BE ENTITLED AN ACT TO MODIFY THE TUITION
ASSISTANCE PROGRAM FOR MEMBERS OF THE NORTH CAROLINA NATIONAL
GUARD.

☐ With a favorable report.

☐ With a favorable report and recommendation that the bill be re-referred to the Committee on
Appropriations ☐ Finance ☐ ☐.

☐ With a favorable report, as amended.

☐ With a favorable report, as amended, and recommendation that the bill be re-referred to the
Committee on Appropriations ☐ Finance ☐ ☐.

☒ With a favorable report as to the committee substitute bill (# _____), ☐ which changes the
title, unfavorable as to the original bill (~~Committee Substitute Bill # _____~~), (and
recommendation that the committee substitute bill # _____) be re-referred to the Committee
on Appropriations.

☐ With a favorable report as to House committee substitute bill (# _____), ☐ which changes
the title, unfavorable as to Senate committee substitute bill.

☐ With an unfavorable report.

☐ With recommendation that the House concur.

☐ With recommendation that the House do not concur.

☐ With recommendation that the House do not concur; request conferees.

☐ With recommendation that the House concur; committee believes bill to be material.

☐ With an unfavorable report, with a Minority Report attached.

☐ Without prejudice.

☐ With an indefinite postponement report.

☐ With an indefinite postponement report, with a Minority Report attached.

☐ With recommendation that it be adopted. (HOUSE RESOLUTION ONLY)

03/19/03

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2005

H

1

HOUSE BILL 897*

Short Title: NCNGuard–Tuition Assistance Program Changes. (Public)

Sponsors: Representatives Owens; Faison, Pate, Pierce, Preston, Vinson, and Wainwright.

Referred to: Military, Veterans and Indian Affairs, if favorable, Appropriations.

March 24, 2005

A BILL TO BE ENTITLED
AN ACT TO MODIFY THE TUITION ASSISTANCE PROGRAM FOR MEMBERS
OF THE NORTH CAROLINA NATIONAL GUARD.

The General Assembly of North Carolina enacts:

SECTION 1. G.S. 127A-193 reads as rewritten:

"§ 127A-193. Benefit.

The benefit provided under this Article shall consist of a monetary educational assistance grant not to exceed ~~two thousand dollars (\$2,000) per academic year the highest amount charged by a State educational institution per academic year or a lesser amount, as prescribed by the Secretary, to remain within the funds appropriated, to~~ qualifying members of the North Carolina national guard. Benefits shall be payable for a period of one academic year at a time, renewable at the option of the ~~Secretary for a maximum of eight thousand dollars (\$8,000).Secretary.~~"

SECTION 2. G.S. 127A-195(c) reads as rewritten:

"(c) All tuition benefit disbursements shall be made to the business or trade school or State or private educational institution concerned, for credit to the tuition account of each recipient."

SECTION 3. G.S. 127A-195 is amended by adding a new subsection to read:

"(f) Any balance of the monetary educational assistance grant up to the maximum for the academic year remaining after tuition is paid pursuant to subsection (c) of this section may be disbursed to the applicant as reimbursement for required course books and materials. The manner of obtaining the reimbursement payment for these required books and materials shall be as prescribed by the Secretary."

SECTION 4. This act becomes effective July 1, 2005.

**2005 COMMITTEE REPORT
HOUSE OF REPRESENTATIVES**

The following report(s) from standing committee(s) is/are presented:

By Representatives **Pate & Underhill** (Chairs) for the Committee on **MILITARY,
VETERANS AND INDIAN AFFAIRS.**

- ☐ Committee Substitute for
H.B. 898 A BILL TO BE ENTITLED AN ACT TO PROVIDE THAT DEPENDENTS OF
MEMBERS OF THE NORTH CAROLINA NATIONAL GUARD PAY IN-STATE
TUITION.
- ☐ With a favorable report.
- ☒ With a favorable report and recommendation that the bill be re-referred to the Committee on
Appropriations ☒ ~~Finance~~ ☐ ☐.
- ☐ With a favorable report, as amended.
- ☐ With a favorable report, as amended, and recommendation that the bill be re-referred to the
Committee on Appropriations ☐ Finance ☐ ☐.
- ☐ With a favorable report as to the committee substitute bill (#), ☐ which changes the
title, unfavorable as to (the original bill) (Committee Substitute Bill #), (and
recommendation that the committee substitute bill #) be re-referred to the Committee
on .)
- ☐ With a favorable report as to House committee substitute bill (#), ☐ which changes
the title, unfavorable as to Senate committee substitute bill.
- ☐ With an unfavorable report.
- ☐ With recommendation that the House concur.
- ☐ With recommendation that the House do not concur.
- ☐ With recommendation that the House do not concur; request conferees.
- ☐ With recommendation that the House concur; committee believes bill to be material.
- ☐ With an unfavorable report, with a Minority Report attached.
- ☐ Without prejudice.
- ☐ With an indefinite postponement report.
- ☐ With an indefinite postponement report, with a Minority Report attached.
- ☐ With recommendation that it be adopted. (HOUSE RESOLUTION ONLY)

03/19/03

**GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2005**

H

1

HOUSE BILL 898*

Short Title: NCNG – Dependents Pay In-State Tuition. (Public)

Sponsors: Representatives Owens; Faison, Pate, Pierce, Preston, Vinson, and Wainwright.

Referred to: Military, Veterans and Indian Affairs, if favorable, Appropriations.

March 24, 2005

A BILL TO BE ENTITLED

AN ACT TO PROVIDE THAT DEPENDENTS OF MEMBERS OF THE NORTH CAROLINA NATIONAL GUARD PAY IN-STATE TUITION.

The General Assembly of North Carolina enacts:

SECTION 1. G.S. 116-143.3 is amended by adding a new subsection to read:

"(c1) Any dependent relative of a member of the North Carolina National Guard as defined by the Board of Governors of The University of North Carolina and by the State Board of Community Colleges while sharing the abode of that member shall be eligible to be charged the in-State tuition rate, if the dependent relative qualifies for admission to an institution of higher education as defined in G.S. 116-143.1(a)(3). The dependent relatives shall comply with the requirements of the Selective Service System, if applicable, in order to be accorded this benefit."

SECTION 2. This act becomes effective July 1, 2005.

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2005

H

1

HOUSE BILL 741

Short Title: Department of Veterans Affairs.

(Public)

Sponsors: Representatives Coates; Brown and Steen.

Referred to: Military, Veterans and Indian Affairs.

March 17, 2005

A BILL TO BE ENTITLED

AN ACT TO CREATE THE NORTH CAROLINA DEPARTMENT OF VETERANS
AFFAIRS.

The General Assembly of North Carolina enacts:

SECTION 1. The title of Article 1 of Chapter 165 of the General Statutes
reads as rewritten:

"Article 1.

~~"Department of Administration. Department of Veterans Affairs."~~

SECTION 2. G.S. 165-1 reads as rewritten:

"§ 165-1. North Carolina Veterans Commission renamed.

~~The North Carolina Veterans Commission is hereby renamed the Department of
Administration. The Department shall assume all duties, responsibilities and powers
formerly exercised by the Veterans Commission, and shall further exercise those powers
and duties prescribed in this Article and elsewhere in the General Statutes. There is
created the Department of Veterans Affairs, which shall be attached to the Office of the
Governor for administrative purposes. The Department shall be headed by an Executive
Director appointed by the Governor who shall be a veteran with the necessary
competency and ability."~~

SECTION 3. G.S. 165-2 reads as rewritten:

"§ 165-2. References changed.

~~Wherever in the General Statutes the words "North Carolina Veterans Commission"
appear, the same shall be stricken out and the words "North Carolina Department of
Administration" inserted in lieu thereof.~~

(a) The Department of Veterans Affairs shall include the Veterans' Affairs
Commission established by G.S. 143B-399.

(b) The Department of Veterans Affairs shall be responsible for providing
services to veterans in accordance with this Chapter."

SECTION 4. G.S. 165-3 reads as rewritten:

"§ 165-3. Definitions.

Wherever used in this Article, unless the context otherwise requires, the terms defined in this section shall have the following meaning:

- (1) "Commission" means the Veterans Affairs Commission.
- (2) "Department" means the North Carolina Department of ~~Administration, Veterans Affairs,~~ an agency of the government of the State of North Carolina.
- (3) Repealed by Session Laws 1973, c. 620, s. 9.
- (4) "Veteran" means
 - a. For qualifying as a voting member of the ~~State Board of Veterans Affairs~~ Veterans' Affairs Commission and as the ~~State Director of Veterans Affairs,~~ Executive Director of the Department of Veterans Affairs, a person who served honorably during a period of war as defined in Title 38, United States Code.
 - b. For entitlement to the services of the Department of ~~Administration, Veterans Affairs,~~ any person who may be entitled to any benefits or rights under the laws of the United States by reason of service in the armed forces of the United States.
- (5) "Veterans' organization" means any organization of veterans which has been chartered by an act of the United States Congress and is legally constituted and operating in this State pursuant to ~~said~~ that charter."

SECTION 5. G.S. 165-6 reads as rewritten:

"§ 165-6. Powers and duties of the Department.

In furtherance of the stated purpose of this Article, the Department ~~is hereby authorized and empowered to may~~ do the following:

- (1) ~~To assist~~ Assist veterans, their families, and their dependents in the presentation, processing, proof, and establishment of ~~such~~ any claims, privileges, rights, and benefits ~~as that~~ they may be entitled to under federal, State, or local laws, rules, and regulations.
- (2) ~~To aid~~ Aid persons in active military service and their dependents with problems arising out of ~~said~~ their military service ~~which that~~ reasonably come ~~reasonably~~ within the purview of the Department's program of assistance.
- (3) ~~To collect~~ Collect data and information as to the facilities and services available to veterans, their families, and their dependents and to cooperate with agencies furnishing information or services throughout the State in order to inform ~~such~~ those agencies regarding the availability of (i) education, training and retraining facilities, (ii) health, medical, rehabilitation, and housing services and facilities, (iii) employment and reemployment services, (iv) provisions of federal, State, and local laws, rules, and regulations affording rights, privileges, and benefits to veterans, their families, and their dependents, and in

respect to ~~such other matters of a similar, related, or appropriate nature~~
~~not herein set out.~~

(4) ~~To establish such~~ Establish field offices, facilities and services throughout the State ~~as may be necessary~~ to carry out the purposes of this Article.

(5) ~~To cooperate,~~ Cooperate, as the Department deems appropriate, with governmental, private and civic agencies and instrumentalities in securing services or benefits for veterans, their families, dependents and beneficiaries.

(6) ~~To accept~~ Accept any property, funds, service, or facilities from any source, public or private, granted in aid or furtherance of the administration of the provisions of this Article.

(7) ~~To enter~~ Enter into any contract or agreement with any person, firm, or corporation, or governmental agency or instrumentality in furtherance of the purposes of this Article, and to make all rules and regulations necessary for the proper and effective administration of its duties.

(8) ~~It shall be the duty of the Department to train,~~ Train, supervise and assist the employees of any ~~county, city or town~~ county who are engaged in veteran's service. ~~Authority is hereby granted the governing body of any county, city or town~~ The Board of Commissioners of any county to may appropriate such amounts as it may deem necessary to provide a veterans service program and the expenditure of ~~such these~~ funds is ~~hereby declared~~ to be for a public purpose; ~~such a county~~ program shall be operated in affiliation with this Department and under its supervision as set forth above.

(9) ~~The Department may, in its discretion, contribute~~ Contribute to each county an amount ~~not to exceed two thousand dollars (\$2,000) up to~~ five thousand dollars (\$5,000) on a matching basis for any fiscal year for the maintenance and operation of a county veterans service program. Participating counties shall furnish the Department ~~such with~~ reports, accountings and other information ~~at such times and in such form as the Department may require~~ as required by the Department.

(10) Repealed by Session Laws 1973, c. 620, s. 9."

SECTION 6. G.S. 165-8 reads as rewritten:

"§ 165-8. Quarters.

The Department of Administration shall provide, in the City of Raleigh, adequate quarters for the central office of the Department of ~~Administration~~ Veterans Affairs. The Department of ~~Administration~~ Veterans Affairs shall procure suitable space for its field offices and other activities pursuant to applicable provisions of law and in accordance with rules adopted by the Governor with the approval of the Council of State."

SECTION 7. G.S. 165-11 reads as rewritten:

"§ 165-11. Copies of records to be furnished to the Department of ~~Administration~~ Veterans Affairs.

1 (a) Whenever copies of any State and local public records are requested by a
2 representative of the Department of ~~Administration in Veterans Affairs~~ while assisting
3 persons in obtaining any federal, State, local or privately provided benefits relating to
4 veterans and their beneficiaries, the official charged with the custody of ~~any such those~~
5 records shall ~~without charge~~ furnish ~~said the~~ representative with the requested number
6 of certified copies of ~~such records; provided, that this section those records without~~
7 charge. This subsection shall not apply to the disclosure of information in certain
8 privileged and confidential records referred to elsewhere in the General Statutes of
9 North Carolina, ~~which and that~~ information shall continue to be disclosed in the manner
10 prescribed by the ~~statute relating thereto~~ relevant statutes.

11 (b) No official chargeable with the collection of any fee or charge under the laws
12 of the State of North Carolina in connection with his official duties shall be held
13 accountable on his official bond or otherwise for any fee or charge remitted pursuant to
14 the provisions of this section."

15 **SECTION 8.** G.S. 165-11.1 reads as rewritten:

16 "**§ 165-11.1. Confidentiality of Veterans Affairs records.**

17 Notwithstanding any other provisions of Chapter 143B, no records of the ~~Division of~~
18 ~~Veterans Affairs in the Department of Administration~~ Veterans Affairs shall be
19 disclosed or used for any purpose except for official purposes, and no records shall be
20 disclosed, destroyed or used in any manner which is in violation of any existing federal
21 law or regulation. Nothing in this Chapter shall convert records which are the property
22 of the federal government into State property."

23 **SECTION 9.** This act becomes effective July 1, 2005.

VISITOR REGISTRATION SHEET

MILITARY, VETERANS & INDIAN AFFAIRS

4/6/05

Name of Committee

Date

VISITORS: PLEASE SIGN IN BELOW AND RETURN TO COMMITTEE CLERK

NAME

FIRM OR AGENCY AND ADDRESS

J.D. GASKINS	President North Carolina National Guard Association
DICK Carlton	et al.
Doug Phelps	National Guard
MARVIN Waters	CEPS
JOHN GOODMAN	ALLEY ASSOCIATES
William T. Boyd, COL, NCNG	Chief of Staff, North Carolina National Guard
William L. Ratliff Jr, LTC	Strategic Plans Officer, NCNG
Wayne Peedin	N.C. Division of Veterans Affairs
Charlie Smith	NC OVA
Kathy Hawkins	Progress Energy
CURTIS WOODS	INTERIM FOR REP. SUTTON

VISITOR REGISTRATION SHEET

MILITARY, VETERANS & INDIAN AFFAIRS

4/6/05

Name of Committee**Date**

VISITORS: PLEASE SIGN IN BELOW AND RETURN TO COMMITTEE CLERK

NAME _____

FIRM OR AGENCY AND ADDRESS

MAD MIRIAM GRAY

NC NATIONAL GUARD
4105 REEDY CREEK ROAD RALEIGH, NC 27607

Khener Walker

NC Insider

Mark Flung

University

16.000

MILITARY, VETERANS AND INDIAN AFFAIRS

A G E N D A

April 13, 2005

Room 1425

10:00 AM

Representative Louis M. Pate, Jr.

Representative Alice G. Underhill

CHAIRS

OPENING REMARKS

Representative Alice G. Underhill, Chair

BILL TO BE DISCUSSED IN COMMITTEE:

HB 741 – DEPARTMENT OF VETERANS AFFAIRS – Rep. Coates

ADJOURNMENT

**MINUTES
HOUSE COMMITTEE
ON
MILITARY, VETERANS AND INDIAN AFFAIRS**

April 13, 2005


The House Committee on Military, Veterans and Indian Affairs met on Wednesday, April 13, 2005, in Room 1425 of the Legislative Building at 10:00 a.m. The following members were present: Chairs-Representatives Pate and Underhill; Vice Chairs - Hollo and Lucas; Representatives Cleveland, Coates, Dickson, Glazier, Martin, and Sutton. Rep. Vinson had an excused absence. A visitor registration sheet is attached.

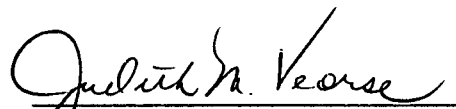
Chairwoman Underhill called the meeting to order and recognized the Pages and Sergeant-at-Arms who were assisting with the Committee. She then advised the Committee of the following bill to be discussed:

Proposed Committee Substitute for House Bill 741: A BILL TO BE ENTITLED AN ACT TO CREATE THE NORTH CAROLINA DEPARTMENT OF VETERANS AFFAIRS. Representative Coates was recognized to explain the bill. Rep. Coates informed the committee she had checked with the Governor's office and learned there were no concerns regarding this bill. After brief discussion, Representative Lucas moved to give the Proposed Committee Substitute for House Bill 741 a favorable report and unfavorable report to the original bill. The PCS will then be reported back to the House. Chairwoman Underhill asked for a vote from the committee; and the motion carried unanimously. A copy of HB 741, a copy of the Proposed Committee Substitute for HB 741, a copy of the Bill Analysis, and the Committee Report Form are attached.

There being no further business, the meeting adjourned at 10:20 a.m.

Respectfully submitted,


Representative Alice Underhill
Chair


Judith M. Veorse
Committee Assistant

**2005 COMMITTEE REPORT
HOUSE OF REPRESENTATIVES**

The following report(s) from standing committee(s) is/are presented:

By Representatives **Pate and Underhill** (Chairs) for the Committee on **MILITARY,
VETERANS AND INDIAN AFFAIRS.**

☐ Committee Substitute for

H.B. 741 A BILL TO BE ENTITLED AN ACT TO CREATE THE NORTH CAROLINA
DEPARTMENT OF VETERANS AFFAIRS.

☐ With a favorable report.

☐ With a favorable report and recommendation that the bill be re-referred to the Committee on
Appropriations ☐ Finance ☐ ☐.

☐ With a favorable report, as amended.

☐ With a favorable report, as amended, and recommendation that the bill be re-referred to the
Committee on Appropriations ☐ Finance ☐ ☐.

☒ With a favorable report as to the committee substitute bill, unfavorable as to the original bill.

☐ With a favorable report as to House committee substitute bill (#), ☐ which changes
the title, unfavorable as to Senate committee substitute bill.

☐ With an unfavorable report.

☐ With recommendation that the House concur.

☐ With recommendation that the House do not concur.

☐ With recommendation that the House do not concur; request conferees.

☐ With recommendation that the House concur; committee believes bill to be material.

☐ With an unfavorable report, with a Minority Report attached.

☐ Without prejudice.

☐ With an indefinite postponement report.

☐ With an indefinite postponement report, with a Minority Report attached.

☐ With recommendation that it be adopted. (HOUSE RESOLUTION ONLY)

03/19/03

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2005

H

1

HOUSE BILL 741

Short Title: Department of Veterans Affairs.

(Public)

Sponsors: Representatives Coates; Brown and Steen.

Referred to: Military, Veterans and Indian Affairs.

March 17, 2005

A BILL TO BE ENTITLED
AN ACT TO CREATE THE NORTH CAROLINA DEPARTMENT OF VETERANS
AFFAIRS.

The General Assembly of North Carolina enacts:

SECTION 1. The title of Article 1 of Chapter 165 of the General Statutes reads as rewritten:

"Article 1.

~~"Department of Administration. Department of Veterans Affairs."~~

SECTION 2. G.S. 165-1 reads as rewritten:

"§ 165-1. North Carolina Veterans Commission renamed.

~~The North Carolina Veterans Commission is hereby renamed the Department of Administration. The Department shall assume all duties, responsibilities and powers formerly exercised by the Veterans Commission, and shall further exercise those powers and duties prescribed in this Article and elsewhere in the General Statutes. There is created the Department of Veterans Affairs, which shall be attached to the Office of the Governor for administrative purposes. The Department shall be headed by an Executive Director appointed by the Governor who shall be a veteran with the necessary competency and ability."~~

SECTION 3. G.S. 165-2 reads as rewritten:

"§ 165-2. References changed.

~~Wherever in the General Statutes the words "North Carolina Veterans Commission" appear, the same shall be stricken out and the words "North Carolina Department of Administration" inserted in lieu thereof.~~

(a) The Department of Veterans Affairs shall include the Veterans' Affairs Commission established by G.S. 143B-399.

(b) The Department of Veterans Affairs shall be responsible for providing services to veterans in accordance with this Chapter."

SECTION 4. G.S. 165-3 reads as rewritten:

"§ 165-3. Definitions.

Wherever used in this Article, unless the context otherwise requires, the terms defined in this section shall have the following meaning:

- (1) "Commission" means the Veterans Affairs Commission.
- (2) "Department" means the North Carolina Department of ~~Administration, Veterans Affairs~~, an agency of the government of the State of North Carolina.
- (3) Repealed by Session Laws 1973, c. 620, s. 9.
- (4) "Veteran" means
 - a. For qualifying as a voting member of the ~~State Board of Veterans Affairs~~ Veterans' Affairs Commission and as the ~~State Director of Veterans Affairs~~, Executive Director of the Department of Veterans Affairs, a person who served honorably during a period of war as defined in Title 38, United States Code.
 - b. For entitlement to the services of the Department of ~~Administration, Veterans Affairs~~, any person who may be entitled to any benefits or rights under the laws of the United States by reason of service in the armed forces of the United States.
- (5) "Veterans' organization" means any organization of veterans which has been chartered by an act of the United States Congress and is legally constituted and operating in this State pursuant to ~~said~~ that charter."

SECTION 5. G.S. 165-6 reads as rewritten:

"§ 165-6. Powers and duties of the Department.

In furtherance of the stated purpose of this Article, the Department ~~is hereby authorized and empowered to~~ may do the following:

- (1) ~~To assist~~ Assist veterans, their families, and their dependents in the presentation, processing, proof, and establishment of ~~such~~ any claims, privileges, rights, and benefits ~~as that~~ they may be entitled to under federal, State, or local laws, rules, and regulations.
- (2) ~~To aid~~ Aid persons in active military service and their dependents with problems arising out of ~~said~~ their military service ~~which that~~ reasonably come ~~reasonably~~ within the purview of the Department's program of assistance.
- (3) ~~To collect~~ Collect data and information as to the facilities and services available to veterans, their families, and their dependents and to cooperate with agencies furnishing information or services throughout the State in order to inform ~~such~~ those agencies regarding the availability of (i) education, training and retraining facilities, (ii) health, medical, rehabilitation, and housing services and facilities, (iii) employment and reemployment services, (iv) provisions of federal, State, and local laws, rules, and regulations affording rights, privileges, and benefits to veterans, their families, and their dependents, and in

- 1 respect to ~~such~~ other matters of a similar, related, or appropriate nature
2 ~~not herein set out.~~
- 3 (4) ~~To establish such~~ Establish field offices, facilities and services
4 throughout the State ~~as may be necessary~~ to carry out the purposes of
5 this Article.
- 6 (5) ~~To cooperate,~~ Cooperate, as the Department deems appropriate, with
7 governmental, private and civic agencies and instrumentalities in
8 securing services or benefits for veterans, their families, dependents
9 and beneficiaries.
- 10 (6) ~~To accept~~ Accept any property, funds, service, or facilities from any
11 source, public or private, granted in aid or furtherance of the
12 administration of the provisions of this Article.
- 13 (7) ~~To enter~~ Enter into any contract or agreement with any person, firm, or
14 corporation, or governmental agency or instrumentality in furtherance
15 of the purposes of this Article, and to make all rules and regulations
16 necessary for the proper and effective administration of its duties.
- 17 (8) ~~It shall be the duty of the Department to train,~~ Train, supervise and
18 assist the employees of any ~~county, city or town~~ county who are
19 engaged in veteran's service. ~~Authority is hereby granted the governing~~
20 ~~body of any county, city or town~~ The Board of Commissioners of any
21 county to may appropriate such amounts as it may deem necessary to
22 provide a veterans service program and the expenditure of ~~such these~~
23 funds is ~~hereby~~ declared to be for a public purpose; ~~such a county~~
24 program shall be operated in affiliation with this Department and
25 under its supervision as set forth above.
- 26 (9) ~~The Department may, in its discretion, contribute~~ Contribute to each
27 county an amount ~~not to exceed two thousand dollars (\$2,000) up to~~
28 five thousand dollars (\$5,000) on a matching basis for any fiscal year
29 for the maintenance and operation of a county veterans service
30 program. Participating counties shall furnish the Department ~~such with~~
31 reports, accountings and other information ~~at such times and in such~~
32 ~~form as the Department may require.~~ as required by the Department.
- 33 (10) Repealed by Session Laws 1973, c. 620, s. 9."

34 SECTION 6. G.S. 165-8 reads as rewritten:

35 "**§ 165-8. Quarters.**

36 The Department of Administration shall provide, in the City of Raleigh, adequate
37 quarters for the central office of the Department of ~~Administration~~ Veterans Affairs.
38 The Department of ~~Administration~~ Veterans Affairs shall procure suitable space for its
39 field offices and other activities pursuant to applicable provisions of law and in
40 accordance with rules adopted by the Governor with the approval of the Council of
41 State."

42 SECTION 7. G.S. 165-11 reads as rewritten:

43 "**§ 165-11. Copies of records to be furnished to the Department of ~~Administration~~**
44 **Veterans Affairs.**

1 (a) Whenever copies of any State and local public records are requested by a
2 representative of the Department of ~~Administration in~~ Veterans Affairs while assisting
3 persons in obtaining any federal, State, local or privately provided benefits relating to
4 veterans and their beneficiaries, the official charged with the custody of ~~any such those~~
5 records shall ~~without charge~~ furnish ~~said the~~ representative with the requested number
6 of certified copies of ~~such records; provided, that this section those records without~~
7 charge. This subsection shall not apply to the disclosure of information in certain
8 privileged and confidential records referred to elsewhere in the General Statutes of
9 North Carolina, ~~which and that~~ information shall continue to be disclosed in the manner
10 prescribed by the ~~statute relating thereto relevant statutes.~~

11 (b) No official chargeable with the collection of any fee or charge under the laws
12 of the State of North Carolina in connection with his official duties shall be held
13 accountable on his official bond or otherwise for any fee or charge remitted pursuant to
14 the provisions of this section."

15 **SECTION 8.** G.S. 165-11.1 reads as rewritten:

16 "**§ 165-11.1. Confidentiality of Veterans Affairs records.**

17 Notwithstanding any other provisions of Chapter 143B, no records of the ~~Division of~~
18 ~~Veterans Affairs in the Department of Administration~~ Veterans Affairs shall be
19 disclosed or used for any purpose except for official purposes, and no records shall be
20 disclosed, destroyed or used in any manner which is in violation of any existing federal
21 law or regulation. Nothing in this Chapter shall convert records which are the property
22 of the federal government into State property."

23 **SECTION 9.** This act becomes effective July 1, 2005.

GENERAL ASSEMBLY OF NORTH CAROLINA

SESSION 2005

H

D

HOUSE BILL 741
PROPOSED COMMITTEE SUBSTITUTE H741-CSRK-7 [v.3]

4/5/2005 3:32:24 PM

Short Title: Department of Veterans Affairs.

(Public)

Sponsors:

Referred to:

March 17, 2005

A BILL TO BE ENTITLED
AN ACT TO CREATE THE NORTH CAROLINA DEPARTMENT OF VETERANS
AFFAIRS.

The General Assembly of North Carolina enacts:

SECTION 1. The title of Article 1 of Chapter 165 of the General Statutes
reads as rewritten:

"Article 1.

~~"Department of Administration. Department of Veterans Affairs."~~

SECTION 2. G.S. 165-1 reads as rewritten:

**"§ 165-1. North Carolina Veterans Commission renamed. Department of Veterans
Affairs.**

~~The North Carolina Veterans Commission is hereby renamed the Department of
Administration. The Department shall assume all duties, responsibilities and powers
formerly exercised by the Veterans Commission, and shall further exercise those powers
and duties prescribed in this Article and elsewhere in the General Statutes. There is
created the Department of Veterans Affairs, which shall be attached to the Office of the
Governor for administrative purposes. The Department shall be headed by an Executive
Director appointed by the Governor who shall be a veteran with the necessary
competency and ability."~~

SECTION 3. G.S. 165-2 reads as rewritten:

"§ 165-2. ~~References changed. Veterans Affairs Commission; Department services.~~

~~Wherever in the General Statutes the words "North Carolina Veterans Commission"
appear, the same shall be stricken out and the words "North Carolina Department of
Administration" inserted in lieu thereof.~~

(a) The Department of Veterans Affairs shall include the Veterans' Affairs
Commission established by G.S. 143B-399.

(b) The Department of Veterans Affairs shall be responsible for providing
services to veterans in accordance with this Chapter."

SECTION 4. G.S. 165-3 reads as rewritten:

"§ 165-3. Definitions.

Wherever used in this Article, unless the context otherwise requires, the terms defined in this section shall have the following meaning:

- (1) "Commission" means the Veterans Affairs Commission.
- (2) "Department" means the North Carolina Department of ~~Administration, Veterans Affairs~~, an agency of the government of the State of North Carolina.
- (3) Repealed by Session Laws 1973, c. 620, s. 9.
- (4) "Veteran" means
 - a. For qualifying as a voting member of the ~~State Board of Veterans Affairs~~ Veterans' Affairs Commission and as the ~~State Director of Veterans Affairs~~, Executive Director of the Department of Veterans Affairs, a person who served honorably during a period of war as defined in Title 38, United States Code.
 - b. For entitlement to the services of the Department of ~~Administration, Veterans Affairs~~, any person who may be entitled to any benefits or rights under the laws of the United States by reason of service in the armed forces of the United States.
- (5) "Veterans' organization" means any organization of veterans which has been chartered by an act of the United States Congress and is legally constituted and operating in this State pursuant to ~~said~~ that charter."

SECTION 5. G.S. 165-6 reads as rewritten:

"§ 165-6. Powers and duties of the Department.

In furtherance of the stated purpose of this Article, the Department ~~is hereby authorized and empowered to~~ shall do the following:

- (1) ~~To assist~~ Assist veterans, their families, and their dependents in the presentation, processing, proof, and establishment of ~~such~~ any claims, privileges, rights, and benefits ~~as that~~ they may be entitled to under federal, State, or local laws, rules, and regulations.
- (2) ~~To aid~~ Aid persons in active military service and their dependents with problems arising out of ~~said~~ their military service ~~which~~ that reasonably come ~~reasonably~~ within the purview of the Department's program of assistance.
- (3) ~~To collect~~ Collect data and information as to the facilities and services available to veterans, their families, and their dependents and to cooperate with agencies furnishing information or services throughout the State in order to inform ~~such~~ those agencies regarding the availability of (i) education, training and retraining facilities, (ii) health, medical, rehabilitation, and housing services and facilities, (iii) employment and reemployment services, (iv) provisions of federal, State, and local laws, rules, and regulations affording rights, privileges,

and benefits to veterans, their families, and their dependents, and in respect to ~~such~~ other matters of a similar, related, or appropriate ~~nature~~ not herein set out.

(4) ~~To establish such~~ Establish field offices, facilities and services throughout the State as ~~may be necessary~~ to carry out the purposes of this Article.

(5) ~~To cooperate,~~ Cooperate, as the Department deems appropriate, with governmental, private and civic agencies and instrumentalities in securing services or benefits for veterans, their families, dependents and beneficiaries.

(6) ~~To accept~~ Accept any property, funds, service, or facilities from any source, public or private, granted in aid or furtherance of the administration of the provisions of this Article.

(7) ~~To enter~~ Enter into any contract or agreement with any person, firm, or corporation, or governmental agency or instrumentality in furtherance of the purposes of this Article, and to make all rules and regulations necessary for the proper and effective administration of its duties.

(8) ~~It shall be the duty of the Department to train, Train, supervise and assist the employees of any county, city or town county who are engaged in veteran's service. Authority is hereby granted the governing body of any county, city or town~~ The Board of Commissioners of any county to may appropriate such amounts as it may deem necessary to provide a veterans service program and the expenditure of such these funds is hereby declared to be for a public purpose; such a county program shall be operated in affiliation with this Department and under its supervision as set forth above. Department.

(9) ~~The Department may, in its discretion, contribute~~ Contribute to each county an amount ~~not to exceed two thousand dollars (\$2,000) up to~~ five thousand dollars (\$5,000) on a matching basis for any fiscal year for the maintenance and operation of a county veterans service program. Participating counties shall furnish the Department ~~such with~~ reports, accountings and other information ~~at such times and in such form as the Department may require.~~ as required by the Department.

(10) Repealed by Session Laws 1973, c. 620, s. 9."

SECTION 6. G.S. 165-8 reads as rewritten:

"§ 165-8. Quarters.

The Department of Administration shall provide, in the City of Raleigh, adequate quarters for the central office of the Department of ~~Administration.~~ Veterans Affairs. The Department of ~~Administration.~~ Veterans Affairs shall procure suitable space for its field offices and other activities pursuant to applicable provisions of law and in accordance with rules adopted by the Governor with the approval of the Council of State."

SECTION 7. G.S. 165-11 reads as rewritten:

1 "§ 165-11. Copies of records to be furnished to the Department of ~~Administration~~
2 Veterans Affairs.

3 (a) Whenever copies of any State and local public records are requested by a
4 representative of the Department of ~~Administration in~~ Veterans Affairs while assisting
5 persons in obtaining any federal, State, local or privately provided benefits relating to
6 veterans and their beneficiaries, the official charged with the custody of ~~any such those~~
7 records shall ~~without charge~~ furnish ~~said the~~ representative with the requested number
8 of certified copies of ~~such records~~; ~~provided, that this section those records~~ without
9 charge. This subsection shall not apply to the disclosure of information in certain
10 privileged and confidential records referred to elsewhere in the General Statutes of
11 North Carolina, ~~which and that~~ information shall continue to be disclosed in the manner
12 prescribed by the ~~statute relating thereto~~ relevant statutes.

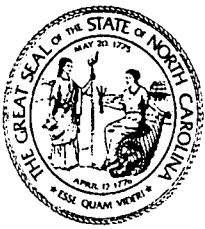
13 (b) No official chargeable with the collection of any fee or charge under the laws
14 of the State of North Carolina in connection with his official duties shall be held
15 accountable on his official bond or otherwise for any fee or charge remitted pursuant to
16 the provisions of this section."

17 **SECTION 8.** G.S. 165-11.1 reads as rewritten:

18 "§ 165-11.1. Confidentiality of Veterans Affairs records.

19 Notwithstanding any other provisions of Chapter 143B, no records of the ~~Division of~~
20 ~~Veterans Affairs in the Department of Administration~~ Veterans Affairs shall be
21 disclosed or used for any purpose except for official purposes, and no records shall be
22 disclosed, destroyed or used in any manner which is in violation of any existing federal
23 law or regulation. Nothing in this Chapter shall convert records which are the property
24 of the federal government into State property."

25 **SECTION 9.** This act becomes effective July 1, 2005.



HOUSE BILL 741:

Department of Veteran Affairs.

BILL ANALYSIS

Committee: House Military, Veterans, and
Indian Affairs

Date: April 12, 2005

Version: PCS

Introduced by: Rep. Coates

Summary by: Hal Pell
Committee Counsel

SUMMARY: *This act would create a North Carolina Department of Veterans Affairs (DVA). The DVA would be attached to the Office of the Governor for administrative purposes. The Department would be responsible for providing the same services to veterans, military members, and their families, that are currently provided by the Department of Administration. The act becomes effective July 1, 2005.*

BACKGROUND: The North Carolina Veterans Commission was created by unanimous vote of the 1945 General Assembly. The 1967 General Assembly changed the name of the agency to the North Carolina Department of Veterans Affairs. In 1973, the agency became a part of the Department of Military and Veterans Affairs and was re-designated the North Carolina Division of Veterans Affairs. In 1977, the North Carolina Division of Veterans Affairs was transferred to the Department of Administration.

CURRENT LAW: The Division of Veterans Affairs is organized under the Department of Administration. The function of the Division of Veterans Affairs is to assist veterans and their families in the presentation, processing, proof and establishment of claims, privileges, rights and benefits as they may be entitled to under Federal, State or local laws. The Division also cooperates with the various governmental units and veterans organizations in seeking to serve veterans.

The State Constitution, at Article III, Section 11, provides that "administrative departments, agencies, and offices of the State . . . shall be allocated by law among and within not more than 25 principal administrative departments" There are currently 23 departments; consequently, the establishment of a Department of Veterans Affairs would leave one vacancy.

BILL ANALYSIS:

Section 1: Renames the title of the Article to "Department of Veterans Affairs.

Section 2: Establishes the Department of Veterans Affairs. The Department is attached to the Office of the Governor for administrative purposes.

Section 3: Includes the Veterans Affairs Commission within the DVA, and specifies that the Department is responsible for providing the services set forth in the Article.

Section 4: Conforms the definitions to the new title.

Section 5: Makes technical changes to the powers and duties section. Increases the amount of money (from \$2,000 to \$5,000 per fiscal year) that the Department may provide, on a matching basis, to county veterans service programs.

Sections 6 through 8: Make conforming changes.

The act becomes effective on July 1, 2005.

h741-smrk-02

VISITOR REGISTRATION SHEET

Military Veterans / Indian Affairs
Name of Committee

4-13-05
Date

VISITORS: PLEASE SIGN IN BELOW AND RETURN TO COMMITTEE CLERK

NAME _____

FIRM OR AGENCY AND ADDRESS

Waye Gattis

NC State Ports Authority

Wayne Peedin

DC Division of Veterans Affairs

Charlie Smith

NE DVA

David Brown

OSBM

Greg Piner

OSRM

House Pages

Name Of Committee: Military/Veterans/ Date: 4/13/05
Indian Affairs

1. Name: J. P. Duncan

County: Caswell

Sponsor: Faison

2. Name: Jamael Griffin

County: Harnett

Sponsor: Lewis

3. Name: John Melvin

County: Wake

Sponsor: L. Allen

4. Name: _____

County: _____

Sponsor: _____

5. Name: _____

County: _____

Sponsor: _____

Sgt-At-Arms

1. Name: Tom Wilder

2. Name: Linda Fuller

3. Name: _____

4. Name: _____

5. Name: _____

Edna Pearce (Rep. Pate)

From: Edna Pearce (Rep. Pate)

Sent: Thursday, June 23, 2005 11:58 AM

Subject: Military, Veterans and Indian Affairs Meeting Notice - Wednesday, June 29, 2005

**NORTH CAROLINA HOUSE OF REPRESENTATIVES
COMMITTEE MEETING NOTICE
2005-2006 SESSION**

You are hereby notified that the Committee on **MILITARY, VETERANS AND INDIAN AFFAIRS** will meet as follows:

DAY & DATE: Wednesday, June 29, 2005

TIME: 10:00 AM

LOCATION: 1425

The following bills will be considered (Bill # & Short Title & Bill Sponsor):

SB 491 - BURIAL SERVICES AT STATE VETERANS CEMETERIES - Senator Berger

Respectfully,

Representatives Pate and Underhill
Co-chairs

I hereby certify this notice was filed by the committee clerk at the following offices at **10:00 AM** on **Thursday, June 23, 2005**.

____ Principal Clerk
____ Reading Clerk - House Chamber

Edna Pearce (Committee Assistant)

6/23/2005

MILITARY, VETERANS AND INDIAN AFFAIRS

A G E N D A

June 29, 2005

Room 1425

10:00 AM

Representative Louis M. Pate, Jr.

Representative Alice Underhill

CHAIRS

OPENING REMARKS

Representative Louis Pate, Chair

BILLS TO BE DISCUSSED IN COMMITTEE:

**SB 491 – BURIAL SERVICES AT STATE VETERANS CEMETERIES –
Sen. Berger**

ADJOURNMENT

**MINUTES
HOUSE COMMITTEE ON
MILITARY, VETERANS AND INDIAN AFFAIRS**

June 29, 2005

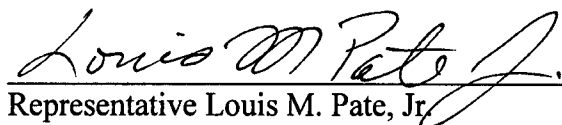
The House Committee on Military, Veterans and Indian Affairs met on Wednesday, June 29, 2005, in Room 1425 of the Legislative Building. The following members were present: Chairman Louis Pate, Co-Chair Alice Underhill, Vice-Chairs Hollo and Lucas, Representatives Cleveland, Dickson, Martin, Vinson and Wiley.

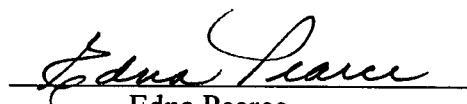
Chairman Pate called the meeting to order and recognized the Pages, Sergeants-at-Arms and visitors.

Chairman Pate informed the Committee of SB 491 which was on the Agenda to be considered today. He then called on Legislative Analyst, Theresa Matula, to explain the summary for SB 491. Following Ms. Matula's explanation of the summary, Senator Berger was asked to speak on the bill. Senator Berger spoke briefly on the bill, and then recognized Mr. Charles Smith, Director of NC Veterans Affairs, to give further information concerning this bill. Mr. Eli Panee, Cemeteries Program Manager, was also recognized to speak relative to the bill.

After much discussion and debate, Senator Berger asked to withdraw the bill from consideration of the Committee. Representative Lucas made a motion that the Committee accept Senator Berger's request to withdraw the bill; motion carried.

There being no further business, the Chair adjourned the meeting at 10:50 a.m.


Representative Louis M. Pate, Jr.
Chair


Edna Pearce
Committee Assistant

GENERAL ASSEMBLY OF NORTH CAROLINA

SESSION 2005

S

3

SENATE BILL 491

State and Local Government Committee Substitute Adopted 5/19/05

Third Edition Engrossed 5/23/05

Short Title: Burial Services at State Veterans Cemeteries.-AB

(Public)

Sponsors:

Referred to:

March 15, 2005

A BILL TO BE ENTITLED

AN ACT RELATING TO BURIAL SERVICES AT STATE VETERANS
CEMETERIES.

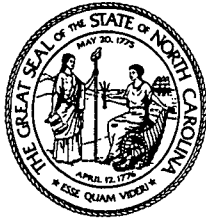
The General Assembly of North Carolina enacts:

SECTION 1. G.S. 65-44 reads as rewritten:

"§ 65-44. Days for burial.

Notwithstanding any other provision of law, burial services ~~shall~~ may be conducted at North Carolina State Veterans Cemeteries on Monday through Sunday. The North Carolina Division of Veterans Affairs shall establish policies to conduct weekend and State holiday burials to provide maximum accommodations for veterans and their families. ~~the Coastal Carolina State Veterans Cemetery and the Sandhills State Veterans Cemetery from Monday through Sunday, except when the day for services falls on a State holiday."~~

SECTION 2. This act is effective when it becomes law.



SENATE BILL 491: Burial Services at State Veterans Cemeteries.-AB

BILL ANALYSIS

Committee:	House Military, Veterans and Indian Affairs	Date:	June 29, 2005
Introduced by:	Sen. Berger of Franklin	Summary by:	Theresa Matula
Version:	Third Edition		Committee Staff

SUMMARY: *Senate Bill 491 allows burial services to be conducted Monday through Sunday at North Carolina State Veterans Cemeteries and requires the Division of Veterans Affairs to establish policies to conduct weekend and State holiday burials to provide maximum accommodations for veterans and their families.*

CURRENT LAW:

S.L. 2004-124 (HB 1414), Section 19.2, enacted G.S. 65-44 requiring burial services to be conducted at the Coastal Carolina State Veterans Cemetery and the Sandhills State Veterans Cemetery from Monday through Sunday, except when the day for services falls on a State holiday.

The section also allowed the Department of Administration to use funds credited to the Veterans Burial Fund for the 2004-2005 fiscal year to cover costs incurred as a result of burials on Saturday or Sunday.

BILL ANALYSIS:

Senate Bill 491 amends G.S. 65-44 to delete the *requirement* that burial services at the Coastal Carolina State Veterans Cemetery and the Sandhills State Veterans Cemetery be conducted Monday through Sunday, except when the date of the service falls on a State holiday. The new language in G.S. 65-44 *allows* burial services to be conducted at all North Carolina State Veterans Cemeteries on Monday through Sunday. The bill does not contain an exemption for services on State holidays.

The NC Division of Veterans Affairs is required by the bill to establish policies to conduct weekend and State holiday burials to provide maximum accommodations for veterans and their families.

This bill would become effective when it becomes law.

BACKGROUND:

- There are three State Veterans Cemeteries in North Carolina: Coastal Carolina State Veterans Cemetery in Jacksonville, Sandhills State Veterans Cemetery in Spring Lake, and Western Carolina State Veterans Cemetery in Black Mountain.
- According to the Division of Veterans Affairs, approximately 30 burial services have been conducted on the weekend in the last year.
- Both the Fourth Edition (Senate version) and the Seventh Edition (House version) of Senate Bill 622, contain Section 19.3 allowing the Department of Administration to use funds credited to the Veterans Burial Fund for the 2005-2007 biennium to cover costs incurred as a result of burials on Saturday or Sunday.

House Pages

Name Of Committee: MIL/VETS/INDIAN AFFAIRS Date: 6-29-05

1. Name: Wesley Bell
County: Moore
Sponsor: Morgan
2. Name: Casey Haggood
County: Edgecombe
Sponsor: Tolson
3. Name: Patrick Gardner
County: Edgecombe
Sponsor: Black
4. Name: Adam Lanier
County: Edgecombe
Sponsor: Black
5. Name: Thomas Thurman
County: Mecklenburg
Sponsor: Curtis Blackwood

Sgt-At-Arms

1. Name: JAMES WORTH
2. Name: EARL COKER
3. Name: _____
4. Name: _____
5. Name: _____

**NORTH CAROLINA HOUSE OF REPRESENTATIVES
COMMITTEE MEETING NOTICE
AND
BILL SPONSOR NOTIFICATION
2005-2006 SESSION**

You are hereby notified that the Committee on **Military, Veterans and Indian Affairs** will meet as follows:

DAY & DATE: **Wednesday, June 21, 2006**

TIME: **10:00 AM**

LOCATION: **Room 1425 – Legislative Building**

The following bills will be considered (Bill # & Short Title & Bill Sponsor):
HB 2883 – Protect Military Veterans from Identity Theft

Respectfully,
Representatives Pate and Underhill
Chairs

I hereby certify this notice was filed by the committee assistant at the following offices at
4:29 PM on June 20, 2006.

____Principal Clerk
____Reading Clerk - House Chamber

Judith M. Veorse (Committee Assistant)

MILITARY, VETERANS AND INDIAN AFFAIRS

A G E N D A

June 21, 2006

Room 1425

10:00 AM

Representative Louis M. Pate, Jr.

Representative Alice Underhill

CHAIRS

OPENING REMARKS

Representative Alice Underhill, Chair

BILLS TO BE DISCUSSED IN COMMITTEE:

HB 2883 – PROTECT MILITARY VETERANS FROM IDENTIFY THEFT -
Rep. Goforth

ADJOURNMENT

**MINUTES
HOUSE COMMITTEE
ON
MILITARY, VETERANS AND INDIAN AFFAIRS**

June 21, 2006

The House Committee on Military, Veterans and Indian Affairs met on Wednesday, June 21 2006, in Room 1425 of the Legislative Building at 10:00 a.m. The following members were present: Chairs-Representatives Pate and Underhill; Vice Chairs - Hollo and Lucas; Representatives Cleveland, Coates, Martin, Preston, Vinson, and Wiley. A visitor registration sheet is attached.

Chairwoman Underhill called the meeting to order and recognized the Pages and Sergeant-at-Arms who were assisting with the Committee. She then advised the Committee of the following bill to be discussed:

Proposed Committee Substitute for House Bill 2883 – Protect Military Veterans from Identify Theft, introduced by Representative Goforth.

Representative Coates made a motion to accept the Proposed Committee Substitute for House Bill 2883, and it was seconded by Representative Martin.

Members of the audience were called upon to answer questions regarding the Proposed Committee Substitute. The speakers were:

- Greg McLeod, Attorney General's office
- Andy Ellen, Retail Merchants Association
- Charlie Smith, NC Division of Veteran Affairs
- Rob Thompson, NC Public Interest Research Group, Inc.

After discussion, Representative Louis Pate offered Amendment # 1 (Attachment 1). Discussion followed and Representative Lucas made a motion to accept the amendment and was seconded by Representative Coates. A vote was taken and the amendment was passed by the committee.

Representative Louis Pate offered Amendment # 2 (Attachment 2). Discussion followed and Representative Vinson made a motion to accept the amendment and was seconded by Representative Cleveland. A vote was taken and the amendment was passed by the committee.

Representative Louis Pate offered Amendment # 3 (Attachment 3). Discussion followed and Representative Lucas made a motion to accept the amendment and was seconded by Representative Martin.

Representative Louis Page offered Amendment # 4 (Attachment 4). Discussion followed. Representative Coates made a motion to accept the amendment and was seconded by Representative Martin.

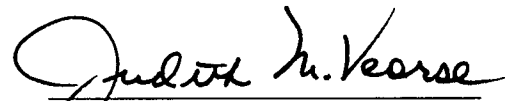
Representative Grier Martin offered Amendment # 5 (Attachment 5). Discussion followed. Representative Preston made a motion to accept the amendment and was seconded by Representative Lucas.

Representative Cleveland made a motion to roll all amendments into a new Proposed Committee Substitute, give an unfavorable report to the original bill and a favorable report to the PCS and be referred to the Committee on Finance (Attachment 6).

There being no further business, the meeting adjourned at 11:00 a.m.

Respectfully submitted,


Representative Alice Underhill
Chair


Judith M. Veorse
Committee Assistant

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2005

H

D

HOUSE BILL 2883
PROPOSED COMMITTEE SUBSTITUTE H2883-CSRK-65 [v.3]

6/21/2006 9:15:48 AM

Short Title: Servicemembers and Veterans/ID Theft.

(Public)

Sponsors:

Referred to:

June 19, 2006

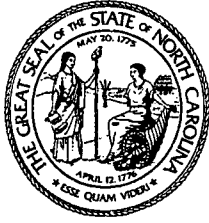
1 A BILL TO BE ENTITLED
2 AN ACT TO PROTECT MILITARY SERVICEMEMBERS AND VETERANS FROM
3 IDENTITY THEFT.

4 The General Assembly of North Carolina enacts:

5 **SECTION 1.** G.S. 75-63(o) reads as rewritten:

6 "(o) This section does not prevent a consumer reporting agency from charging a
7 fee of no more than ten dollars (\$10.00) to a consumer for each freeze, removal of the
8 freeze, or temporary lifting of the freeze for a period of time, regarding access to a
9 consumer credit report, except that a consumer reporting agency may not charge any fee
10 to a victim of identity theft who has submitted a copy of a valid investigative or incident
11 report or complaint with a law enforcement agency about the unlawful use of the
12 victim's identifying information by another ~~person~~ person, to a veteran as defined in
13 G.S. 126-81, or to a member of the Armed Forces of the United States, as defined in
14 G.S. 165-20."

15 **SECTION 2.** This act is effective when it becomes law.
16
17



HOUSE BILL 2883: Protect Military Veterans from Identity Theft

BILL ANALYSIS

Committee:	House Military, Veterans and Indian Affairs	Date:	June 21, 2006
Introduced by:	Rep. Goforth	Summary by:	Theresa Matula
Version:	First Edition		Committee Staff

SUMMARY: *House Bill 2883 prohibits a consumer reporting agency from charging a fee to a veteran for a freeze of a consumer credit report, removal of a freeze, or temporary lifting of a freeze for a period of time.*

CURRENT LAW:

G.S. 75-63(o) allows a consumer reporting agency to charge a fee of no more than \$10.00 to a consumer for each:

- freeze,
- removal of a freeze,
- or temporary lifting of a freeze for a period of time,

with regard to access to a consumer credit report. The current exception to the charge occurs when a victim of identity theft submits a copy of a valid investigative or incident report or complaint with a law enforcement agency about the unlawful use of the victim's identifying information by another person.

38 U.S.C. Section 101(2) defines the term "veteran" as a person who served in the active military naval, or air service, and who was discharged or released therefrom under conditions other than dishonorable.

BILL ANALYSIS:

House Bill 2883 amends G.S. 75-63(o) to allow veterans an exception to the charge for a freeze, removal of a freeze, or temporary lifting of a freeze for a period of time, regarding access to a consumer credit report.

This bill would become effective when it becomes law.

BACKGROUND:

The following is information released by the federal government regarding the data that was stolen:

- Working with the DoD, the VA has determined that the data stolen on 26.5 million individuals included information on active-duty military personnel. Initially, it was thought that approximately 50,000 active duty, National Guard, and Reserve personnel might have been involved.
- The data loss potentially affects all veterans who have ever filed a claim for VA disability compensation, pension, or education benefits, or who have (or had) a VA insurance policy – no matter when the claim was filed or when they were discharged. These veterans would be included even if their claim was denied or they are not currently receiving benefits.

H2883e1-SMSH

**2005 COMMITTEE REPORT
HOUSE OF REPRESENTATIVES**

The following report(s) from standing committee(s) is/are presented:

By Representative Pate, Underhill (Chairs) for the Committee on MILITARY,
VETERANS AND INDIAN AFFAIRS.

☐ Committee Substitute for

HB 2883

A BILL TO BE ENTITLED AN ACT TO PROTECT MILITARY
VETERANS FROM IDENTITY THEFT.

☒ With a favorable report as to the committee substitute bill, which changes the title,
unfavorable as to the original bill, and recommendation that the committee substitute bill be re-
referred to the Committee on FINANCE.

(FOR JOURNAL USE ONLY)

_____ Pursuant to Rule 32(a), the bill/resolution is re-referred to the Committee on
_____.

_____ Pursuant to Rule 36(b), the (House/Senate) committee substitute bill/(joint) resolution
(No. _____) is placed on the Calendar of _____. (The original bill resolution No. _____)
is placed on the Unfavorable Calendar.

_____ The (House) committee substitute bill/(joint) resolution (No. _____) is re-referred to the
Committee on _____. (The original bill/resolution) (House/Senate Committee Substitute
Bill/(Joint) resolution No. _____) is placed on the Unfavorable Calendar.

NORTH CAROLINA GENERAL ASSEMBLY AMENDMENT

(Please type or use ballpoint pen)

EDITION No. _____

H. B. No. _____

S. B. No. _____

COMMITTEE SUBSTITUTE _____

DATE 6-21-06

Amendment No. 1

(to be filled in by
Principal Clerk)

Rep.) _____
) _____
Sen.) _____

1 moves to amend the bill on page 1, line 13 and 14

2 () WHICH CHANGES THE TITLE

3 by _____

4 (2) a person who is a veteran, as defined
5 by G.S. 126-81, a member of the
6 Armed Forces of the United States, as
7 defined in G.S. 165-20, and including a
8 member of the North Carolina
9 National Guard, who has received
10 notification

11 _____

12 _____

13 _____

14 _____

15 _____

16 _____

17 _____

18 _____

19 _____

SIGNED Louis M. Pate Jr.

ADOPTED _____ FAILED _____ TABLED _____

NORTH CAROLINA GENERAL ASSEMBLY AMENDMENT

(Please type or use ballpoint pen)

EDITION No. _____

H. B. No. 2083DATE 6-21-06

S. B. No. _____

Amendment No. 2COMMITTEE SUBSTITUTE DRH 50713-LB-386(to be filled in by
Principal Clerk)Rep.) Pate
Sen.) _____1 moves to amend the bill on page 2, line 2

2 () WHICH CHANGES THE TITLE

3 by adding a^{bill} Section to read:4 _____
5 Section 3. This act is effective
6 when it becomes law.7 _____
8 _____

9 _____

10 _____

11 _____

12 _____

13 _____

14 _____

15 _____

16 _____

17 _____

18 _____

19 _____

SIGNED Louis M. Pate

ADOPTED _____ FAILED _____ TABLED _____

PRINCIPAL CLERK'S OFFICE (FOR ENGROSSMENT)

NORTH CAROLINA GENERAL ASSEMBLY AMENDMENT

(Please type or use ballpoint pen)

EDITION No. _____

H. B. No. _____

DATE 6-21-06

S. B. No. _____

Amendment No. 3(to be filled in by
Principal Clerk)

COMMITTEE SUBSTITUTE _____

Rep.) PATE
Sen.) _____1 moves to amend the bill on page 1, line 19 and 20

2 () WHICH CHANGES THE TITLE

3 by rewriting the lines to read:4
5 "proof of status as described in
6 this subdivision."

7 _____

8 _____

9 _____

10 _____

11 _____

12 _____

13 _____

14 _____

15 _____

16 _____

17 _____

18 _____

19 _____

SIGNED

Louis Pate

ADOPTED _____ FAILED _____ TABLED _____

PRINCIPAL CLERK'S OFFICE (FOR ENGROSSMENT)

NORTH CAROLINA GENERAL ASSEMBLY AMENDMENT

(Please type or use ballpoint pen)

EDITION No. _____

H. B. No. _____

S. B. No. _____

COMMITTEE SUBSTITUTE _____

DATE 6-21-06

Amendment No. 4
(to be filled in by
Principal Clerk)

Rep.) PATE
Sen.)

1 moves to amend the bill on page 1, line 21

2 () WHICH CHANGES THE TITLE

3 by inserting the following:

4 (3) persons who are the authorized
5 agents, or receive benefits from
6 the state or federal government
7 based on a relationship to a
8 person who is, or was, qualified
9 under subdivision (2) shall be
10 eligible for the benefit under
11 this subsection.

12
13 and by inserting the following on
14 page 7 line 3:

15
16 Section 3. This act is effective
17 upon ratification.

SIGNED Louis M. Pate, Jr.

ADOPTED _____ FAILED _____ TABLED _____

NORTH CAROLINA GENERAL ASSEMBLY AMENDMENT

(Please type or use ballpoint pen)

EDITION No. _____

H. B. No. _____

S. B. No. _____

COMMITTEE SUBSTITUTE _____

DATE 6-21-06

Amendment No. 5
(to be filled in by
Principal Clerk)

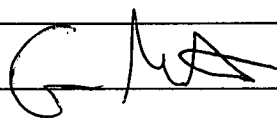
Rep.) Martin
Sen.) _____

1 moves to amend the bill on page 1, line 23

2 () WHICH CHANGES THE TITLE

3 by rewriting the line to read:

4
5 "shall be effective when ^{this act} becomes
6 law and shall expire on January 1, 2007,
7
8
9
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14
15
16
17
18
19

SIGNED 

ADOPTED _____ FAILED _____ TABLED _____

**2005 COMMITTEE REPORT
HOUSE OF REPRESENTATIVES**

The following report(s) from standing committee(s) is/are presented:

By Representative Pate, Underhill (Chairs) for the Committee on MILITARY,
VETERANS AND INDIAN AFFAIRS.

☒ Committee Substitute for

SB 1857

A BILL TO BE ENTITLED AN ACT TO AMEND THE LAW
GRANTING STATE RECOGNITION TO THE HALIWA-SAPONI TRIBE OF NORTH
CAROLINA.

☒ With a favorable report.

(FOR JOURNAL USE ONLY)

_____ Pursuant to Rule 32(a), the bill/resolution is re-referred to the Committee on
_____.

_____ Pursuant to Rule 36(b), the bill/resolution is placed on the Calendar of _____.

House Pages

MILITARY/VETS/INDIAN

Name Of Committee: AFFAIRS

Date: 31-JUNE-2004

1. Name: Elizabeth Locklear
County: Robeson
Sponsor: Rep. Ronnie Sutton ✓
2. Name: Paris Rutherford
County: Wake
Sponsor: Former Battenfield ✓
3. Name: Matthew Locklear
County: Robeson
Sponsor: Rep. Bonnie Sutton ✓
4. Name: Forster Ray Brown
County: Northampton
Sponsor: Rep. Michael Wray ✓
5. Name: Sharan Davis
County: Beaufort
Sponsor: Arthur Williams ✓

Sgt.-At-Arms

1. Name: TOUSSAINT AVANT
2. Name: JERALD PERRY
3. Name: _____
4. Name: _____
5. Name: -

VISITOR REGISTRATION SHEET

MILITARY / VET / INDIAN AFFAIRS

21-JUNE-2006

Name of Committee

Date _____

VISITORS: PLEASE SIGN BELOW AND RETURN TO COMMITTEE ASSISTANT

NAME	FIRM OR AGENCY
Jeh Allen	Allen Assoc
Andy Ellen	NCRMA
Ben McL	NC A&O
Rob Thompson	NCRB
Patrick Buffin	ALBY Assoc
Charlie Smith	NC Div of Vet Affairs
Mike Wad	NCRPA
Kathryn Pomeroy	Gov's Office
Betty Turner	Bank of America
Chad Hinton	Civitas Institute
Mike Baker	AP
Ernest Dalton	NCRMA
Joe Chandler	NCAR
Douglas WEST	NCAR
Michael BUTRUM	NCAR

**NORTH CAROLINA HOUSE OF REPRESENTATIVES
COMMITTEE MEETING NOTICE
AND
BILL SPONSOR NOTIFICATION
2005-2006 SESSION**

You are hereby notified that the Committee on **MILITARY, VETERANS AND INDIAN AFFAIRS** will meet as follows:

DAY & DATE: **Wednesday, June 28, 2006**

TIME: **10:00 AM**

LOCATION: **1425**

The following bills will be considered (Bill # & Short Title & Bill Sponsor):

SB 1857 – HALIWA-SAPONI TRIBE NAME CHANGE - Rep. Doug Berger

Respectfully,

Representatives Pate & Underhill
Chairs

I hereby certify this notice was filed by the committee assistant at the following offices at **1:30 PM** on **Tuesday, June 27, 2006**.

___ Principal Clerk
___ Reading Clerk - House Chamber

Edna Pearce (Committee Assistant)

MILITARY, VETERANS AND INDIAN AFFAIRS

A G E N D A

June 28, 2006

Room 1425

10:00 AM

Representative Louis M. Pate, Jr.

Representative Alice Underhill

CHAIRS

OPENING REMARKS

Representative Louis Pate, Chair

BILLS TO BE DISCUSSED IN COMMITTEE:

SB 1857 – HALIWA-SAPONI TRIBE NAME CHANGE – Rep. Doug Berger

ADJOURNMENT

**MINUTES
HOUSE COMMITTEE
ON
MILITARY, VETERANS AND INDIAN AFFAIRS**

June 28, 2006

The House Committee on Military, Veterans and Indian Affairs met on Wednesday, June 28, 2006, in Room 1425 of the Legislative Building, with Representative Pate presiding. The following members were present: Co-chairs Pate and Underhill, Representatives Hollo, Lucas, Cleveland, Coates, Martin, Sutton and Wiley. Counsels present for the Committee were Hal Pell and Theresa Matula.

Chairman Pate called the meeting to order and welcomed everyone. He extended a special welcome to the pages and expressed appreciation to the Sergeants-at-Arms for their assistance with the meeting.

Chairman Pate asked Mr. Pell and Ms. Matula, Counsel for the Committee, for their comments regarding SB 1857 –Haliwa-Saponi Tribe Name Change. They handed out a Summary on the bill which briefly explained that this bill identifies some of the predecessor Indian Tribes and makes other technical changes. The bill sponsor, Senator Berger, was unable to attend the meeting, therefore, Representative Pate recognized Representative Michael Wray to explain the bill.

Mr. Earl Evans, a tribal member, was then recognized to speak on the bill and explained how the bill would benefit Indian tribes, and recommended passage of the bill.


Representative Sutton was recognized to comment briefly concerning the bill and how it would affect Indian tribes; he encouraged that the bill be passed.

With no further questions or comments regarding the bill, Representative Cleveland moved for a favorable report; motion carried unanimously.

There being no further business, the meeting adjourned at 11:25 a.m.

Respectfully submitted,


Louis M. Pate, Jr., Chair


Edna Pearce
Committee Assistant

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2005

S

2

SENATE BILL 1857
State and Local Government Committee Substitute Adopted 6/15/06

Short Title: Haliwa-Saponi Tribe Name Change.

(Public)

Sponsors:

Referred to:

May 25, 2006

A BILL TO BE ENTITLED
AN ACT TO AMEND THE LAW GRANTING STATE RECOGNITION TO THE
HALIWA-SAPONI TRIBE OF NORTH CAROLINA.

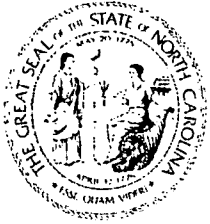
The General Assembly of North Carolina enacts:

SECTION 1. G.S. 71A-5 reads as rewritten:

"§ 71A-5. ~~Haliwa-Saponi~~ Haliwa-Saponi Indian Tribe of North Carolina; rights, privileges, immunities, obligations and duties.

The Indians now residing in Halifax, Warren and adjoining counties of North Carolina, originally found by the first permanent white settlers on the Roanoke River in Halifax and Warren Counties, and ~~claiming descent from certain~~ who descend from the Saponi, Nansemond, and other tribes of Indians originally inhabiting the coastal regions of North Carolina, shall, from and after April 15, 1965, be designated and officially recognized as the ~~Haliwa-Saponi Tribe of North Carolina,~~ Haliwa-Saponi Indian Tribe, and they shall continue to enjoy all their rights, privileges and immunities as ~~citizens of the State as now or hereafter provided by law, and shall continue to be subject to all the obligations and duties of citizens under the law.~~ an American Indian Tribe with a recognized tribal governing body carrying out and exercising substantial governmental duties and powers similar to the State, being recognized as eligible for the special programs and services provided by the United States to Indians because of their status as Indians."

SECTION 2. This act is effective when it becomes law.



SENATE BILL 1857: Haliwa-Saponi Tribe Name Change

BILL ANALYSIS

Committee:	House Military, Veterans and Indian Affairs	Date:	June 27, 2006
Introduced by:	Sen. Berger of Franklin	Summary by:	Hal Pell
Version:	Second Edition		Committee Co-Counsel

SUMMARY: *This act amends the name of the Haliwa-Saponi Indian Tribe and makes other technical corrections. The act is effective when it becomes law.*

BILL ANALYSIS: This act amends the statute granting State recognition to the Haliwa-Saponi Indian Tribe. The bill hyphenates the tribe name and includes "Indian" in the official name. It identifies some of the predecessor Indian tribes, and makes other technical changes.

EFFECTIVE DATE: The act is effective when it becomes law.

S1857c2-SMRK-001

**2005 COMMITTEE REPORT
HOUSE OF REPRESENTATIVES**

The following report(s) from standing committee(s) is/are presented:

By Representative Pate, Underhill (Chairs) for the Committee on MILITARY,
VETERANS AND INDIAN AFFAIRS.

☒ Committee Substitute for

SB 1857 A BILL TO BE ENTITLED AN ACT TO AMEND THE LAW
GRANTING STATE RECOGNITION TO THE HALIWA-SAPONI TRIBE OF NORTH
CAROLINA.

☒ With a favorable report.

(FOR JOURNAL USE ONLY)

_____ Pursuant to Rule 32(a), the bill/resolution is re-referred to the Committee on
_____.

_____ Pursuant to Rule 36(b), the bill/resolution is placed on the Calendar of _____.

House Pages

Name Of Committee: HLI, Vets, & Indian Affairs Date: 6-28-02

1. Name: Suzanne Jordan
County: Wake
Sponsor: Jim Crawford
2. Name: Kevin Sanderson
County: Robeson
Sponsor: Garland Pierce
3. Name: Amanda Fox
County: Burcombe
Sponsor: Wilma Sherille
4. Name: Katie Wombie
County: Wake
Sponsor: Jim Black
5. Name: David Risher
County: Wake
Sponsor: Greir Martin

Sgt-At-Arms

1. Name: Nell Cooper NELL COOPER
2. Name: James Warrth
3. Name: Earl Cohen
4. Name:
5. Name:

VISITOR REGISTRATION SHEET

MILITARY, VETERANS & INDIAN AFFAIRS

June 28, 2006

Name of Committee

Date

VISITORS: PLEASE SIGN IN BELOW AND RETURN TO COMMITTEE CLERK

NAME _____

FIRM OR AGENCY AND ADDRESS

Mark Trawick

Mr. Pearson Intern

Scott Hollo

Rep. Mark Holt
432 Westwood Ln Taylorsville

John K. ...

NCFPC

EARL EVANS

Haliwa - Saponi Indian Tribe

3rd Alley

Ally Carter