

**SUBJECT:** Discharge eligibility requirements for state veterans' programs

**COMMITTEE:** State, Federal and International Relations — committee substitute recommended

**VOTE:** 8 ayes — Hunter, Berman, Chavez, Elkins, Madden, Miller, Najera, Raymond  
0 nays  
1 absent — P. Moreno

**WITNESSES:** For — None  
Against — None  
On — Maj. Gen. Daniel James III, Adjutant General's Department; Douglas Oldmixon, Veterans' Land Board; Michael Palmquist, American Legion

**BACKGROUND:** The Texas Veterans' Land Program, established in 1949, uses bond funding to purchase land and then resell it to eligible veterans under a 30-year contract of sale and purchase. The Veterans' Housing Assistance Program, established in 1983, assists eligible Texas veterans in purchasing new or existing homes by providing low-interest loans up to \$150,000. Both programs are administered by the Veterans' Land Board (VLB) through the General Land Office. Statutory authority is set forth in Natural Resources Code, chapters 161 and 162.

Under Natural Resources Code, secs. 161.001(a)(7) and 162.001(a)(8), an eligible veteran is a U.S. citizen and Texas resident who has not been dishonorably discharged from any branch of the U.S. military, has completed 20 years of military service, or has completed all initial active duty training in the Texas National Guard. The U.S. armed forces categorize discharges in a variety of ways, some of which are unique to each branch of service.

**DIGEST:** CSHB 271 would amend Natural Resources Code, secs. 161.001 and 162.001 to specify what is meant by a dishonorable discharge in the eligibility criteria for the Texas Veterans Land Program and the Texas Veterans Housing Assistance Program. Eligible discharges would be those that were “honorable” or “under honorable conditions.” The bill also would create a third eligible category for veterans who could produce evidence from the U.S. Veterans Affairs Department or other competent authority that the character of their duty was not dishonorable.

This bill would take immediate effect if finally passed by a two-thirds record vote of the membership of each house. Otherwise, it would take effect September 1, 2001. Changes in law made by CSHB 271 would not affect any contractual obligations made prior to the effective date of the bill.

**SUPPORTERS SAY:** CSHB 271 would maintain the integrity of veterans benefits in Texas by withholding them from those who did not adhere to the highest standards of military conduct. It is a disservice to honorably discharged veterans to give automatic eligibility to veterans who did not serve their country honorably. Limiting eligibility to the top two highest categories of conduct would reduce the number of undesirable discharges receiving benefits. The State of Texas is not obligated to subsidize veterans who have failed to abide by the rules and regulations of the services for which they volunteered.

This bill would allow the VLB to rely on information from the Veterans Affairs Department and the branches of service for discharge determinations, and would put the ultimate burden of proof on applicants to show that they were not dishonorably discharged. There are at least six and up to 20 different categories of discharge from the armed services. Under current law, the VLB can only consider two categories: honorably, or dishonorably discharged. More than 90 percent of all discharges are considered honorable. However, several types of discharges, while not dishonorable, are less than honorable or may arise out of questionable circumstances or inappropriate behavior. CSHB 271 would help the VLB clarify ambiguities surrounding certain discharges and thus make more accurate eligibility determinations.

This bill also would allow those with problematic service records to document that their careers were satisfactory but for minor or one-time

infractions. Those who were discharged other than honorably would have the option of reinstating their eligibility if they could show extenuating circumstances. Fairness dictates that exceptions be allowed for good cause and less than perfect records be examined in their entire context. This provision gives veterans a heretofore unavailable avenue of appeal.

OPPONENTS  
SAY:

This bill is not necessary. Fewer than 10 percent of all discharges are other than honorable. The VLB approves only about 12 participants a year whose discharges are less than honorable but not dishonorable.

Veterans should not be required to prove their innocence or substantiate their character in order to receive benefits to which they are entitled. The plethora of different discharge categories across the branches of service demonstrates the subjectivity of the process. Military rules and traditions do not always translate readily in the civilian world. Veterans program participation should be based on factors such as need and creditworthiness rather than arbitrary codes of military conduct designed for combat and national security.

OTHER  
OPPONENTS  
SAY:

The bill should include a “not yet discharged” category in the acceptable eligibility criteria. The VLB provides benefits to some active-duty service personnel who are from Texas, assigned to Texas installations and eligible for discharge. They should be included in the law specifically.

NOTES:

The bill as filed would have listed certain types of dishonorable discharges for purposes of program eligibility, while the committee substitute sets forth what discharges are not considered dishonorable. The original bill also would have redefined discharge eligibility criteria for admission to nursing homes operated under the Veterans’ Financial Assistance Program.