

Senate Bill 451

By: Senators Islam Parkes of the 7th, Payne of the 54th, Anderson of the 43rd, Kirkpatrick of the 32nd, Harbison of the 15th and others

A BILL TO BE ENTITLED

AN ACT

1 To amend Article 2 of Chapter 4 of Title 38 of the Official Code of Georgia Annotated,
2 relating to veteran benefits, so as to place certain requirement on the Department of Veterans
3 Service; to amend Title 7 of the Official Code of Georgia Annotated, relating to banking and
4 finance, so as to create a voluntary loan program at certain financial institutions to assist
5 veterans; to provide for financial institution certification; to provide for processes,
6 procedures, and rules and regulations; to provide for a line of credit loan for eligible veterans;
7 to provide for interest rates of such loans; to regulate the use of moneys donated to certain
8 financial institutions to assist eligible veterans; to provide for eligibility and use of debit
9 cards; to provide for appeal; to provide that debit cards are not transferrable; to provide for
10 limits on use of such debit cards; to require the maintenance of records; to provide for
11 violation and penalties; to provide for annual examinations; to amend Article 2 of Chapter
12 7 of Title 48, relating to reimbursement relating to imposition, rate, and computation, and
13 exemptions from income taxes, so as to provide for certain tax credits; to provide for
14 contributions; to provide for preapproval; to provide for rules and regulations; to provide for
15 annual reports; to provide for findings and intent; to provide for definitions; to provide for
16 reporting; to provide for an effective date and applicability; to provide for related matters;
17 to repeal conflicting laws; and for other purposes.

S. B. 451

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18 BE IT ENACTED BY THE GENERAL ASSEMBLY OF GEORGIA:

19 **SECTION 1.**

20 The General Assembly finds that:

21 (1) This state has a large population of military veterans;

22 (2) These veterans made significant sacrifices in their service to this country and the
23 people of this state;

24 (3) Following military service, some veterans face obstacles transitioning to the civilian
25 sector. Such obstacles include, but are not limited to, housing insecurity, post-traumatic
26 stress disorder, substance abuse, mental or behavioral health challenges, food insecurity,
27 unemployment or underemployment, and other challenges common to those with prior
28 military service;

29 (4) Many veterans often do not have sufficient access to the capital needed to overcome
30 these challenges; and

31 (5) In order to provide veterans with access to the capital they deserve, it is the intent of
32 the State of Georgia to create incentives for financial institutions to establish veterans
33 assistance programs through which such financial institutions may provide special
34 low-interest loans to eligible veterans and to provide tax credits for contributions to such
35 programs.

36 **SECTION 2.**

37 Article 2 of Chapter 4 of Title 38 of the Official Code of Georgia Annotated, relating to
38 veterans benefits, is amended by adding a new part to read as follows:

39

"Part 540 38-4-101.41 As used in this part, the term:

42 (1) 'Active duty' means a full-time member of the regular or reserve component of the
43 United States armed forces, the United States Coast Guard, or the Georgia National
44 Guard, who is serving pursuant to 10 U.S.C. Section 802.

45 (2) 'Department' means the Department of Veterans Service.

46 (3) 'Eligible veteran' means any Georgia resident who has resided in this state for one
47 year or longer, served on active duty for 90 days or longer and who was honorably
48 discharged from such service.

49 (4) 'Veteran assistance financial institution' means a bank or credit union chartered in this
50 state that has been certified by the Department of Banking and Finance pursuant to
51 Chapter 10 of Title 7, the 'Veteran Assistance Financial Institution Act,' as such and that
52 provides low-interest rate loans to eligible veterans.

53 38-4-102.

54 A veteran assistance financial institution may provide low-interest rate loans to eligible
55 veterans by offering a line of credit of up to \$10,000.00 per eligible veteran in accordance
56 with Chapter 10 of Title 7, the 'Veteran Assistance Financial Institution Act,' and the rules
57 and regulations promulgated thereunder.

58 38-4-103.

59 The department shall maintain on its public website a list of all veteran assistance financial
60 institutions."

61 **SECTION 3.**

62 Title 7 of the Official Code of Georgia Annotated, relating to banking and finance, is
63 amended by adding a new chapter to read as follows:

64 "CHAPTER 10

65 7-10-1.

66 This chapter shall be known and may be cited as the 'Veteran Assistance Financial
67 Institution Act.'

68 7-10-2.

69 The purpose of this chapter shall be to establish the general processes and procedures
70 whereby the department shall certify a financial institution as a veteran assistance financial
71 institution and to establish requirements for the operation of such financial institutions.

72 7-10-3.

73 As used in this chapter, the term:

74 (1) 'Active duty' means a full-time member of the regular or reserve component of the
75 United States armed forces, the United States Coast Guard, or the Georgia National
76 Guard, who is serving pursuant to 10 U.S.C. Section 802.

77 (2) 'Commissioner' means the commissioner of banking and finance.

78 (3) 'Department' means the Department of Banking and Finance.

79 (4) 'Eligible veteran' means any Georgia resident who has resided in this state for one
80 year or longer, served on active duty for 90 days or longer and who was honorably
81 discharged from such service.

82 (5) 'Indigent eligible veteran reserve fund' means a segregated account that shall accrue
83 moneys from contributions. Such fund shall be accessed only by eligible veterans who

84 have been determined to also be indigent persons and only in instances in which such
85 eligible veterans are otherwise unable to obtain lines of credit from the veteran assistance
86 financial institution with which he or she is applying for a line of credit due to
87 insufficiency of contributed funds.

88 (6) 'Indigent person' means any eligible veteran whose income, adjusted for family size,
89 is no more than 100 percent of the poverty line as defined in 42 U.S.C. Section 9902(2)
90 or such other definition as may be promulgated in rules and regulations by the
91 Commissioner of Labor.

92 (7) 'Line of credit' means funds of up to, but not exceeding, \$10,000.00 available to
93 eligible veterans through a veteran assistance financial institution's veterans assistance
94 program. Such funds shall be considered loans and shall only be available for use at
95 point-of-sale vendors and for certain purposes. Such funds shall not be available to
96 approved eligible veterans as cash.

97 (8) 'Veteran assistance financial institution' means a financial institution in this state that
98 has been certified by the department pursuant to this chapter as such and that provides
99 low-interest rate loans to eligible veterans.

100 (9) 'Veterans assistance program' means the processes and procedures established by a
101 veteran assistance financial institution to provide low-interest loans to eligible veterans.

102 7-10-4.

103 (a) The department shall create and maintain application materials allowing a financial
104 institution to apply for certification with the department as a veteran assistance financial
105 institution offering a veteran assistance program. Such certification shall be awarded only
106 if the financial institution agrees to the following conditions with regard to the use of the
107 moneys from contributions it receives for its veterans assistance program:

108 (1) No less than 65 percent of such funds shall be used to provide lines of credit for
109 eligible veterans;

110 (2) No less than 15 percent of such funds shall be used to make investments to support
111 the long-term viability of its veterans assistance program; and

112 (3) No more than 20 percent of such funds may be retained by the financial institution
113 to cover administrative costs. Such costs may include profit to be retained by the
114 financial institution.

115 (b) All moneys received, used, or released by the veteran assistance financial institution
116 shall be placed in segregated accounts which shall be available to the department for
117 examination by the department or its agent at the discretion of the department. The records
118 of all such transactions shall be retained by the veteran assistance financial institution for
119 four years or more from the date of the transaction.

120 (c) Any veteran assistance financial institution the department determines is not issuing
121 lines of credit within 60 days of such institution receiving donated moneys shall lose its
122 certification as a veteran assistance financial institution at the discretion of the department.

123 (d) When a veteran assistance financial institution loses its certification, the department
124 shall within ten days seize all moneys in the segregated accounts of such financial
125 institution's veterans assistance program and transfer such moneys to the geographically
126 closest veteran assistance financial institution, another veteran assistance financial
127 institution, or submit such moneys to the general fund of the state of Georgia.

128 (e) The veteran assistance financial institution shall comply with such other rules and
129 regulations as may be promulgated by the department.

130 7-10-5.

131 (a) A veteran assistance financial institution shall, through its veterans assistance program,
132 provide to an approved eligible veteran a line of credit of up to \$10,000.00 on a first-come,
133 first-served basis, contingent upon the availability of contributed funds.

134 (b) No eligible veteran shall be approved for more than \$10,000.00 in loans in a single two
135 year period through a veteran assistance financial institution's veterans assistance program

136 and any approved line of credit shall be reduced by the amount of the outstanding loan of
137 the veteran.

138 7-10-6.

139 The use of any moneys from an eligible veteran's line of credit shall constitute loans and
140 the veteran shall be charged interest monthly on all loaned funds.

141 7-10-7.

142 Each veteran assistance financial institution shall charge a fixed interest rate
143 of 1 1/2 percent on all loans made to an eligible veteran taken from the line of credit
144 provided to such veteran pursuant to Code Section 7-10-5.

145 7-10-8.

146 Notwithstanding the provisions of Code Sections 7-10-6 and 7-10-7, no interest shall be
147 charged on the first six months of any loan to an eligible veteran provided by a veteran
148 assistance financial institution.

149 7-10-9.

150 The interest on loans collected by veteran assistance financial institutions pursuant to Code
151 Section 7-10-7 shall only be used to provide capital to the indigent eligible veteran reserve
152 fund.

153 7-10-10.

154 Any profits from investments made with moneys received by the veteran assistance
155 financial institution from contributions to the financial institution's veterans assistance
156 program shall be used to contribute toward lines of credit of eligible veterans applying for
157 such credit with the veteran assistance financial institution, shall be contributed to the

158 indigent eligible veteran reserve fund, or shall be reinvested at the discretion of the
159 financial institution. No less than 30 percent of such investment profits shall be contributed
160 annually to lines of credit for eligible veterans and no less than 20 percent shall be
161 contributed annually to eligible veterans who were denied lines of credit due to an
162 insufficiency of contributed funds and who qualify as indigent persons. The remainder of
163 profits derived from the investments of contributions shall be reinvested.

164 7-10-11.

165 A veteran assistance financial institution shall create, issue, and maintain an eligible
166 veteran debit card to each eligible veteran who is approved for a line of credit with such
167 financial institution, contingent upon the availability of sufficient contributed funds. Such
168 debit card shall retain the line of credit issued by such financial institution to such veteran,
169 minus any loans taken by such veteran from such line of credit. An eligible veteran who
170 qualifies as an indigent person may have access to the indigent eligible veteran reserve
171 fund. Loans may be taken from such fund only as an added functional option of the debit
172 card provided by the veteran assistance financial institution pursuant to this Code section.

173 7-10-12.

174 Prior to the issuance of an eligible veteran debit card to an applicant pursuant to Code
175 Section 7-10-11, the veteran assistance financial institution shall confirm the eligibility of
176 such applicant to receive such card.

177 7-10-13.

178 Prior to authorizing an eligible veteran's debit card for access to the indigent eligible
179 veteran reserve fund, the veteran assistance financial institution shall obtain from the
180 eligible veteran such documentation as is required by the department in the determination
181 of such veteran's qualification as an indigent person.

182 7-10-14.

183 Eligible veteran debit cards shall be nontransferable and shall only be used by the
184 individual to whom the card was issued.

185 7-10-15.

186 Applications for lines of credit shall be submitted to and accepted by the veteran assistance
187 financial institution. Such applications shall be developed in the manner and in a form
188 prescribed by the department.

189 7-10-16.

190 No more than one line of credit of up to, but no more than, \$10,000.00 may be issued to
191 an eligible veteran within a period of two years. Additional loans may be provided every
192 two years to eligible veterans through veterans assistance programs of a veteran assistance
193 financial institution in accordance with the terms of this chapter and rules and regulations
194 promulgated by the department thereunder.

195 7-10-17.

196 In order for an eligible veteran to receive a new line of credit such veteran shall reapply for
197 such credit. The veteran assistance financial institution shall review the status of the
198 eligible veteran's line of credit at the time of reapplication. No veteran shall maintain a line
199 of credit of more than \$10,000.00 at any given time through a veteran assistance program
200 or multiple veteran assistance programs.

201 7-10-18.

202 (a) As used in this Code section, the term:

203 (1) 'Healthcare services' means any emergency or nonemergency medical or mental
204 health related services provided by a physician or other person authorized in this state to

205 furnish such services, including any dentist, podiatrist, optometrist, pharmacist,
206 psychologist, licensed professional counselor, clinical social worker, registered
207 professional nurse, licensed practical nurse, registered optician, physical therapist,
208 chiropractor, physician assistant, cardiac technician, emergency medical technician, or
209 paramedic.

210 (2) 'Personal wellness' means any exercise gym or exercise club membership.

211 (b) Approved eligible veterans shall use moneys from the line of credit for costs associated
212 with housing, healthcare services, food, and personal wellness. Such moneys shall be used
213 for no other purposes. Any approved eligible veteran found in violation of this Code
214 section a single time shall have his or her line of credit revoked and shall lose eligibility
215 to receive a new line of credit for two years from the commission of the most recent
216 violation. Any approved eligible veteran found in violation of this Code section a second
217 time shall be permanently ineligible to receive a line of credit from a veteran assistance
218 financial institution.

219 7-10-19.

220 A veteran assistance financial institution may pursue litigation and collection efforts
221 against a veteran defaulting on his or her loan.

222 7-10-20.

223 The repayment terms of all loans provided by a veteran assistance financial institution
224 program shall require the repayment of the principal borrowed plus interest in no less than
225 four years from the inception of the loan.

226 7-10-21.

227 Each veteran assistance financial institution shall retain the spending records of all
228 expenses on each eligible veteran debit card issued by such financial institution and shall

229 examine such records no less frequently than once every 18 months. Such institution shall
230 not be required to obtain receipts of eligible veteran expense records beyond those on
231 eligible veteran debit cards. The records on eligible veteran debit cards shall be retained
232 by the veteran assistance financial institution for a period to be determined by the
233 department.

234 7-10-22.

235 Any eligible veteran who is prohibited from obtaining a line of credit from a veteran
236 assistance financial institution for two years or who has been determined to be permanently
237 ineligible pursuant to Code Section 7-10-18 shall be notified by such financial institution
238 within 30 days of such determination. Such veterans shall be entitled to file an appeal with
239 the department.

240 7-10-23.

241 The department may, at its discretion, conduct an examination of each veteran assistance
242 financial institution but in any case shall conduct an examination at least every three years.
243 Such examination shall not require the department to review every loan file of the veteran
244 assistance financial institution's program. The department shall, however, examine a
245 sufficient number of loan files for the department to determine whether the veteran
246 assistance financial institution is in compliance with this chapter and the rules and
247 regulations promulgated by the department.

248 7-10-24.

249 Following an examination provided for in Code Section 7-10-23, the department may
250 remove the certification of a financial institution as a veteran assistance financial institution
251 if the department finds that the financial institution has acted in violation of this chapter."

252 **SECTION 4.**

253 Article 2 of Chapter 7 of Title 48, relating to imposition, rate, and computation, and
254 exemptions from income taxes, is amended by adding a new Code section to read as follows:

255 "48-7-29.26.

256 (a) As used in this Code section, the term:

257 (1) 'Qualified veteran assistance financial institution expense' means the contribution of
258 funds by an individual or corporate taxpayer to such veteran assistance financial
259 institution for the direct benefit of the veteran assistance program at a veteran assistance
260 financial institution during the tax year for which a credit under this Code section is
261 claimed.

262 (2) 'Veteran assistance financial institution' means a financial institution or credit union
263 regulated by the Department of Banking and Finance that has been certified in
264 accordance with Chapter 10 of Title 7, the 'Veteran Assistance Financial Institution Act,'
265 and the rules and regulations promulgated thereunder.

266 (b) An individual taxpayer shall be allowed a credit against the tax imposed by this chapter
267 for the qualified veteran assistance financial institution expense as follows:

268 (1) In the case of a single individual or a head of household, the actual amount expended
269 or \$5,000.00, whichever is less;

270 (2) In the case of a married couple filing a joint return, the actual amount expended
271 or \$10,000.00, whichever is less; or

272 (3) In the case of an individual who is a member of a limited liability company duly
273 formed under state law, a shareholder of a Subchapter 'S' corporation, or a partner in a
274 partnership, the amount expended or \$10,000.00, whichever is less; provided, however,
275 that tax credits pursuant to this paragraph shall be allowed only for the portion of the
276 income on which such tax was actually paid by such individual.

277 (c) A corporation or other entity shall be allowed a credit against the tax imposed by this
278 chapter for qualified veteran assistance financial institution expenses in an amount not to

279 exceed the actual amount expended or 75 percent of the corporation's income tax liability,
280 whichever is less.

281 (d) In no event shall the total amount of the tax credit under this Code section for a taxable
282 year exceed the taxpayer's income tax liability. Any unused tax credit shall be allowed the
283 taxpayer against the succeeding five years' tax liability. No such credit shall be allowed
284 the taxpayer against prior years' tax liability.

285 (e)(1) In no event shall the aggregate amount of tax credits allowed under this Code
286 section exceed \$75 million per taxable year.

287 (2)(A) No more than \$4 million of the aggregate limit established by paragraph (1) of
288 this subsection shall be contributed to any individual veteran assistance financial
289 institution in any taxable year. For the individual qualified veteran assistance financial
290 institution expense limit in this paragraph, the commissioner shall only preapprove
291 contributions submitted by individual taxpayers in an amount not to exceed \$2 million,
292 and from corporate donors in an amount not to exceed \$2 million.

293 (B) In the event an individual or corporate donor desires to make a contribution to an
294 individual veteran assistance financial institution that has received the maximum
295 amount of contributions for that taxable year, the department shall provide the
296 individual or corporate donor with a list, ranked in order of eligibility for additional
297 contributions, as determined by the department, of veteran assistance financial
298 institutions still eligible to receive contributions for the taxable year.

299 (3) For purposes of paragraphs (1) and (2) of this subsection, a veteran assistance
300 financial institution shall notify a potential donor of the requirements of this Code
301 section. Before making a contribution to the veteran assistance financial institution, the
302 taxpayer shall electronically and in a manner specified by the department, notify the
303 department of the total amount of contribution that the taxpayer intends to make to the
304 financial institution. The commissioner shall preapprove or deny the requested amount
305 within 30 days of receiving the request from the taxpayer and shall provide written notice

306 to the taxpayer of such preapproval or denial which shall not require any signed release
307 or notarized approval by the taxpayer. In order to receive a tax credit under this Code
308 section, the taxpayer shall make the contribution to the financial institution within 60
309 days of receiving notice from the department that the requested amount was preapproved.

310 (4)(A) Preapproval of contributions by the commissioner shall be based on the
311 availability of tax credits subject to the aggregate total limit established under
312 paragraph (1) of this subsection and the individual veteran assistance financial
313 institution limit established under paragraph (2) of this subsection. Additionally, the
314 department shall confirm with the Department of Banking and Finance that the
315 financial institution proposed to receive the contribution has been certified by the
316 Department of Banking and Finance as a veteran assistance financial institution. A
317 veteran assistance financial institution that has been certified by the Department of
318 Banking and Finance before November 30 of the calendar year shall be eligible to
319 receive contributions for the following calendar year. If the veteran assistance financial
320 institution is certified after November 30 of the calendar year, then it shall be eligible
321 to receive contributions for the second following calendar year.

322 (B) Any taxpayer preapproved by the department pursuant to this subsection shall
323 retain their approval in the event the credit percentage in this Code section is modified
324 for the year in which the taxpayer was preapproved.

325 (C) Upon the veteran assistance financial institution's confirmation of receipt of
326 contributions preapproved by the department, any taxpayer preapproved by the
327 department pursuant to subparagraph (A) of paragraph (4) of this subsection section
328 shall receive the full benefit of the income tax credit established by this Code section
329 even though the veteran assistance financial institution to which the taxpayer made a
330 contribution does not properly comply with the reports or filings required by this Code
331 section.

332 (f)(1) In order for the taxpayer to claim the tax credit under this Code section, a letter in
333 confirmation of contribution issued by the veteran assistance financial institution shall
334 be attached to the taxpayer's tax return. However, in the event the taxpayer files an
335 electronic return, such confirmation shall only be required to be electronically attached
336 to the return if the Internal Revenue Service allows such attachments when the return is
337 transmitted to the department.

338 (2) In the event the taxpayer files an electronic return and such confirmation is not
339 attached because the Internal Revenue Service does not, at the time of such electronic
340 filing, allow electronic attachments to the Georgia return, such confirmation shall be
341 maintained by the taxpayer and made available upon request by the commissioner. The
342 letter of confirmation of contribution shall contain the taxpayer's name, address, tax
343 identification number, the amount of the contribution, the date of the contribution, and
344 the amount of the credit.

345 (g) No credit shall be allowed under this Code section with respect to any amount
346 deducted from taxable net income by the taxpayer as a charitable contribution to a bona
347 fide charitable organization qualified under Section 501(c)(3) of the Internal Revenue
348 Code.

349 (h) The commissioner shall be authorized to promulgate any rules and regulations
350 necessary to implement and administer the provisions of this Code section.

351 (i) The department shall post the following information in a prominent location on its
352 public website:

353 (1) All pertinent timelines relating to the tax credit, including, but not limited to:

354 (A) Beginning date when contributions can be submitted for preapproval by donors;

355 (B) Ending date when contributions can be submitted for preapproval by donors; and

356 (C) Date by which preapproved contributions are required to be sent to the original
357 veteran assistance financial institution;

358 (2) A monthly progress report including:

- 359 (A) Total preapproved contributions to date to the veteran assistance financial
360 institution; and
361 (B) Aggregate amount of tax credits available.
362 (j) The Department of Audits and Accounts shall annually conduct an audit of the tax
363 credit program established under this Code section, including the amount of all
364 contributions made and all tax credits received by individual and corporate donors."

365 **SECTION 5.**

366 The Department of Banking and Finance, the Department of Revenue and the Department
367 of Veterans Service shall jointly submit an annual report to the Veterans, Military, and
368 Homeland Security Committee of the Senate and to the Defense and Veterans Affairs
369 Committee of the House of Representatives. Such reports shall be submitted
370 January 1, 2026, and every January 1 thereafter and shall detail the operations and
371 performance of veteran assistance financial institutions in this state.

372 **SECTION 6.**

373 This Act shall become effective upon its approval by the Governor or upon its becoming law
374 without such approval and shall be applicable to all taxable years beginning on or after
375 January 1, 2025.

376 **SECTION 7.**

377 All laws and parts of laws in conflict with this Act are repealed.