
OLR Bill Analysis

sHB 5406 (as amended by House "A")*

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

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SUMMARY

This bill makes various changes to state law concerning veteran and military affairs, as described in the section-by-section analysis below.

*House Amendment "A" makes changes to the bill's veteran dental care program, including having it administered by the Soldiers, Sailors, and Marines fund's administrator instead of the Department of Veterans Affairs, changing the annual cap on the amount veterans can receive under the program, and capping the program at \$ 1 million per fiscal year. It also adds provisions on (1) the name of the state military readiness center in Putnam, (2) income tax exemptions, (3) a long-term care ombudsman study, (4) a Military Department emergency response account, and (5) a study of veterans organization sales and use tax exemptions.

EFFECTIVE DATE: Various, see below.

§ 1 — AUTHORIZED REPRESENTATIVES FOR VETERANS CLAIMS

Requires the state veterans affairs commissioner to conspicuously post certain plain language warnings and links on the DVA website

The bill requires the state veterans affairs commissioner, starting July 1, 2026, to conspicuously post on the department website a plain-language warning about:

1. people or entities acting as claims agents or attorneys without USDVA recognition (offering these services without this recognition is federally prohibited) and
2. sharing their USDVA account login or bank account login information with anyone (for example, usernames or passwords).

Under the bill, the commissioner must also post a link to a USDVA online tool that allows someone to (1) report individuals who offer services without federal recognition; (2) search for recognized claims agents, attorneys, or entities; and (3) find final disciplinary decisions for unrecognized people or entities.

EFFECTIVE DATE: January 1, 2027

§ 2 — QUALIFIED VETERANS' CHARITABLE ORGANIZATIONS LIST ON THE STATE DEPARTMENT OF VETERANS AFFAIRS WEBSITE

Changes the required documentation that charitable organizations must submit to the state DVA to be listed on the DVA website; changes the list's time requirement; permits the veterans affairs commissioner to temporarily or permanently remove organizations from this list with good cause

Existing law requires the veterans affairs (DVA) commissioner to publish a list of veterans' charitable organizations. The bill eliminates a requirement that organizations remain on the list for three years and then reapply for continued inclusion on the list. It allows the commissioner to remove organizations temporarily or permanently from this list with good cause.

The bill also changes the required documentation for organizations.

Currently, they must be charitable organizations that serve veterans and have been either a nonprofit corporation or federally tax exempt for three years. The bill instead requires organizations to provide a complete copy of their most recently filed Internal Revenue Service Form 990 (a tax form for tax exempt organizations) and proof of their status as a federally tax-exempt organization.

EFFECTIVE DATE: October 1, 2026

§ 3 — OFFICE OF ADVOCACY AND ASSISTANCE TRAININGS

Requires the OAA manager to add sections to existing training programs and compile a list of state and local resources

The bill expands the Office of Advocacy and Assistance (OAA) manager's annual training for veterans' service officers, members of municipal veterans advisory committees, directors of municipal veterans services, municipal veterans representatives, or certain public higher education institution representatives to cover all veterans, not just women veterans as currently required. It also adds a required portion on how to help and advise women veterans on issues unique to them. The bill also requires the training to include information on charitable or social service organizations that help with veterans' services or benefits.

The law already requires the manager to include in the training information on community or nonprofit programs that help veterans.

The bill expands the twice annual training for members of municipal veterans advisory committees, directors of municipal veterans services, or municipal veterans representatives to include information on community or nonprofit programs and charitable or social service organizations that may help veterans. As under existing law, this training addresses state and federal services and benefits, and assistance provided by municipalities and OAA. The bill also requires the (1) manager to make a list of state and local resources (for example, community or nonprofit programs and charitable or social service organizations) that may help veterans in need and (2) office to add the list to the training program and post it on the DVA website.

EFFECTIVE DATE: October 1, 2026

Background — OAA

OAA is an office within the state DVA that serves veterans, their spouses, and eligible dependents and family members.

§§ 4 & 5 — VETERAN DENTAL CARE PROGRAM

Creates a Veteran Dental Care Program to help eligible veterans receive certain dental services, capped at \$3,000 a year per veteran and \$1,000,000 per fiscal year for the program

The bill creates a Veterans Dental Care Program, administered by the Soldiers, Sailors, and Marines Fund administrator and using money from the fund, to help eligible veterans get certain dental services. The bill requires the administrator to sign a memorandum of understanding (MOU) with a state-wide dental organization to (1) identify dental providers to participate in this program and (2) coordinate the program's operation, including processing applications, making referrals, reviewing treatment plans, and notifying treatment plan providers.

Under the bill, eligible veterans must (1) be state residents, (2) have a service-connected disability rating of less than 100% and not already receive dental care from USDVA, (3) have a household income of up to 400% of the federal poverty level, and (4) submit proof of eligibility for assistance from the Soldiers, Sailors, and Marines Fund (see *Background – Soldiers, Sailors, and Marines Fund*) under the American Legion's bylaws.

Under the bill, a "provider" is a dental practice, dental clinic, or licensed dentist.

The bill sets an annual program cap of \$3,000 per eligible veteran for covered services. Under the bill, if an eligible veteran exceeds this annual cap, the administrator must refer the veteran to the statewide dental organization to discuss other sources of financial assistance. The bill caps program expenses at \$1 million per fiscal year.

Under the bill, the program must cover biannual examinations,

fillings, root canals, crowns, prosthetics, and oral surgery. The program does not cover implants, fixed bridges, orthodontics, cosmetic services (for example, whitening or veneers), or telehealth services.

Beginning on January 1, 2027, the bill allows eligible veterans to submit applications to the administrator on a form available at town clerks' offices (existing law requires a form be kept in town clerks' offices for the Soldiers, Sailors, and Marines Fund).

The bill requires the:

1. administrator to verify an applicant's eligibility and notify the applicant about the eligibility decision within 10 days after receiving the application (approval is valid for two years and requires a reapplication after that time);
2. administrator to refer eligible veterans to providers within 30 days after approval;
3. provider to state the dental services recommended for the eligible veteran in the treatment plan and submit it for the administrator's review;
4. administrator to approve or modify treatment plans and notify the provider about his decision within 10 days after receipt;
5. provider to begin services after receiving notification from the administrator;
6. providers to either (a) bill the fund within five days after providing services or (b) bill an eligible veterans' dental insurance first, if applicable, to determine if certain services are covered, then bill the fund for the remainder; and
7. administrator to pay the provider within 30 days after receiving a bill and notify the provider about the amount remaining on the veteran's annual benefit limit.

The bill requires the administrator, beginning by January 15, 2030, to

annually consult with the state-wide organization with which it has an MOU and submit a report on the program's performance and any recommendations to the Veterans' and Military Affairs and Public Health committees.

The bill authorizes the American Legion (which must administer the Soldiers, Sailors, and Marines Fund) to use the fund to cover dental services. By law, the fund may be used to provide temporary income, subsistence items (such as food, apparel, and shelter), funeral expenses, and medical care to Connecticut veterans of any wartime period, as well as their spouses and minor children (CGS § 27-140).

EFFECTIVE DATE: October 1, 2026

Background — Soldiers, Sailors, and Marines Fund

The Soldiers, Sailors, and Marines Fund is a self-sustaining trust fund created by the legislature in 1919 to aid World War I veterans in need. To qualify, applicants must complete an application with the American Legion and demonstrate financial need. By law, the American Legion must determine applicants' eligibility and disburse aid, to the extent funds are available. It does so in accordance with state laws (CGS §§ 27-138 to -140) and its bylaws.

§ 6 — STUDY ON INCENTIVIZING NURSING HOME CONTRACTS WITH USDVA

Establishes a task force to study ways to encourage nursing homes to contract with USDVA and provide care to eligible veterans

The bill establishes a task force to study ways to encourage Medicaid-certified nursing homes in the state to contract with the USDVA to increase the number of nursing homes providing care to eligible veterans. The task force must consider (1) financial incentives; (2) ways to supplement reimbursement for care; (3) tax credits; and (4) other ways of encouraging nursing homes to provide care to eligible veterans, covered by USDVA. The bill requires the task force to include the DVA commissioner, or his designee, and one member appointed by each of the six legislative leaders (the House speaker, Senate president pro tempore, House majority and minority leaders, and Senate majority and minority leaders). Under the bill, all appointed members may be

legislators, and all initial appointments must be made by January 1, 2027. Any vacancies must be filled by the appointing authority.

The bill requires the House speaker and Senate president pro tempore to select the task force's chairpersons from among its members. The chairpersons must schedule and hold the first meeting by February 1, 2027, and the Veterans' and Military Affairs Committee's administrative staff must serve in this capacity for the task force. The bill requires the task force to report its findings and recommendations to the Veterans' and Military Affairs Committee by January 1, 2029. Under the bill, the task force ends when it submits the report or January 1, 2029, whichever is later.

EFFECTIVE DATE: January 1, 2027

§§ 7-9 — DMV GRACE PERIOD EXTENSION AND WAIVER OF ORIGINAL LICENSURE AND IDENTITY CARD FEES FOR VETERANS

Increases the grace period for certain motor vehicle-related renewals or testing for certain armed forces members from 60 to 90 days from release from qualifying service and requires DMV to waive fees for the original issuance of a DVA-verified veterans' driver's license or identity card

The bill increases the grace period for certain armed forces members, from 60 to 90 days from release from qualifying service, for certain motor vehicle-related renewals or testing (driver's licenses, car registrations, and emissions testing). This applies to members of any state's armed forces or U.S. reserve called to active service in the armed forces of any state.

Under the bill, the Department of Motor Vehicles (DMV) must also waive the fee for the original driver's license or identity card for any DVA-verified veteran (see *Background – Veteran Designation*). Previously, DMV could waive the identity card fee for a blind veteran.

EFFECTIVE DATE: October 1, 2026

Background — Veteran Designation

By law, the DMV commissioner must include a person's status as a veteran on his or her state driver's license or identity card (certain

Hmong Laotian special guerilla unit members that served during the Vietnam era are also eligible for this benefit). To qualify, veterans, eligible reservists, or guerilla unit members must submit a request to the DVA to verify their veteran status or qualifying service to the DMV commissioner (CGS § 14-36h(e) & (f)).

§ 10 — BIRTH-TO-THREE PROGRAM

Requires the state early intervention system to take steps to provide a minimally disruptive transition of a military-connected child

The bill requires the state early intervention system (Birth-to-Three Program) to take steps to provide a minimally disruptive transition for a relocating armed forces member's child who was previously enrolled in the program in another state or territory with an individualized family service plan (IFSP) (see *Background – IFSP*). The bill requires the armed forces member to have been relocating due to new orders.

Under the bill, these steps include transferring records and prior assessments, performing any reassessments, and holding a meeting within 45 days after the referral to create a written IFSP for the eligible child.

EFFECTIVE DATE: July 1, 2026

Background — IFSP

An IFSP is a written plan that describes (1) the services and supports an eligible child, under age three, will receive in the early intervention program; (2) how often they will receive these services; and (3) where this will occur.

Background — Armed Forces

By law, the “armed forces” are the U.S. Army, Navy, Marine Corps, Coast Guard, Space Force, Air Force, and any of their reserve components, including the Connecticut National Guard when under federal service (CGS § 27-103).

§ 11 — CONNECTICUT MILITARY STAFF

Changes provisions on appointments to the governor's military staff

Current law requires the governor to appoint a military staff that includes the adjutant general, assistant adjutant generals, a chief of staff for the Air National Guard, and various aides-de-camp. The bill instead allows the governor to appoint a military staff and, if he does so, requires it to consist of the adjutant general, assistant adjutant generals, and other officers and senior enlisted noncommissioned officers as the governor deems necessary. The bill eliminates certain provisions about ranks of the staff and ex officio members from the Governor's Foot Guards and Horse Guards.

It also permits the adjutant general, in addition to the governor, to appoint honorary staff to the National Guard.

EFFECTIVE DATE: January 1, 2027

§§ 12 & 13 — TRAINING FACILITY IN NIAN TIC

Renames the state military training facility in Niantic

The bill renames the state military training facility in Niantic as Camp Nett to follow Army facility naming conventions. The facility is currently named Camp Nett at Niantic.

EFFECTIVE DATE: October 1, 2026

§§ 14-16 — TECHNICAL CHANGES

Makes minor and technical changes to various veterans' and military affairs statutes

The bill makes minor and technical changes to various statutes affecting veterans' and military affairs, for example, eliminating the requirement that a specific separate, nonlapsing account be within the General Fund and a technical change to clarify that the National Guard includes the Army National Guard.

EFFECTIVE DATE: October 1, 2026

Background — Related Bill

sHB 5294, favorably reported by the Veterans' and Military Affairs Committee, contains an identical provision on the National Guard.

§ 17 — THE CONNECTICUT NATIONAL GUARD READINESS CENTER IN THE TOWN OF PUTNAM.

Names the Connecticut National Guard Readiness Center in Putnam

The bill names the Connecticut National Guard readiness center in Putnam the “Captain-General John Dempsey Putnam Army National Guard Readiness Center.” John Dempsey was the 81st governor of Connecticut and served as both mayor of and state representative for Putnam.

EFFECTIVE DATE: October 1, 2026

Background — Related Bill

HB 5295 (File 138), reportedly favorably by the Veterans’ and Military Affairs Committee, contains a provision naming the Connecticut National Guard Readiness Center in Putnam.

§§ 18 & 19 — INCOME TAX EXEMPTIONS

Establishes state income tax deductions for (1) compensation for an honor guard detail at a veteran’s funeral and (2) pay a National Guard member receives for being ordered out for active service

The bill establishes separate state income tax deductions for (1) compensation for an honor guard detail at a veteran’s funeral and (2) any pay a National Guard member receives for being ordered out for active service, to the extent it is included as gross income for federal income tax purposes.

Under existing law, (1) an honor guard detail has up to five members, plus a bugler, each of whom are paid \$60 per day (CGS § 27- 76) and (2) the president or governor may order out the National Guard for active service when necessary or in time of war, invasion, rebellion, riot, disaster, or reasonable apprehension of these things (CGS § 27-16).

EFFECTIVE DATE: July 1, 2026, and applicable to taxable years commencing on or after (1) January 1, 2026, for the honor guard provision and (2) January 1, 2027, for the National Guard provision.

Background — Related Bills

SB 377 (File 130), reportedly favorably by the Veterans’ and Military

Affairs Committee, contains similar provisions on creating a personal income tax deduction for military funeral honor guard detail compensation.

sHB 5296 (File 139), reportedly favorably by the Veterans' and Military Affairs Committee, contains similar provisions on creating a personal income tax deduction for national guard state active duty pay.

§ 20 — LONG-TERM CARE OMBUDSMAN STUDY

Requires the Long-term Care Ombudsman to submit a report with recommendations on creating an Office of the Veterans' and Military Healthcare Ombudsman

The bill requires the long-term care ombudsman to submit a report to the Veterans' and Military Affairs Committee on her recommendations for (1) establishing an Office of the Veterans' and Military Healthcare Ombudsman; (2) appointing a person to serve as the Veterans' Healthcare Ombudsman and head the office; and (3) the new office's powers, duties, and staffing requirements.

Background — Related Bill

sHB 5415 (File 151), reportedly favorably by the Veterans' and Military Affairs Committee, contains a provision creating the Office of the Veterans' and Military Healthcare and the Veterans' and Military Healthcare ombudsman position to oversee state and local resources to help people navigate federal healthcare benefits of both veterans, servicemembers, and their families.

§§ 21 & 22 — MILITARY DEPARTMENT EMERGENCY RESPONSE ACCOUNT

Creates the Military Department emergency response account, administered by the adjutant general, to cover state costs during certain emergencies

The bill establishes the Military Department emergency response account as a separate, nonlapsing account for the adjutant general to administer. Under the bill, the account must cover costs:

1. the state incurs in responding to an emergency (for example, a natural disaster or civil emergency), and
2. when federal funds are not immediately available for this

purpose, subject to gubernatorial approval and in consultation with the emergency services and public protection commissioner.

The bill requires (1) the account to hold any money the law requires or allows to be deposited in it and (2) any balance remaining in the account at the end of any fiscal year to be carried over for the next fiscal year. Under the bill, the treasurer must transfer \$500,000 for FY 27 from the Military Relief Fund to the account.

By law, the Military Relief Fund gives grants to service members and their families who are experiencing financial hardship due to (1) military service or (2) a serious injury or illness or the death of the service member or immediate family member. By law, the Connecticut Military Department is responsible for determining applicants' eligibility and disbursing aid, to the extent funds are available (CGS § 27-100a; Conn. Agencies Regs., § 27-100a-1 et seq.).

EFFECTIVE DATE: July 1, 2026

Background — Related Bill

sHB 5412 (File 150), reportedly favorably by the Veterans' and Military Affairs Committee, contains an identical provision creating the Military Department emergency response account.

§ 23 — VETERANS ORGANIZATION SALES AND USE TAX EXEMPTION STUDY

Requires DRS to study the amount and fiscal impact of establishing a state sales and use tax exemption for federally exempt veterans organizations

The bill requires the Department of Revenue Services (DRS) commissioner, in consultation with the DVA commissioner and representatives of federally tax-exempt military and veterans organizations operating in the state, to conduct a study to (1) determine the amount of tangible personal property or services these organizations purchase annually and (2) evaluate the fiscal impact of establishing a state sales and use tax exemption.

The DRS commissioner must submit the study's findings and any

legislative recommendations to the Veterans' and Military Affairs Committee by January 1, 2027.

EFFECTIVE DATE: Upon passage

Background — Related Bill

HB 5292 (File 136), reported favorably by the Veterans' and Military Affairs Committee, contains provisions on exempting certain sales to military and veterans-related organizations from the sales and use tax.

COMMITTEE ACTION

Veterans' and Military Affairs Committee

Joint Favorable Substitute

Yea 22 Nay 0 (03/10/2026)