

VETERANS CEMETERY ACT

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Senate Bill 971 (proposed substitute H-1)

Sponsor: Sen. Curtis S. VanderWall

House Committee: Military, Veterans and Homeland Security

1st Senate Committee: Families, Seniors, and Veterans

2nd Senate Committee: Appropriations

Complete to 9-27-22

Analysis available at
<http://www.legislature.mi.gov>

SUMMARY:

Senate Bill 971 would create a new act, the Veterans Cemetery Act, to authorize the designation and administration of a state veterans cemetery. Specifically, the act would allow the Department of Military and Veterans Affairs (DMVA) to acquire and purchase land that is suitable for a cemetery in Cheboygan County, Dickinson County, Crawford County, or Presque Isle County. The department also could designate state-owned land under its jurisdiction in one or more of those four counties as a veterans cemetery.¹ The director of DMVA would have to apply for and accept all grants available under 38 USC 2408 (which provides federal grants under certain conditions for state or county veterans cemeteries).²

The director of DMVA would have to administer a veterans cemetery created under the bill and comply with federal laws and regulations in doing so.

The bill also would create the Veterans Cemetery Fund in the state treasury and require the state treasurer to deposit into the fund money and other assets from any source. The treasurer would have to direct the investment of money in the fund and credit to the fund interest and earnings from those investments. DMVA would be the administrator of the fund for auditing purposes. Money in the fund at the close of the fiscal year would not lapse to the general fund.

DMVA could expend money from the Veterans Cemetery Fund, upon appropriation, only for one or more of the following purposes:

- For architectural design, for engineering plans, and for any necessary environmental impact studies prescribed by law.
- For necessary expenses to qualify for federal grants under 38 USC 2408.
- To prepare for operational use land that is acquired or purchased for a veterans cemetery or designated as a veterans cemetery.

¹ See **Fiscal Impact**, below. The bill specifies that the land must be in a county with a population of at least 12,500 but not more than 13,500 or in a county with a population of at least 25,500 but not more than 13,500. Section 3v of 1846 RS 1 ("Of the statutes") provides that in Michigan law the population of a political subdivision must be determined on the basis of the latest federal decennial census. Crawford (12,988) and Presque Isle (12,982) were the only two Michigan counties with a population between 12,500 and 13,500 under the 2020 Census, and Cheboygan (25,579) and Dickinson (25,947) were the only two with a population between 25,500 and 26,000.

² See <https://www.law.cornell.edu/uscode/text/38/2408>

- For ongoing expenses related to the operation of a veterans cemetery.

The bill says the legislature must appropriate sufficient money to accomplish the bill's purpose.

FISCAL IMPACT:

The bill would authorize and initiate the process toward the establishment of a new state veterans cemetery, which would have substantial costs to the state for initial implementation and ongoing operations.

The bill would allow, but not require, DMVA to acquire and purchase land in a county with population between 12,500 and 13,500 or between 25,500 and 26,000. According to the most recent federal decennial census, Crawford, Cheboygan, Dickinson, and Presque Isle Counties meet these conditions. Under the FY 2022-23 annual appropriations act, 2022 PA 166, \$12.0 million GF/GP was appropriated and required by boilerplate section 601 of Article 10 for acquiring and purchasing land in a county with a population range that includes only the population of Crawford County. DMVA was not able to confirm at the time of this analysis whether the \$12.0 million will be enough to acquire the land or if additional funds would be needed to be appropriated to complete the purchase. The Veterans Cemetery Fund created under the bill would not support expenditures for purchasing and acquiring land.

\$250,000 GF/GP was also appropriated under 2022 PA 166 for a professional study to evaluate the need for a new state veterans cemetery in northern Michigan. The study is to determine best locations and to provide preliminary estimates on design, construction, and operational costs of a state veterans cemetery. It is not yet known if the bill would facilitate the construction of another state veterans cemetery based on any findings or recommendations from the study, which would result in additional costs.

Construction costs of a new state veterans cemetery could be fully and directly covered upon successful application through the Veterans Cemetery Grant program from the National Cemetery Administration of the U.S. Department of Veterans Affairs. Funding would not be subject to reimbursement of state funds. Grant applications must be received by July 1 each year to receive grant funding at the start of the next fiscal year on October 1. The average federal grant amount under this program to establish a new cemetery is approximately \$4.5 million. The federal grant program would also reimburse states up to \$828 for a plot allowance to cover burial costs of certain eligible veterans. Federal grant funding would be subject to state appropriation.

DMVA would be responsible for administering a state veterans cemetery and supporting ongoing operational expenses of the cemetery. Crawford County estimated a need for four to six FTE positions for a proposed 100-acre cemetery there, as well as an ongoing annual budget of approximately \$1.2 million supported by federal, private, and state resources, with the state contributing approximately 25% of the costs:

- \$580,300 – Federal plot allowance.

- \$300,500 – Dependent fee revenue.
- \$299,100 – State revenue

The Crawford County estimate is proportionate to costs of other state veterans cemeteries of comparable size. A smaller state-run 12-acre veterans cemetery on the grounds of the Grand Rapids Home for Veterans receives an annual appropriation of \$85,200 GF/GP.

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■ This analysis was prepared by nonpartisan House Fiscal Agency staff for use by House members in their deliberations and does not constitute an official statement of legislative intent.