



January 14, 2020

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## HOUSE BILL No. 1173

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DIGEST OF HB 1173 (Updated January 14, 2020 12:43 pm - DI 131)

**Citations Affected:** IC 10-17; IC 25-25; IC 27-8.

**Synopsis:** Indiana department of veterans' affairs. Specifies that state veteran service officers are subject to the same requirements as county and city veteran service officers. Changes the five year residency requirement for the director of veterans' affairs from the years immediately preceding the appointment to five cumulative years preceding the appointment. Allows county recorders to keep an electronic record of discharges. Revises certain program eligibility provisions to reference participants more precisely. Repeals statutes related to unused programs. Makes technical changes.

**Effective:** July 1, 2020.

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### Frye R, Judy, Zent, Macer

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January 8, 2020, read first time and referred to Committee on Veterans Affairs and Public Safety.  
January 14, 2020, amended, reported — Do Pass.

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HB 1173—LS 6825/DI 92





January 14, 2020

Second Regular Session of the 121st General Assembly (2020)

PRINTING CODE. Amendments: Whenever an existing statute (or a section of the Indiana Constitution) is being amended, the text of the existing provision will appear in this style type, additions will appear in **this style type**, and deletions will appear in ~~this style type~~.

Additions: Whenever a new statutory provision is being enacted (or a new constitutional provision adopted), the text of the new provision will appear in **this style type**. Also, the word **NEW** will appear in that style type in the introductory clause of each SECTION that adds a new provision to the Indiana Code or the Indiana Constitution.

Conflict reconciliation: Text in a statute in *this style type* or ~~this style type~~ reconciles conflicts between statutes enacted by the 2019 Regular Session of the General Assembly.

## HOUSE BILL No. 1173

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A BILL FOR AN ACT to amend the Indiana Code concerning state offices and administration.

*Be it enacted by the General Assembly of the State of Indiana:*

- 1 SECTION 1. IC 10-17-1-4, AS AMENDED BY P.L.108-2016,  
2 SECTION 1, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
3 JULY 1, 2020]: Sec. 4. The commission shall do acts necessary or  
4 reasonably incident to the fulfillment of the purposes of this chapter,  
5 including the following:  
6 (1) Adopt rules under IC 4-22-2 to administer this chapter.  
7 (2) Advise the veterans' state service officer in problems  
8 concerning the welfare of veterans.  
9 (3) Determine general administrative policies within the  
10 department.  
11 (4) Establish standards for certification of **state**, county, and city  
12 service officers.  
13 (5) Establish and administer a written examination for renewal of  
14 the certification of county and city service officers.  
15 (6) Submit, not later than December 31 of each year, an annual  
16 report to the legislative council in an electronic format under  
17 IC 5-14-6 and to the governor concerning the welfare of veterans.

HB 1173—LS 6825/DI 92



1 SECTION 2. IC 10-17-1-5, AS AMENDED BY P.L.144-2007,  
 2 SECTION 6, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
 3 JULY 1, 2020]: Sec. 5. (a) The position of director of veterans' affairs  
 4 is established. The governor shall appoint the director for a four (4)  
 5 year term. However, the term of office of the director terminates when  
 6 the term of office of the governor terminates or when a successor to the  
 7 director is appointed and qualified. The director must be:

- 8 (1) an honorably discharged veteran who has at least six (6)  
 9 months active service in the armed forces of the United States;  
 10 and  
 11 (2) a citizen of Indiana and a resident of Indiana for at least five  
 12 (5) **cumulative** years ~~immediately~~ preceding the director's  
 13 appointment.

14 (b) The director is entitled to reimbursement for necessary traveling  
 15 and other expenses.

16 (c) The governor may remove the director if the governor considers  
 17 the director guilty of misconduct, incapability, or neglect of duty.

18 (d) The governor shall appoint an assistant director of veterans'  
 19 affairs. The assistant director is entitled to receive reimbursement for  
 20 necessary traveling and other expenses. The assistant director has the  
 21 same qualifications as the director of veterans' affairs and shall assist  
 22 the director in carrying out this chapter.

23 SECTION 3. IC 10-17-1-6, AS AMENDED BY P.L.136-2014,  
 24 SECTION 1, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
 25 JULY 1, 2020]: Sec. 6. (a) The director of veterans' affairs:

- 26 (1) is the executive and administrative head of the Indiana  
 27 department of veterans' affairs; and  
 28 (2) shall direct and supervise the administrative and technical  
 29 activities of the department;

30 subject to the general supervision of the commission.

31 (b) The duties of the director include the following:

- 32 (1) To attend all meetings of the commission and to act as  
 33 secretary and keep minutes of the commission's proceedings.  
 34 (2) To appoint the employees of the department necessary to carry  
 35 out this chapter and to fix the compensation of the employees.  
 36 Employees of the department must qualify for the job concerned.  
 37 (3) To carry out the program for veterans' affairs as directed by  
 38 the governor and the commission.  
 39 (4) To carry on field direction, inspection, and coordination of  
 40 county and city service officers as provided in this chapter.  
 41 (5) To prepare and conduct service officer training schools with  
 42 the voluntary aid and assistance of the service staffs of the major



- 1 veterans' organizations.
- 2 (6) To maintain an information bulletin service to county and city
- 3 service officers for the necessary dissemination of material
- 4 pertaining to all phases of veterans' rehabilitation and service
- 5 work, including information necessary to inform veterans of the
- 6 provisions of IC 22-9-10.
- 7 (7) To perform the duties described in IC 10-17-11 for the Indiana
- 8 state veterans' cemetery.
- 9 (8) To perform the duties described in IC 10-17-12 for the
- 10 military family relief fund.
- 11 (9) To establish a program and set guidelines under which a
- 12 medal of honor ~~awardee~~ **recipient** may receive compensation
- 13 when attending and participating in official ceremonies.
- 14 SECTION 4. IC 10-17-1-10, AS AMENDED BY P.L.99-2016,
- 15 SECTION 5, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
- 16 JULY 1, 2020]: Sec. 10. (a) Within thirty (30) days of their
- 17 appointment, new county, or city service officers must attend a new
- 18 service officer orientation presented by the Indiana department of
- 19 veterans' affairs and, according to the standards established under
- 20 section 4(4) of this chapter, become certified to assist veterans and
- 21 their dependents and survivors. The curriculum for the new service
- 22 officer orientation presented under this subsection shall be determined
- 23 by the director.
- 24 (b) Within one (1) year of appointment, new service officers must
- 25 attend a course presented by a national organization and become
- 26 accredited to represent veterans.
- 27 (c) An individual employed as a **state**, county, or city service officer
- 28 under this chapter is required to become accredited by a national
- 29 veterans service organization through the United States Department of
- 30 Veterans Affairs Office of General Counsel not later than one (1) year
- 31 from the date of **the** individual's employment, in order to represent
- 32 veterans.
- 33 (d) Annually, all **state**, county, or city service officers shall undergo
- 34 a course of training to adequately address problems of discharged
- 35 veterans in the service officer's county, or city, including a thorough
- 36 familiarization with laws, rules, and regulations of the federal
- 37 government and the state that affect benefits to which the veterans and
- 38 dependents of the veterans are entitled. After a service officer has
- 39 undergone this sustainment training and successfully passed a written
- 40 test, the service officer shall be recertified by the director to assist
- 41 veterans for the following year.
- 42 SECTION 5. IC 10-17-2-1 IS AMENDED TO READ AS



1 FOLLOWS [EFFECTIVE JULY 1, 2020]: Sec. 1. **(a)** To provide a  
 2 special and permanent record of discharges from a branch of the  
 3 military service of the United States of members of a branch of the  
 4 service who are residents of Indiana, the county recorder shall **do**  
 5 **either of the following:**

6 (1) Procure a sufficiently large and well bound book of good  
 7 material in which the county recorder shall record all discharges.

8 **(2) Preserve discharges received by the recorder in an**  
 9 **electronic format that may be accessed in the office of the**  
 10 **recorder and store paper copies or microfilm of the**  
 11 **discharges at a secure offsite location from which the paper**  
 12 **copies or microfilm may be retrieved as necessary.**

13 **(b) The county recorder shall annually test the reliability of**  
 14 **hardware and software used to provide electronic access to**  
 15 **discharges preserved under subsection (a)(2).**

16 SECTION 6. IC 10-17-2-2 IS AMENDED TO READ AS  
 17 FOLLOWS [EFFECTIVE JULY 1, 2020]: Sec. 2. A book providing for  
 18 the recording of discharges from the army, navy, or any other branch  
 19 of the service must consist of printed forms in blank, similar to and in  
 20 conformity with the wording of the forms of discharge used by the  
 21 United States government, the size of type being reduced to permit the  
 22 printing of the form of the discharge on one (1) page of the record.  
 23 Each book must be provided with an alphabetical index. **The**  
 24 **standards imposed by this section apply to the preservation of**  
 25 **discharges in an electronic format under section 1(a)(2) of this**  
 26 **chapter.**

27 SECTION 7. IC 10-17-2-4, AS AMENDED BY P.L.103-2016,  
 28 SECTION 3, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
 29 JULY 1, 2020]: Sec. 4. (a) As used in this section, "photographic  
 30 identification" means an identification document that:

31 (1) shows the name of the individual to whom the document was  
 32 issued;

33 (2) shows a photograph of the individual to whom the document  
 34 was issued;

35 (3) includes an expiration date indicating that the document has  
 36 not expired; and

37 (4) was issued by the United States or a state or territory of the  
 38 United States.

39 (b) A discharge record is not a public record under IC 5-14-3. A  
 40 county recorder ~~may~~ **shall** provide a certified copy of a discharge  
 41 record ~~only to~~ **at the request of** the following persons:

42 (1) The veteran who is the subject of the discharge record if the



- 1 veteran provides photographic identification.
- 2 (2) A person who provides photographic identification that  
3 identifies the person as a **state**, county, or city service officer.
- 4 (3) A person who provides photographic identification that  
5 identifies the person as an employee of the Indiana department of  
6 veterans' affairs.
- 7 (4) A person who:  
8 (A) is a funeral director licensed under IC 25-15; and  
9 (B) assists with the burial of the veteran who is the subject of  
10 the discharge record;  
11 if the person provides photographic identification and the person's  
12 funeral director license.
- 13 (5) If the veteran who is the subject of the discharge record is  
14 deceased, the spouse or next of kin of the deceased, if the spouse  
15 or next of kin provides photographic identification and a copy of  
16 the veteran's death certificate.
- 17 (6) The following persons, if the person provides photographic  
18 identification:  
19 (A) The attorney in fact of the person who is the subject of the  
20 discharge record, if the attorney in fact provides a copy of the  
21 power of attorney.  
22 (B) The guardian of the person who is the subject of the  
23 discharge record, if the guardian of the person provides a copy  
24 of the court order appointing the guardian of the person.  
25 (C) The personal representative of the estate of the deceased,  
26 if the person who is the subject of the discharge record is  
27 deceased and the personal representative of the estate provides  
28 a copy of the court order appointing the personal  
29 representative of the estate.
- 30 (c) To the extent technologically feasible, a county recorder shall  
31 take precautions to prevent the disclosure of a discharge record filed  
32 with the county recorder before May 15, 2007. After May 14, 2007, a  
33 county recorder shall ensure that a discharge record filed with the  
34 county recorder is maintained in a separate, confidential, and secure  
35 file.
- 36 (d) Disclosure of a discharge record by the county recorder under  
37 this section is subject to IC 5-14-3-10.
- 38 SECTION 8. IC 10-17-5 IS REPEALED [EFFECTIVE JULY 1,  
39 2020]. (Veteran Benefits).
- 40 SECTION 9. IC 10-17-7-3, AS AMENDED BY P.L.2-2007,  
41 SECTION 149, IS AMENDED TO READ AS FOLLOWS  
42 [EFFECTIVE JULY 1, 2020]: Sec. 3. (a) A dependent of a prisoner of



1 war or person missing in action, upon the person's acceptance for  
 2 enrollment in a state educational institution, may obtain a bachelor's  
 3 degree or certificate of completion without tuition or charge as long as  
 4 the dependent is eligible.

5 (b) A dependent is entitled to the benefits of this chapter  
 6 notwithstanding any circumstance, including the return ~~of the father~~ or  
 7 the reported death of the ~~father~~. **dependent's parent or guardian who**  
 8 **had been declared a prisoner of war or a person missing in action.**

9 SECTION 10. IC 10-17-8 IS REPEALED [EFFECTIVE JULY 1,  
 10 2020]. (Reporting of Veterans Exposed to Chemicals).

11 SECTION 11. IC 10-17-12-7.5, AS AMENDED BY P.L.99-2016,  
 12 SECTION 8, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
 13 JULY 1, 2020]: Sec. 7.5. As used in this chapter, "qualified service  
 14 member" means an individual who is an Indiana resident and who:

15 (1) is:

16 (A) a member of the armed forces of the United States or the  
 17 national guard (as defined in IC 5-9-4-4); and

18 (B) serving on or has served on active duty during a time of  
 19 national conflict or war; or

20 (2) has:

21 (A) served on active duty during a time of national conflict or  
 22 war in:

23 (i) the armed forces of the United States; or

24 (ii) the national guard (as defined in IC 5-9-4-4); and

25 (B) ~~received an honorable discharge~~. **been discharged from**  
 26 **the armed forces of the United States or the national guard**  
 27 **under honorable conditions.**

28 SECTION 12. IC 10-17-12-8, AS AMENDED BY P.L.99-2016,  
 29 SECTION 9, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
 30 JULY 1, 2020]: Sec. 8. (a) The military family relief fund is established  
 31 to provide short term assistance with food, housing, utilities, medical  
 32 services, basic transportation, child care, education, employment or  
 33 workforce, and other essential family support expenses that have  
 34 become difficult to afford for qualified service members or dependents  
 35 of qualified service members.

36 (b) Except as provided in section 9 of this chapter, the ~~commission~~  
 37 **department** shall expend the money in the fund exclusively to provide  
 38 grants for assistance as described in subsection (a).

39 (c) The ~~commission~~ **department** shall give priority to applications  
 40 for grants for assistance from the fund to qualified service members or  
 41 dependents of qualified service members who have never received a  
 42 grant under this chapter.





1 (d) Subject to the approval of the budget agency, the commission  
 2 shall establish the maximum total dollar amount of grants that may be  
 3 expended in a state fiscal year. Once the maximum total dollar amount  
 4 of grants that may be expended in a state fiscal year is reached, no  
 5 additional grants may be authorized until the start of the following state  
 6 fiscal year.

7 (e) The director shall each year provide a report to the budget  
 8 committee concerning the grant program under this chapter.

9 (f) A qualified service member or the qualified service member's  
 10 dependent may be eligible to receive assistance from the fund.

11 (g) The commission shall administer the fund.

12 SECTION 13. IC 10-17-12-10, AS AMENDED BY THE  
 13 TECHNICAL CORRECTIONS BILL OF THE 2020 GENERAL  
 14 ASSEMBLY, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
 15 JULY 1, 2020]: Sec. 10. (a) The commission shall adopt rules under  
 16 IC 4-22-2 for the provision of grants under this chapter. Subject to  
 17 subsection (b), the rules adopted under this section must address the  
 18 following:

19 (1) Uniform need determination procedures.

20 (2) Eligibility criteria, including income eligibility standards,  
 21 asset limit eligibility standards, and other standards concerning  
 22 when assistance may be provided.

23 (3) Application procedures.

24 (4) Selection procedures.

25 (5) A consideration of the extent to which an individual has used  
 26 assistance available from other assistance programs before  
 27 assistance may be provided to the individual from the fund.

28 (6) Other areas in which the ~~department~~ **commission** determines  
 29 that rules are necessary to ensure the uniform administration of  
 30 the grant program under this chapter.

31 (b) The following apply to grants awarded under this chapter:

32 (1) An applicant is not eligible for a grant from the fund if:

33 (A) the qualified service member with respect to whom the  
 34 application is based has been discharged; and

35 (B) the qualified service member's term of qualifying military  
 36 service was less than twelve (12) months.

37 (2) The income eligibility standards must be based on the federal  
 38 gross income of the qualified service member and the qualified  
 39 service member's spouse.

40 (3) An employee of the department who is otherwise eligible for  
 41 a grant from the fund must submit the employee's application  
 42 directly to the commission for review. The department shall have



1 no influence in any part of the employee's application.

2 (4) The maximum amount a qualified service member may  
3 receive from the fund is two thousand five hundred dollars  
4 (\$2,500), unless a **higher amount is** approved by the  
5 commission.

6 (5) The commission may consider the following in its analysis of  
7 the applicant's request for assistance in excess of two thousand  
8 five hundred dollars (\$2,500):

9 (A) The department's eligibility determination of the applicant.

10 (B) Facts considered in the department's need determination  
11 review and award under 915 IAC 3-6-3 and 915 IAC 3-6-5.

12 (C) The circumstances surrounding the applicant's hardship.

13 (D) Any substantive changes in the applicant's financial  
14 situation after the original application was submitted.

15 (E) Facts that may have been unknown or unavailable at the  
16 time of the applicant's original application for assistance.

17 (F) Other compelling circumstances that may justify assistance  
18 in excess of the two thousand five hundred dollar (\$2,500)  
19 threshold.

20 (6) The commission shall approve or deny within sixty (60) days  
21 an application for a grant filed with the commission after June 30,  
22 2019, by an employee of the department. However, the  
23 commission may not act on an incomplete application. The  
24 commission shall return an incomplete application with a notation  
25 as to omissions. The return of an incomplete application shall be  
26 without prejudice.

27 SECTION 14. IC 10-17-12.5 IS REPEALED [EFFECTIVE JULY  
28 1, 2020]. (Veterans Disability Clinic Fund).

29 SECTION 15. IC 25-25-2-1 IS AMENDED TO READ AS  
30 FOLLOWS [EFFECTIVE JULY 1, 2020]: Sec. 1. (a) This section  
31 applies to:

32 (1) any veteran described in IC 10-17-5-2 or IC 10-17-5-1 (**before  
33 their repeal**); or

34 (2) any other veteran to whom this chapter applies because of the  
35 provisions of any other statute;

36 who holds an honorable discharge from such service issued by the  
37 proper authorities. Such a person shall be entitled to a license to vend,  
38 hawk, and peddle goods, wares, fruits, and merchandise in any county,  
39 city, or town in Indiana without the payment of any fee for the license.  
40 Upon the presentation of the person's certificate and papers of  
41 discharge, properly executed, to the auditor of any county and proving  
42 the person's identity as the person named in the person's certificate of



1 honorable discharge, the auditor shall issue to the former soldier or  
 2 sailor a free license to vend, hawk, and peddle goods, wares, fruits, and  
 3 merchandise in the county and in all cities and towns in the county. A  
 4 fee may not be charged to the holder of the license by the auditor, by  
 5 the authorities of any city or town in the county, or by any other officer.  
 6 The license shall be full and complete authority to vend, hawk, and  
 7 peddle without the payment of any sum of money.

8 (b) A person who acquires a license under this section is subject to  
 9 all county, city, or town regulations and ordinances concerning  
 10 vendors, hawkers, or peddlers, except for those provisions requiring  
 11 payment of money for obtaining a license.

12 SECTION 16. IC 27-8-3-6 IS AMENDED TO READ AS  
 13 FOLLOWS [EFFECTIVE JULY 1, 2020]: Sec. 6. Any incorporation,  
 14 association or society organized to insure lives, which provides for the  
 15 payment of policy claims, or the accumulation of reserve or emergency  
 16 funds, and the expenses of the management and prosecution of the  
 17 business by payments to be made either at periods named in the  
 18 contract or upon assessments as required, by persons holding similar  
 19 contracts, and wherein the insured's liability to contribute to the  
 20 payment of policy claims accrued or to accrue is not limited to a fixed  
 21 sum, shall be deemed to be engaged in the business of life insurance  
 22 upon the assessment plan, and shall be subject only to the provisions  
 23 of this chapter. However, nothing contained in this chapter shall be  
 24 construed as applicable to any association of religious or secret  
 25 societies, or to any class of mechanics, express, telegraph or railroad  
 26 employees, or veterans described in IC 10-17-5-2 or IC 10-17-5-1  
 27 **(before their repeal)** formed for the mutual benefit of the members  
 28 thereof and their families exclusively, or to any secret or fraternal  
 29 societies, lodges or councils that may be organized, or that are now  
 30 organized and doing business in this state, which conduct their  
 31 business and secure members on the lodge system exclusively, having  
 32 ritualistic work and ceremonies in their societies, lodges or councils,  
 33 and which are under the supervision of the grand or supreme body, nor  
 34 to any association organized solely for benevolent purposes and not for  
 35 profit.

36 SECTION 17. IC 27-8-3-26 IS AMENDED TO READ AS  
 37 FOLLOWS [EFFECTIVE JULY 1, 2020]: Sec. 26. Nothing contained  
 38 in sections one through twenty-five of this chapter shall be construed  
 39 to apply to secret or fraternal societies, lodges or councils that are now  
 40 organized, or that may hereafter be organized, which conduct their  
 41 business and secure members on the lodge system, exclusively, having  
 42 ritualistic work and ceremonies in their societies, lodges or councils,



1 and which are under the supervision of a grand or supreme body, nor  
2 to any association organized solely for benevolent purposes and not for  
3 profit; nor to any association of religious or secret societies, nor to any  
4 class of mechanics, express, telegraph or railroad employees or  
5 veterans described in IC 10-17-5-2 or IC 10-17-5-1 (**before their**  
6 **repeal**) or any existing societies now doing business and formed for the  
7 mutual benefit of the members thereof and their families exclusively.



COMMITTEE REPORT

Mr. Speaker: Your Committee on Veterans Affairs and Public Safety, to which was referred House Bill 1173, has had the same under consideration and begs leave to report the same back to the House with the recommendation that said bill be amended as follows:

Page 4, line 10, after "copies" insert "**or microfilm**".

Page 4, line 11, after "copies" insert "**or microfilm**".

and when so amended that said bill do pass.

(Reference is to HB 1173 as introduced.)

FRYE R

Committee Vote: yeas 12, nays 0.

