

# House Bill 2045

Introduced and printed pursuant to House Rule 12.00. Pre-session filed (at the request of Governor John A. Kitzhaber, M.D., for Department of Veterans' Affairs)

## SUMMARY

The following summary is not prepared by the sponsors of the measure and is not a part of the body thereof subject to consideration by the Legislative Assembly. It is an editor's brief statement of the essential features of the measure **as introduced**.

Allows Department of Veterans' Affairs to charge and collect administrative fees as reimbursement for providing certain benefits.

Declares emergency, effective on passage.

## A BILL FOR AN ACT

1  
2 Relating to administrative fees charged by Department of Veterans' Affairs; amending ORS 406.310,  
3 406.330, 406.454, 406.456, 407.582, 408.020, 408.060 and 408.500; and declaring an emergency.

4 **Be It Enacted by the People of the State of Oregon:**

5 **SECTION 1.** ORS 406.310 is amended to read:

6 406.310. (1) From funds available to the office of the Director of Veterans' Affairs for this pur-  
7 pose, the director, with advice from the Advisory Committee, is authorized to aid veterans' organ-  
8 izations that have been accredited by the United States Department of Veterans Affairs and counties  
9 of the state, in connection with their respective programs of service to veterans.

10 **(2) The director may charge and collect from a veterans' organization that receives aid**  
11 **under this section a reasonable fee of not less than four percent of the total amount of aid**  
12 **provided to reimburse the Department of Veterans' Affairs for administrative functions**  
13 **performed in providing the aid authorized under this section.**

14 **SECTION 2.** ORS 406.330 is amended to read:

15 406.330. The Director of Veterans' Affairs, with advice from the Advisory Committee, may adopt  
16 [*such*] procedural rules and regulations [*as the director deems advisable in making distribution of*  
17 *funds*] **for the provision of aid and administrative fees charged** under ORS 406.310. The director  
18 shall also establish a general and uniform policy to be followed by the various organizations and  
19 counties in carrying out the work to which the state contributes aid under ORS 406.310. In estab-  
20 lishing [*such*] **the** policy, the director shall give primary consideration to the rehabilitation of the  
21 greatest possible number of veterans in Oregon. To that end the director shall eliminate, insofar as  
22 possible, a duplication of effort and inefficient expenditure of money.

23 **SECTION 3.** ORS 406.454 is amended to read:

24 406.454. (1) The Director of Veterans' Affairs shall adopt by rule a formula to distribute to  
25 county governing bodies funds appropriated to the director to enhance and expand the services  
26 provided by county veterans' service officers appointed under ORS 408.410. In developing the dis-  
27 tribution formula, the director shall consider factors that include, but need not be limited to:

28 (a) The number of veterans residing in each county;

29 (b) A base amount to be distributed equally among counties;

30 (c) Retention of an amount, not to exceed six percent of the total amount appropriated to the

**NOTE:** Matter in **boldfaced** type in an amended section is new; matter [*italic and bracketed*] is existing law to be omitted. New sections are in **boldfaced** type.

1 director for the purposes of ORS 406.450, that would otherwise be distributed to a county governing  
2 body if the county governing body has not appointed county veterans' service officers; and

3 (d) Criteria for withholding funds from a county governing body.

4 (2) Funds retained under subsection (1)(c) and (d) of this section must be spent on:

5 (a) Training costs of veterans' service officers and other individuals providing similar services;  
6 and

7 (b) The coordination of computer systems and technology to facilitate efficient delivery of ser-  
8 vices to veterans, spouses and dependents of veterans or survivors of veterans.

9 **(3) The director may charge and deduct from funds distributed to county governing**  
10 **bodies under this section a reasonable fee of not less than four percent of the total amount**  
11 **distributed to reimburse the Department of Veterans' Affairs for administrative functions**  
12 **performed in implementing this section and ORS 406.450 and 406.452.**

13 **SECTION 4.** ORS 406.456 is amended to read:

14 406.456. The Director of Veterans' Affairs shall adopt rules to implement ORS 406.450, 406.452  
15 and 406.454. The rules shall include, but need not be limited to:

16 (1) Development and implementation of a distribution formula;

17 (2) Establishment of reporting and data collection requirements for county veterans' service of-  
18 ficers including, but not limited to, the number of interviews conducted, the number of veterans,  
19 spouses and dependents of veterans or survivors of veterans served by the program, the number of  
20 claims filed, the outcomes of claims filed and the outreach activities conducted; [and]

21 (3) Establishment of service outcomes for county veterans' service officers; **and**

22 **(4) The amount of administrative fees charged and deducted under ORS 406.454.**

23 **SECTION 5.** ORS 407.582 is amended to read:

24 407.582. (1) As used in this section:

25 (a) "Deployment" means an act in which a person was ordered to active duty and was deployed  
26 outside the United States.

27 (b) "Mobilization" means an act in which a person left the person's home station and was  
28 transferred to a mobilization site for federal service.

29 (c) "Small business" means a business that:

30 (A) Is a corporation, partnership, sole proprietorship or other legal entity licensed and located  
31 in Oregon and formed for the purpose of making a profit, and that is independently owned and op-  
32 erated from all other businesses; and

33 (B) Employs 50 or fewer persons.

34 (d) "Veteran" means a person who owns a controlling interest in a small business and who, at  
35 the time of the person's mobilization or deployment, is:

36 (A) A member of the Oregon National Guard; or

37 (B) A member of the reserves of the Army, Navy, Air Force, Marine Corps or Coast Guard of  
38 the United States and a resident of Oregon.

39 (2) There is established in the Department of Veterans' Affairs the Veterans' Small Business  
40 Repair Loan Program. The purpose of the program is to assist any veteran whose small business,  
41 due to the veteran's absence, incurred a setback during the veteran's mobilization or deployment  
42 by providing an interest-free loan to the veteran upon the veteran's return from mobilization or de-  
43 ployment. The loan shall be used by the veteran to restore the veteran's small business, to the ex-  
44 tent feasible, to the condition the small business was in prior to the veteran's mobilization or  
45 deployment.

1 (3) A veteran may receive a maximum of two loans under the program. Each loan may not ex-  
 2 ceed \$20,000. Application for a loan must be made within 12 months after demobilization.

3 **(4) The department may charge and deduct from amounts loaned under this section a**  
 4 **reasonable fee of not less than four percent of the principal amount of the loan to reimburse**  
 5 **the department for administrative functions performed in implementing this section.**

6 [(4)] (5) The department shall adopt by rule:

7 (a) Criteria that a small business must meet to qualify as having incurred a business setback  
 8 while the veteran was mobilized or deployed;

9 (b) The application process and any necessary forms;

10 (c) Terms of loan repayment; [and]

11 **(d) The amount of administrative fees charged and deducted under subsection (4) of this**  
 12 **section; and**

13 [(d)] (e) Other criteria and processes necessary to carry out the purposes of the program.

14 [(5)] (6) If a veteran is deceased as a result of the veteran's mobilization or deployment, the  
 15 unmarried surviving spouse of the deceased veteran is eligible to apply for and receive a loan to  
 16 continue the veteran's small business.

17 [(6)] (7) If a veteran is at the time of the loan application no longer a member of the Oregon  
 18 National Guard or the reserves, the veteran must have been discharged under honorable conditions.

19 [(7)] (8) The Department of Veterans' Affairs, in consultation with the Oregon Business Devel-  
 20 opment Department, shall review and reject or approve loan applications submitted by veterans.

21 [(8)] (9) Repayments of loans made under this section shall be deposited in the Veterans' Small  
 22 Business Repair Loan Fund established under ORS 407.585.

23 **SECTION 6.** ORS 408.020 is amended to read:

24 408.020. (1) Beneficiaries who desire to pursue an approved course of study or professional  
 25 training in or in connection with any accredited state or other public school or accredited private  
 26 school or accredited college shall have the right and privilege of state financial aid as provided in  
 27 ORS 408.010 to 408.090.

28 (2) State financial aid is payable at the rate of \$150 per month for each month of full-time study  
 29 or training and \$100 per month for each month of part-time study or training.

30 (3) The total number of monthly payments under subsection (2) of this section may not exceed  
 31 the total number of months served in the Armed Forces of the United States or 36, whichever is less.

32 (4) The Director of Veterans' Affairs may permit a beneficiary to attend a school or college  
 33 outside of this state upon a satisfactory showing that the training required is not available in an  
 34 accredited institution within this state.

35 (5) A beneficiary may not receive payments or benefits under ORS 408.010 to 408.090 at the same  
 36 time that the beneficiary is receiving educational aid under any federal Act based upon prior service  
 37 in the Armed Forces. Time spent by a person who applies for benefits under ORS 408.010 to 408.090  
 38 in the army specialized training program, the Navy V-12 program or other like training program  
 39 may not be counted as service in the Armed Forces within the purview of ORS 408.010.

40 **(6) The director may charge and collect a reasonable fee of not less than four percent**  
 41 **of the monthly payments made on behalf of a beneficiary under this section to reimburse the**  
 42 **Department of Veterans' Affairs for administrative functions performed in implementing**  
 43 **ORS 408.010 to 408.090.**

44 **SECTION 7.** ORS 408.060 is amended to read:

45 408.060. (1) The monthly payments provided in ORS 408.020 shall be allowed to any beneficiary

1 who is enrolled in an approved full-time or part-time course of study or professional training.

2 (2) Upon receipt of the monthly statement provided for in ORS 408.050, the Director of Veterans'  
3 Affairs, if the director finds that the monthly statement is correct, shall issue a voucher to the  
4 Oregon Department of Administrative Services which shall draw a warrant on the State Treasurer  
5 or make an electronic transfer in favor of each beneficiary. The warrant or electronic transfer shall  
6 be paid out of the funds appropriated for the administration of ORS 408.010 to 408.090.

7 **(3) The director may deduct from the amount of the voucher issued under this section**  
8 **the amount of the administrative fee authorized under ORS 408.020.**

9 **SECTION 8.** ORS 408.500 is amended to read:

10 408.500. (1) The Oregon Veterans' Emergency Financial Assistance Program is created.

11 (2) The purpose of the program is to provide emergency financial assistance to Oregon veterans  
12 and their immediate families for needs that include but are not limited to:

13 (a) Emergency or temporary housing and related housing expenses, such as expenses for utili-  
14 ties, insurance, house repairs, rent assistance or food;

15 (b) Emergency medical or dental expenses;

16 (c) Emergency transportation;

17 (d) Expenses related to starting a business, such as business licenses or occupational licenses;

18 (e) Temporary income after military discharge; and

19 (f) Legal assistance.

20 (3) The Department of Veterans' Affairs shall administer the program created under subsection  
21 (1) of this section and shall adopt rules implementing the program, including but not limited to es-  
22 tablishing procedures for applying for emergency financial assistance, [*and*] criteria for determining  
23 eligibility to receive emergency financial assistance **and the amount of the administrative fee**  
24 **charged under subsection (4) of this section.**

25 **(4) The department may charge and collect a reasonable fee of not less than four percent**  
26 **of the emergency financial assistance provided under this section to reimburse the depart-**  
27 **ment for administrative functions performed in implementing this section.**

28 [~~4~~] (5) As used in this section:

29 (a) "Immediate family" means a spouse, unremarried surviving spouse, child or stepchild.

30 (b) "Veteran" means:

31 (A) A veteran as defined in ORS 408.225;

32 (B) A person who is a member of the Oregon National Guard who has been demobilized after  
33 serving on federal active duty for more than 30 days; or

34 (C) A person who is an Oregon resident, is a member of the Reserves and has been demobilized  
35 after serving on federal active duty for more than 30 days.

36 **SECTION 9. This 2013 Act being necessary for the immediate preservation of the public**  
37 **peace, health and safety, an emergency is declared to exist, and this 2013 Act takes effect**  
38 **on its passage.**

39