COMMITTEE REPORT

February 17, 2022

**H. 3598**

Introduced by Reps. McGarry, B. Newton, May, Dabney, Brawley, King, Gilliard, Jefferson, Howard, S. Williams, Carter, Yow, W. Newton, Jones, Matthews, Blackwell, Oremus, Taylor, Hixon and Forrest

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Read the first time January 12, 2021.

**THE COMMITTEE ON MEDICAL,**

**MILITARY, PUBLIC AND MUNICIPAL AFFAIRS**

To whom was referred a Bill (H. 3598) to amend the Code of Laws of South Carolina, 1976, by adding Section 25‑11‑85 so as to establish the “Veterans Service Organization Burial Honor Guard Support, etc., respectfully

**REPORT:**

That they have duly and carefully considered the same and recommend that the same do pass:

LEON HOWARD for Committee.

**STATEMENT OF ESTIMATED FISCAL IMPACT**

**Explanation of Fiscal Impact**

**State Expenditure**

This bill establishes the “Veterans Service Organization Burial Honor Guard Support Fund” as a new fund created in the State Treasury. Revenues of the fund may include gifts, grants, federal funds, donations, and appropriations from the General Assembly. These funds are to be used to offset costs paid by organizations that provide honor guard burial details at the funerals of qualifying South Carolina veterans. In order to be a qualifying veteran, the individual must have been a resident of South Carolina for at least five years and served on active duty. The Secretary of the SC Department of Veterans’ Affairs may disburse from the fund up to $100 per funeral following a request from the organization that provided the honor guard burial detail.

The department anticipates it will be able to absorb any administrative expenses associated with appropriating these funds within current appropriations and using existing staff. However, the department’s expenditures will increase by an undetermined amount as a result of gifts, grants, federal funds, donations, and appropriations from the General Assembly beginning in FY 2020-21. The total expenditure will be dependent on the amount of funds received and the number of organizations requesting funds. These funds will be used to offset an organization’s costs associated with the burial of a South Carolina veteran. Due to the varied nature of these funds, this may impact the departments General Fund, Federal Funds, and Other Funds.

**State Revenue**

Revenues of the “Veterans Service Organization Burial Honor Guard Support Fund” may include gifts, grants, federal funds, donations, and appropriations from the General Assembly. Any earnings on this fund will be credited to it and any balance at the end of the fiscal year will be carried forward to the succeeding fiscal year. The fund is not subject to midyear budget reductions.

As this fund may benefit from a wide array of sources, this bill may increase the department’s general fund, other funds, and federal funds revenue beginning in FY 2020-21. However, as the amount deposited in the fund will depend on future gifts, grants, federal funds, donations and appropriations form the General Assembly, the increase in the department’s revenue is undetermined.

Frank A. Rainwater, Executive Director

Revenue and Fiscal Affairs Office

**A** **BILL**

TO AMEND THE CODE OF LAWS OF SOUTH CAROLINA, 1976, BY ADDING SECTION 25‑11‑85 SO AS TO ESTABLISH THE “VETERANS SERVICE ORGANIZATION BURIAL HONOR GUARD SUPPORT FUND” TO HELP OFFSET THE COSTS INCURRED BY SOUTH CAROLINA CHAPTERS OF CONGRESSIONALLY CHARTERED VETERANS SERVICE ORGANIZATIONS IN PROVIDING HONOR GUARD BURIAL DETAILS AT THE FUNERALS OF QUALIFYING SOUTH CAROLINA MILITARY VETERANS, AND TO DEFINE RELEVANT TERMS.

Be it enacted by the General Assembly of the State of South Carolina:

SECTION 1. Article 1, Chapter 11, Title 25 of the 1976 Code is amended by adding:

“Section 25‑11‑85. (A)(1) There is established and created in the State Treasury a fund separate and distinct from the general fund of the State and all other funds entitled the ‘Veterans Service Organization Burial Honor Guard Support Fund’. The fund’s exclusive purpose is to help offset the costs paid by South Carolina chapters of congressionally chartered veterans service organizations that provide well‑equipped and properly trained honor guard burial details at the funerals of qualifying South Carolina veterans.

(2) Revenues of the fund may include gifts, grants, federal funds, or donations made to the fund, regardless of source, and amounts as may be appropriated to the fund by the General Assembly. Monies deposited in the fund must be disbursed by the State Treasurer upon the warrant of the Secretary of the Department of Veterans’ Affairs or his representative. Earnings on this fund must be credited to it, and a balance in the fund at the end of a fiscal year does not lapse to the general fund of the State, but is instead carried forward in the fund to the succeeding fiscal year to be used for the same purposes. The fund is not subject to midyear budget reductions, and disbursements awarded may not at any time exceed the fund balance at the time of the grant.

(B) Upon request by a South Carolina chapter of a congressionally chartered veterans service organization that provided an honor guard burial detail at the funeral of a qualifying South Carolina veteran, the Secretary of the Department of Veterans’ Affairs or his representative may authorize a disbursement from the fund, not exceeding one hundred dollars per funeral, for the purposes described in this section. Pursuant to his authority provided for in Section 25‑11‑20(D), the Secretary of the Department of Veterans’ Affairs may promulgate regulations necessary to implement the provisions of this section.

(C) As used in this section:

(1) ‘Veteran’ means a person who has:

(a) served on active duty in the uniformed military services of the United States;

(b) served on active duty in the National Guard or any organized state militia; or

(c) served in the reserve components of the uniformed military services of the United States on active duty; and

(d) was released from this service other than by dishonorable discharge.

(2) ‘Veterans service organization’ means an association, corporation, or other entity that qualifies under Internal Revenue Code Section 501(c)(3) or Section 501(c)(19) as a tax exempt organization, a federally chartered veterans’ service corporation, or a veterans’ affairs office or agency established by state law. This term also includes a member or employee of any such entity.”

SECTION 2. This act takes effect upon approval by the Governor.

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