



February 19, 2020

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# ENGROSSED HOUSE BILL No. 1173

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DIGEST OF HB 1173 (Updated February 18, 2020 10:28 am - DI 123)

**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. Removes the five year residency requirement for the director of veterans' affairs. 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

(SENATE SPONSOR — TOMES)

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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.

January 16, 2020, read second time, ordered engrossed. Engrossed.

January 21, 2020, read third time, passed. Yeas 97, nays 0.

SENATE ACTION

February 5, 2020, read first time and referred to Committee on Veterans Affairs and The Military.

February 18, 2020, amended, reported favorably — Do Pass.

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EH 1173—LS 6825/DI 92





February 19, 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.

## ENGROSSED 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.

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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) years immediately preceding the director's appointment.~~

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

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

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

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

25 (1) is the executive and administrative head of the Indiana  
 26 department of veterans' affairs; and

27 (2) shall direct and supervise the administrative and technical  
 28 activities of the department;

29 subject to the general supervision of the commission.

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

31 (1) To attend all meetings of the commission and to act as  
 32 secretary and keep minutes of the commission's proceedings.

33 (2) To appoint the employees of the department necessary to carry  
 34 out this chapter and to fix the compensation of the employees.  
 35 Employees of the department must qualify for the job concerned.

36 (3) To carry out the program for veterans' affairs as directed by  
 37 the governor and the commission.

38 (4) To carry on field direction, inspection, and coordination of  
 39 county and city service officers as provided in this chapter.

40 (5) To prepare and conduct service officer training schools with  
 41 the voluntary aid and assistance of the service staffs of the major  
 42 veterans' organizations.



1 (6) To maintain an information bulletin service to county and city  
 2 service officers for the necessary dissemination of material  
 3 pertaining to all phases of veterans' rehabilitation and service  
 4 work, including information necessary to inform veterans of the  
 5 provisions of IC 22-9-10.

6 (7) To perform the duties described in IC 10-17-11 for the Indiana  
 7 state veterans' cemetery.

8 (8) To perform the duties described in IC 10-17-12 for the  
 9 military family relief fund.

10 (9) To establish a program and set guidelines under which a  
 11 medal of honor ~~awardee~~ **recipient** may receive compensation  
 12 when attending and participating in official ceremonies.

13 SECTION 4. IC 10-17-1-10, AS AMENDED BY P.L.99-2016,  
 14 SECTION 5, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
 15 JULY 1, 2020]: Sec. 10. (a) Within thirty (30) days of their  
 16 appointment, new county, or city service officers must attend a new  
 17 service officer orientation presented by the Indiana department of  
 18 veterans' affairs and, according to the standards established under  
 19 section 4(4) of this chapter, become certified to assist veterans and  
 20 their dependents and survivors. The curriculum for the new service  
 21 officer orientation presented under this subsection shall be determined  
 22 by the director.

23 (b) Within one (1) year of appointment, new service officers must  
 24 attend a course presented by a national organization and become  
 25 accredited to represent veterans.

26 (c) An individual employed as a **state**, county, or city service officer  
 27 under this chapter is required to become accredited by a national  
 28 veterans service organization through the United States Department of  
 29 Veterans Affairs Office of General Counsel not later than one (1) year  
 30 from the date of **the** individual's employment, in order to represent  
 31 veterans.

32 (d) Annually, all **state**, county, or city service officers shall undergo  
 33 a course of training to adequately address problems of discharged  
 34 veterans in the service officer's county, or city, including a thorough  
 35 familiarization with laws, rules, and regulations of the federal  
 36 government and the state that affect benefits to which the veterans and  
 37 dependents of the veterans are entitled. After a service officer has  
 38 undergone this sustainment training and successfully passed a written  
 39 test, the service officer shall be recertified by the director to assist  
 40 veterans for the following year.

41 SECTION 5. IC 10-17-2-1 IS AMENDED TO READ AS  
 42 FOLLOWS [EFFECTIVE JULY 1, 2020]: Sec. 1. (a) To provide a



1 special and permanent record of discharges from a branch of the  
 2 military service of the United States of members of a branch of the  
 3 service who are residents of Indiana, the county recorder shall **do**  
 4 **either of the following:**

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

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

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

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

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

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

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

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

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

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

41 (1) The veteran who is the subject of the discharge record if the  
 42 veteran provides photographic identification.



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



1 enrollment in a state educational institution, may obtain a bachelor's  
2 degree or certificate of completion without tuition or charge as long as  
3 the dependent is eligible.

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

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

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

14 (1) is:

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

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

19 (2) has:

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

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

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

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

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

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

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

42 (d) Subject to the approval of the budget agency, the commission





1 shall establish the maximum total dollar amount of grants that may be  
 2 expended in a state fiscal year. Once the maximum total dollar amount  
 3 of grants that may be expended in a state fiscal year is reached, no  
 4 additional grants may be authorized until the start of the following state  
 5 fiscal year.

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

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

10 (g) The commission shall administer the fund.

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

18 (1) Uniform need determination procedures.

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

22 (3) Application procedures.

23 (4) Selection procedures.

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

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

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

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

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

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

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

39 (3) An employee of the department who is otherwise eligible for  
 40 a grant from the fund must submit the employee's application  
 41 directly to the commission for review. The department shall have  
 42 no influence in any part of the employee's application.



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

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

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

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

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

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

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

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

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

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

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

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

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

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



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

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

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

35 SECTION 17. IC 27-8-3-26 IS AMENDED TO READ AS  
 36 FOLLOWS [EFFECTIVE JULY 1, 2020]: Sec. 26. Nothing contained  
 37 in sections ~~one 1~~ through ~~twenty-five 25~~ of this chapter shall be  
 38 construed to apply to secret or fraternal societies, lodges or councils  
 39 that are now organized, or that may hereafter be organized, which  
 40 conduct their business and secure members on the lodge system,  
 41 exclusively, having ritualistic work and ceremonies in their societies,  
 42 lodges or councils, and which are under the supervision of a grand or



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

## COMMITTEE REPORT

Madam President: The Senate Committee on Veterans Affairs and The Military, to which was referred House Bill No. 1173, has had the same under consideration and begs leave to report the same back to the Senate with the recommendation that said bill be AMENDED as follows:

Page 2, delete lines 1 through 22, begin a new paragraph and insert:

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

(+) an honorably discharged veteran who has at least six (6) months active service in the armed forces of the United States.

and

(2) a citizen of Indiana and a resident of Indiana for at least five (5) years immediately preceding the director's appointment.

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

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

(d) The governor shall appoint an assistant director of veterans'

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affairs. The assistant director is entitled to receive reimbursement for necessary traveling and other expenses. The assistant director has the same qualifications as the director of veterans' affairs and shall assist the director in carrying out this chapter."

Page 9, line 38, strike "one" and insert "1".

Page 9, line 38, strike "twenty-five" and insert "25".

and when so amended that said bill do pass.

(Reference is to HB 1173 as printed January 14, 2020.)

TOMES, Chairperson

Committee Vote: Yeas 7, Nays 0.

