

Calendar No. 233

105TH CONGRESS  
1ST Session

**S. 987**

[Report No. 105-120]

**A BILL**

To amend title 38, United States Code, to authorize a cost-of-living adjustment in the rates of disability compensation for veterans with service-connected disabilities and dependency and indemnity compensation for survivors of such veterans and to revise and improve certain veterans compensation, pension, and memorial affairs programs; and for other purposes.

OCTOBER 29, 1997

Reported with an amendment and an amendment to the title

**Calendar No. 233**

105TH CONGRESS  
1ST SESSION

**S. 987**

**[Report No. 105–120]**

To amend title 38, United States Code, to authorize a cost-of-living adjustment in the rates of disability compensation for veterans with service-connected disabilities and dependency and indemnity compensation for survivors of such veterans and to revise and improve certain veterans compensation, pension, and memorial affairs programs; and for other purposes.

---

IN THE SENATE OF THE UNITED STATES

JULY 7, 1997

Mr. SPECTER (by request) introduced the following bill; which was read twice and referred to the Committee on Veterans' Affairs

OCTOBER 29, 1997

Reported by Mr. SPECTER, with an amendment and an amendment to the title  
[Strike out all after the enacting clause and insert the part printed in *italie*]

---

**A BILL**

To amend title 38, United States Code, to authorize a cost-of-living adjustment in the rates of disability compensation for veterans with service-connected disabilities and dependency and indemnity compensation for survivors of such veterans and to revise and improve certain veterans compensation, pension, and memorial affairs programs; and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*  
 2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE; REFERENCES TO TITLE 38, UNIT-**  
 4 **ED STATES CODE.**

5 (a) **SHORT TITLE.**—This Act may be cited as the  
 6 “Veterans’ Compensation Cost-of-Living Adjustment and  
 7 Benefit Programs Improvement Act of 1997”.

8 (b) **REFERENCES.**—Except as otherwise expressly  
 9 provided, whenever in this Act an amendment or repeal  
 10 is expressed in terms of an amendment to, or repeal of,  
 11 a section or other provision, the reference shall be consid-  
 12 ered to be made to a section or other provision of title  
 13 38, United States Code.

14 **TITLE I—COMPENSATION AND PENSIONS**

15 **SEC. 101. INCREASE IN COMPENSATION RATES AND LIM-**  
 16 **TATIONS.**

17 (a) **IN GENERAL.**—(1) The Secretary of Veterans Af-  
 18 fairs shall, as provided in paragraph (2), increase, effec-  
 19 tive December 1, 1997, the rates of and limitations on  
 20 Department of Veterans Affairs disability compensation  
 21 and dependency and indemnity compensation.

22 (2) The Secretary shall increase each of the rates and  
 23 limitations in sections 1114, 1115(1), 1162, 1311, 1313,  
 24 and 1314 of title 38, United States Code, that were in-  
 25 creased by the amendments made by the Veterans’ Com-

1 pension Cost-of-Living Adjustment Act of 1996 (Public  
 2 Law 104-263; 110 Stat. 3212). This increase shall be  
 3 made in such rates and limitations as in effect on Novem-  
 4 ber 30, 1997, and shall be by the same percentage that  
 5 benefit amounts payable under title II of the Social Secu-  
 6 rity Act (42 U.S.C. 401 et seq.) are increased effective  
 7 December 1, 1997, as a result of a determination under  
 8 section 215(i) of such Act (42 U.S.C. 415(i)).

9 (b) SPECIAL RULE.—The Secretary may adjust ad-  
 10 ministratively, consistent with the increases made under  
 11 subsection (a)(2), the rates of disability compensation pay-  
 12 able to persons within the purview of section 10 of Public  
 13 Law 85-857 (72 Stat. 1263) who are not in receipt of  
 14 compensation payable pursuant to chapter 11 of title 38,  
 15 United States Code.

16 (c) PUBLICATION REQUIREMENT.—At the same time  
 17 as the matters specified in section 215(i)(2)(D) of the So-  
 18 cial Security Act (42 U.S.C. 415(i)(2)(D)) are required  
 19 to be published by reason of a determination made under  
 20 section 215(i) of such Act during fiscal year 1998, the  
 21 Secretary shall publish in the Federal Register the rates  
 22 and limitations referred to in subsection (a)(2) as in-  
 23 creased under this section.

1 **SEC. 102. ROUNDING DOWN OF COMPENSATION-RATE IN-**  
 2 **CREASES.**

3 In computing rates and limitations pursuant to legis-  
 4 lation enacted for fiscal years 1998 and thereafter which  
 5 increases by a specified percentage, or which directs the  
 6 Secretary of Veterans Affairs to adjust administratively,  
 7 the rates and limitations in sections 1114, 1115(1), 1162,  
 8 1311, 1313, and 1314 of title 38, United States Code,  
 9 the Secretary of Veterans Affairs shall round down to the  
 10 next lower whole-dollar amount any amount which as so  
 11 computed is not an even multiple of \$1.

12 **SEC. 103. EXTENSION OF INCOME-VERIFICATION AUTHOR-**  
 13 **ITY.**

14 (a) Section 5317 is amended by striking out sub-  
 15 section (g).

16 (b) Subparagraph (D) of section 6103(1)(7) of the  
 17 Internal Revenue Code of 1986 (relating to disclosure of  
 18 return information to Federal, State, and local agencies  
 19 administering certain programs) is amended by striking  
 20 "Clause (viii) shall not apply after September 30, 1998."

21 **SEC. 104. EXTENSION OF LIMITATION ON PENSION FOR**  
 22 **CERTAIN RECIPIENTS OF MEDICAID-COV-**  
 23 **ERED NURSING HOME CARE.**

24 Section 5503(f) is amended by striking out para-  
 25 graph (7).

1 **SEC. 105. PROHIBITION REGARDING PAYMENT OF COM-**  
 2 **PENSATION FOR DISABILITY OR DEATH DUE**  
 3 **TO TOBACCO USE.**

4 (a) SERVICE CONNECTION.—Chapter 11 is amended  
 5 by adding at the end of subchapter I the following new  
 6 section:

7 **“§ 1103. Special provisions relating to claims based**  
 8 **upon effects of tobacco products**

9 “(a) Notwithstanding any other provision of law, a  
 10 veteran’s disability or death shall not be considered to  
 11 have resulted from personal injury suffered or disease con-  
 12 tracted in line of duty in the active military, naval, or air  
 13 service for purposes of this title on the basis that it re-  
 14 sulted from injury or disease attributable in whole or in  
 15 part to the use of tobacco products by the veteran during  
 16 the veteran’s service.

17 “(b) Nothing in subsection (a) shall be construed as  
 18 precluding the establishment of service connection for dis-  
 19 ability or death from a disease or injury which became  
 20 manifest or was aggravated in active military, naval or air  
 21 service or became manifest to the requisite degree of dis-  
 22 ability during any applicable presumptive period specified  
 23 in section 1112 or 1116 of this title.”.

24 (b) CLERICAL AMENDMENT.—The table of sections  
 25 at the beginning of chapter 11 is amended by adding the  
 26 following new item after the item relating to section 1102:

~~“1103. Special provisions relating to claims based upon effects of tobacco products.”.~~

1       (c) **EFFECTIVE DATE.**—The amendments made by  
2 this section shall apply to claims filed after the date of  
3 enactment of this Act.

4       **SEC. 106. REIMBURSEMENT OF COSTS ASSOCIATED WITH**  
5                               **COMPENSATION AND PENSION MEDICAL EX-**  
6                               **AMINATIONS.**

7       (a) **AUTHORIZATION.**—Chapter 77 of title 38, United  
8 States Code, is amended by adding at the end of sub-  
9 chapter I the following new section:

10       **“§ 7705. Reimbursement for compensation and pen-**  
11                               **sion medical examinations**

12       “**(a) REIMBURSEMENT.**—The Under Secretary for  
13 Benefits is authorized to reimburse the Veterans Health  
14 Administration for costs associated with the conduct of  
15 medical examinations requested by the Veterans Benefits  
16 Administration in connection with claims for benefits  
17 under this title.

18       “**(b) SOURCE OF FUNDS.**—Reimbursements under  
19 this section shall be made from amounts available to the  
20 Secretary of Veterans Affairs for payment of general oper-  
21 ating expenses.”.

1       (b) CLERICAL AMENDMENT.—The table of sections  
 2 at the beginning of chapter 77 is amended by adding the  
 3 following new item after the item relating to section 7703:  
       “7705. Reimbursement for compensation and pension medical examinations.”.

4                   TITLE II—MEMORIAL AFFAIRS

5   **SEC. 201. STATE CEMETERY GRANTS PROGRAM.**

6       (a)(1) AMOUNT OF GRANT RELATIVE TO PROJECT  
 7 COST.—Section 2408(b) is amended by striking out para-  
 8 graphs (1) and (2) and inserting in lieu thereof the follow-  
 9 ing:

10               “(1) The amount of any grant under this sec-  
 11 tion may not exceed—

12               “(A) in the case of the establishment of a  
 13 new cemetery, the total of—

14               “(i) the cost of improvements to be  
 15 made on the land to be converted into a  
 16 cemetery, and

17               “(ii) the initial cost of equipment nec-  
 18 essary to operate the cemetery; or

19               “(B) in the case of the expansion or im-  
 20 provement of an existing cemetery, the total  
 21 of—

22               “(i) the cost of improvements to be  
 23 made on any land to be added to the ceme-  
 24 tery, and



1                   “(ii) the cost of any improvements to  
2                   be made to the existing cemetery.

3                   ~~“(2) If the amount of a grant under this sec-~~  
4                   ~~tion is less than the amount of costs referred to in~~  
5                   ~~paragraph (1), the State receiving the grant shall~~  
6                   ~~contribute the amount by which the costs exceed the~~  
7                   ~~grant, in addition to any land acquired or dedicated~~  
8                   ~~by the State for the cemetery.”.~~

9                   ~~(2) EFFECTIVE DATE.—The amendment made by~~  
10                  ~~this subsection shall become effective 60 days after the~~  
11                  ~~date of enactment of this Act.~~

12                  ~~“(b) AUTHORIZATION OF NO-YEAR APPROPRIA-~~  
13                  ~~TIONS.—Section 2408 (d) is amended by striking out “the~~  
14                  ~~end of the second fiscal year following the fiscal year for~~  
15                  ~~which they are appropriated” and inserting in lieu thereof~~  
16                  ~~“expended”.~~

17                  **SECTION 1. SHORT TITLE.**

18                  *This Act may be cited as the “Veterans’ Compensation*  
19                  *Cost-of-Living Adjustment Act of 1997”.*

20                  **SEC. 2. INCREASE IN COMPENSATION RATES AND LIMITA-**  
21                  **TIONS.**

22                  *(a) IN GENERAL.—(1) The Secretary of Veterans Af-*  
23                  *fairs shall, as provided in paragraph (2), increase, effective*  
24                  *December 1, 1997, the rates of and limitations on Depart-*

1 *ment of Veterans Affairs disability compensation and de-*  
2 *pendency and indemnity compensation.*

3       (2) *The Secretary shall increase each of the rates and*  
4 *limitations in sections 1114, 1115(1), 1162, 1311, 1313,*  
5 *and 1314 of title 38, United States Code, that were in-*  
6 *creased by reason of the Veterans' Compensation Cost-of-*  
7 *Living Adjustment Act of 1996 (Public Law 104-263; 110*  
8 *Stat. 3212). This increase shall be made in such rates and*  
9 *limitations as in effect on November 30, 1997, and shall*  
10 *be by the same percentage that benefit amounts payable*  
11 *under title II of the Social Security Act (42 U.S.C. 401*  
12 *et seq.) are increased effective December 1, 1997, as a result*  
13 *of a determination under section 215(i) of such Act (42*  
14 *U.S.C. 415(i)).*

15       (3) *In the computation of increased dollar amounts*  
16 *pursuant to paragraph (2), any amount which as so com-*  
17 *puted is not an even multiple of \$1 shall be rounded to*  
18 *the next lower whole dollar amount.*

19       (b) *SPECIAL RULE.—The Secretary may adjust ad-*  
20 *ministratively, consistent with the increases made under*  
21 *subsection (a), the rates of disability compensation payable*  
22 *to persons within the purview of section 10 of Public Law*  
23 *85-857 (72 Stat. 1263) who are not in receipt of compensa-*  
24 *tion payable pursuant to chapter 11 of title 38, United*  
25 *States Code.*

1       (c) *PUBLICATION REQUIREMENT.*—*At the same time*  
2 *as the matters specified in section 215(i)(2)(D) of the Social*  
3 *Security Act (42 U.S.C. 415(i)(2)(D)) are required to be*  
4 *published by reason of a determination made under section*  
5 *215(i) of such Act during fiscal year 1998, the Secretary*  
6 *shall publish in the Federal Register the rates and limita-*  
7 *tions referred to in subsection (a)(2) as increased under this*  
8 *section.*

Amend the title so as to read: “A bill to increase, effective as of December 1, 1997, the rates of disability compensation for veterans with service-connected disabilities, and the rates of dependency and indemnity compensation for survivors of certain service-connected disabled veterans, and for other purposes.”.