

OFFICE OF FISCAL ANALYSIS

Legislative Office Building, Room 5200
Hartford, CT 06106 ◊ (860) 240-0200
<http://www.cga.ct.gov/ofa>

sHB-5406

AN ACT CONCERNING VARIOUS MEASURES HONORING THE
HEROISM OF VETERANS AND MEMBERS OF THE ARMED
FORCES.

As Amended by House "A" (LCO 3953)

House Calendar No.: 142

OFA Fiscal Note

State Impact:

Agency Affected	Fund-Effect	FY 27 \$	FY 28 \$
Soldiers, Sailors & Marines' Fund	SF - Cost	Up to 1 million	Up to 1 million
Department of Motor Vehicles	TF - Revenue Loss	Less than 50,000	Less than 50,000
Department of Motor Vehicles	TF - Cost	Minimal	None
Revenue Serv., Dept.	GF - Revenue Loss	25,000	65,000
Military Dept.	GF - Transfer from	500,000	None
Military Dept.	GF - Transfer to	500,000	None

Note: TF=Transportation Fund; SF=Special Fund (Non-appropriated); GF=General Fund

Municipal Impact: None

Explanation

The bill as amended makes various changes related to several state agencies and results in the fiscal impacts described below.

Sections 1 and 2 require the Department of Veterans Affairs (DVA) to publish certain information and warnings related to veterans' support organizations on their website and do not result in a fiscal impact.

Section 3 makes changes to the training requirements for veterans'

Primary Analyst: JP
Contributing Analyst(s):
Reviewer: RW

4/10/26

service officers that do not result in a fiscal impact.

Sections 4 and 5 result in an annual cost of up to \$1 million to the Soldiers, Sailors, and Marines Fund (SSMF) beginning in FY 27 to establish a veterans Dental Care Access Program. The program is to be operated by the American Legion, and the bill as amended caps the total cost of the program at \$1 million. Any expenses related to the operation of this program, including payments for dental services, will be paid out of the SSMF and fall under that cap.

Section 6 establishes a task force and does not result in a fiscal impact.

Sections 7-9 expand certain motor vehicle benefits for veterans, active military members, and reserve members called to active service, as outlined in the bill. Revenue loss from foregone fees is anticipated, collectively, to be less than \$50,000 annually to the STF. The Department of Motor Vehicles is anticipated to incur minimal one-time administrative costs in FY 27 for implementing these provisions.

Section 10 makes a change to the Birth-to-Three program that conforms to current practice and does not have a fiscal impact.

Section 11-16 makes various technical changes and rename a military training facility, and do not result in a fiscal impact.

Section 501 names the Connecticut National Guard readiness center in Putnam the “Captain-General John Dempsey Putnam Army National Guard Readiness Center”, resulting in no fiscal impact as the facility is currently under construction.

Section 502, which establishes a state personal income tax deduction for certain honor guard compensation, results in a General Fund revenue loss of approximately \$25,000 annually beginning in FY 27.¹

Section 503, which establishes a personal income tax deduction for

¹ From FY 22 through FY 25, total honor guard detail compensation averaged \$479,500 annually.

state active duty National Guard pay, results in a General Fund revenue loss of approximately \$40,000 annually beginning in FY 28.²

Section 504 requires the Office of the LTCO to submit a report regarding the establishment of the Office of the Veterans' and Military Healthcare Ombudsman, which does not result in a fiscal impact.

Sections 505 and 506 create a separate, nonlapsing account called the Military Department Emergency Response Account and transfer \$500,000 from the Military Relief Fund to this new account in FY 27. As of April 9, 2026, the Military Relief Fund has a balance of \$953,854.

Section 507 requires the Department of Revenue Services (DRS), in consultation with various other entities, to conduct a study to determine (1) the amount of tangible personal property or services purchased annually by nonprofit military and veterans' organizations and (2) the fiscal impact of establishing a sales and use tax exemption for such purchases. This does not result in any fiscal impact.

House Amendment "A" struck sections 4 and 5 of the underlying bill, eliminating the cost to the Department of Veterans Affairs and reducing the cost to the Soldiers, Sailors, and Marines' Fund (SSMF) from \$3.2 million in FY 27 and \$6.4 million in FY 28 to an annual cost of up to \$1 million to the SSMF beginning in FY 27. The amendment also names the Connecticut National Guard readiness center in Putnam, establishes two state personal income tax deductions for certain honor guard compensation and state active duty National Guard pay, requires the Office of the LTCO to submit a report regarding the establishment of the Office of the Veterans' and Military Healthcare Ombudsman, transfers \$500,000 from the Military Relief Fund to the Military Department Emergency Response Account in FY 27, and requires DRS to conduct a study.

The Out Years

² From FY 22 through FY 25, National Guard state active duty compensation averaged \$790,700 annually.

State Impact:

The annualized ongoing fiscal impact identified above would continue into the future subject to the number and cost of dental claims by eligible veterans and the number of fees exempted under the bill.

Municipal Impact: None