

**ASSEMBLY BILL**

**No. 2090**

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**Introduced by Assembly Member Aanestad**  
(Principal coauthor: Senator Johannessen)

February 19, 2002

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An act to add Chapter 4 (commencing with Section 1130) to Division 5 of the Military and Veterans Code, relating to veterans' homes, by providing the funds necessary therefor through an election for, and the issuance and sale of, bonds of the State of California and by providing for the handling and disposition of those funds, and declaring the urgency thereof, to take effect immediately.

LEGISLATIVE COUNSEL'S DIGEST

AB 2090, as introduced, Aanestad. Veterans' homes.

Existing law establishes a Veterans' Home of California, Yountville, and authorizes the Department of Veterans Affairs to establish and construct a 2nd home located at Barstow and on 3 additional sites in southern California.

The existing Veterans' Homes Bond Act of 2000 authorizes, for purposes of financing a plan for the design and construction of veterans' homes in the state, the issuance, pursuant to the State General Obligation Bond Law, of bonds in the amount of \$50,000,000 that gives first priority to funding construction or renovation of the veterans' homes described in specified provisions of existing law.

The bill would enact the Veterans' Homes Bond Act of 2002 that, upon approval of the state electorate, would authorize, for purposes of financing a plan for the design and construction of veterans' homes in Los Angeles, Fresno, and Shasta Counties in the state, the issuance,

pursuant to the State General Obligation Bond Law, of bonds in the amount of \$50,000,000.

The bill would provide for submission of these provisions to the voters at the November 5, 2002, statewide general election in accordance with specified law.

This bill would declare that it is to take effect immediately as an urgency statute.

Vote: <sup>2</sup>/<sub>3</sub>. Appropriation: no. Fiscal committee: yes. State-mandated local program: no.

*The people of the State of California do enact as follows:*

1 SECTION 1. Chapter 4 (commencing with Section 1130) is  
2 added to Division 5 of the Military and Veterans Code, to read:

3

4 CHAPTER 4. VETERANS' HOMES BOND ACT OF 2002

5

6 Article 1. General Provisions

7

8 1130. This chapter shall be known, and may be cited, as the  
9 Veterans' Homes Bond Act of 2002.

10 1132. As used in this chapter, the following terms have the  
11 following meaning:

12 (a) "Board" means the Department of Veterans Affairs  
13 designated in accordance with subdivision (b) of Section 1138.

14 (b) "Committee" means the 2002 Veterans' Home Finance  
15 Committee created pursuant to subdivision (a) of Section 1138.

16 (c) "Fund" means the 2002 Veterans' Home Fund created  
17 pursuant to Section 1133.

18

19 Article 2. Veterans' Homes

20

21 1133. The proceeds of bonds issued and sold pursuant to this  
22 chapter shall be deposited in the 2002 Veterans' Home Fund,  
23 which is hereby created in the State Treasury.

24 1134. (a) (1) Upon appropriation by the Legislature, money  
25 in the fund shall be used by the Department of Veterans Affairs for  
26 the purpose of designing and constructing three state veterans  
27 homes concurrently as follows:



1 (A) One home on the property of the Greater Los Angeles  
2 Veterans Affairs Medical Center in Los Angeles.

3 (B) One home in Fresno County in the central valley.

4 (C) One home in the City of Redding in Shasta County.

5 (2) Funding allocated pursuant to paragraph (1) shall be used  
6 to fund the state's matching requirement for design and  
7 construction of the homes specified in paragraph (1).

8 (3) The requirements of paragraph (1) are consistent with the  
9 recommendations contained in the Governor's Commission on  
10 California Veterans' Home Report published in October, 2001.

11 (b) Notwithstanding any other provision of law, construction  
12 contracts awarded for veterans' homes shall have a statewide  
13 participation goal of not less than 3 percent for disabled veteran  
14 business enterprises, as defined in subdivision (g) of Section 999.

15

16 Article 3. Fiscal Provisions

17

18 1135. The proceeds of bonds issued and sold pursuant to this  
19 chapter shall be deposited in the State Treasury to the credit of the  
20 2002 Veterans' Home Fund, created by Section 1133.

21 1136. Bonds in the total amount of fifty million dollars  
22 (\$50,000,000), not including the amount of any refunding bonds  
23 issued in accordance with Section 1145, or as much thereof as is  
24 necessary, may be issued and sold to provide a fund to be used for  
25 carrying out the purposes expressed in this chapter and to be used  
26 and sold for carrying out the purposes of Section 1134 and to  
27 reimburse the General Obligation Bond Expense Revolving Fund  
28 pursuant to Section 16724.5 of the Government Code. The bonds,  
29 when sold, shall be and shall constitute a valid and binding  
30 obligation of the State of California, and the full faith and credit  
31 of the State of California is hereby pledged for the punctual  
32 payment of both the principal of, and interest on, the bonds as the  
33 principal and interest become due and payable.

34 1137. The bonds authorized by this chapter shall be prepared,  
35 executed, issued, sold, paid, and redeemed as provided in the State  
36 General Obligation Bond Law (Chapter 4 (commencing with  
37 Section 16720) of Part 3 of Division 4 of Title 2 of the Government  
38 Code), and all of the provisions of that law apply to the bonds and  
39 to this chapter and are hereby incorporated in this chapter as  
40 though set forth in full in this chapter.



1 1138. (a) Solely for the purpose of authorizing the issuance  
2 and sale, pursuant to the State General Obligation Bond Law, of  
3 the bonds authorized by this chapter, the 2002 Veterans' Home  
4 Finance Committee is hereby created. For purposes of this chapter,  
5 the 2002 Veterans' Home Finance Committee is "the committee"  
6 as that term is used in the State General Obligation Bond Law. The  
7 committee consists of the Treasurer, the Controller, the Director of  
8 Finance, and the Secretary of Veterans Affairs, or their designated  
9 representatives. The Treasurer shall serve as chairperson of the  
10 committee. A majority of the committee may act for the  
11 committee.

12 (b) For purposes of the State General Obligation Bond Law, the  
13 Department of Veterans Affairs is designated the "board."

14 1139. The committee shall determine whether or not it is  
15 necessary or desirable to issue bonds authorized pursuant to this  
16 chapter in order to carry out the actions specified in this chapter  
17 and, if so, the amount of bonds to be issued and sold. Successive  
18 issues of bonds may be authorized and sold to carry out those  
19 actions progressively, and it is not necessary that all of the bonds  
20 authorized to be issued be sold at any one time.

21 1140. There shall be collected each year and in the same  
22 manner and at the same time as other state revenue is collected, in  
23 addition to the ordinary revenues of the state, a sum in an amount  
24 required to pay the principal of, and interest on, the bonds  
25 maturing each year. It is the duty of all officers charged by law with  
26 any duty in regard to the collection of the revenue to do and  
27 perform each and every act that is necessary to collect that  
28 additional sum.

29 1141. Notwithstanding Section 13340 of the Government  
30 Code, there is hereby appropriated from the General Fund in the  
31 State Treasury, for the purposes of this chapter, an amount that will  
32 equal the total of the following:

33 (a) The sum annually necessary to pay the principal of, and  
34 interest on, bonds issued and sold pursuant to this chapter, as the  
35 principal and interest become due and payable.

36 (b) The sum necessary to carry out Section 1112 appropriated  
37 without regard to fiscal years.

38 1142. The Director of Finance may authorize the withdrawal  
39 from the General Fund of an amount or amounts not to exceed the  
40 amount of the unsold bonds that have been authorized by the



1 committee to be sold for the purpose of carrying out this chapter.  
2 Any amount withdrawn shall be deposited in the fund. Any money  
3 made available under this section shall be returned to the General  
4 Fund, plus an amount equal to the interest that the money would  
5 have earned in the Pooled Money Investment Account, from  
6 money received from the sale of bonds for the purpose of carrying  
7 out this chapter.

8 1143. The Department of Veterans Affairs may request the  
9 Pooled Money Investment Board to make a loan from the Pooled  
10 Money Investment Account in accordance with Section 16312 of  
11 the Government Code for the purposes of carrying out this chapter.  
12 The amount of the request shall not exceed the amount of the  
13 unsold bonds that the committee, by resolution, has authorized to  
14 be sold for the purpose of carrying out this chapter. The department  
15 shall execute any documents required by the Pooled Money  
16 Investment Board to obtain and repay the loan. Any amounts  
17 loaned shall be deposited in the fund to be allocated by the  
18 department in accordance with this chapter.

19 1144. All money deposited in the fund that is derived from  
20 premium and accrued interest on bonds sold shall be reserved in  
21 the fund and shall be available for transfer to the General Fund as  
22 a credit to expenditures for bond interest.

23 1145. The bonds may be refunded in accordance with Article  
24 6 (commencing with Section 16780) of Chapter 4 of Part 3 of  
25 Division 4 of Title 2 of the Government Code, which is a part of  
26 the State General Obligation Bond Law. Approval by the voters of  
27 the state for the issuance of the bonds described in this chapter  
28 includes the approval of the issuance of any bonds issued to refund  
29 any bonds originally issued under this chapter or any previously  
30 issued refunding bonds.

31 1146. Notwithstanding any provision of this chapter or the  
32 State General Obligation Bond Law, if the Treasurer sells bonds  
33 pursuant to this chapter that include a bond counsel opinion to the  
34 effect that the interest on the bonds is excluded from gross income  
35 for federal tax purposes, subject to designated conditions, the  
36 Treasurer may maintain separate accounts for the investment of  
37 bond proceeds and the investment earnings on those proceeds. The  
38 Treasurer may use or direct the use of those proceeds or earnings  
39 to pay any rebate, penalty, or other payment required under federal  
40 law or to take any other action with respect to the investment and



1 use of bond proceeds required or desirable under federal law to  
2 maintain the tax-exempt status of those bonds and to obtain any  
3 other advantage under federal law on behalf of the funds of this  
4 state.

5 1147. The Legislature hereby finds and declares that,  
6 inasmuch as the proceeds from the sale of bonds authorized by this  
7 chapter are not “proceeds of taxes” as that term is used in Article  
8 XIII B of the California Constitution, the disbursement of these  
9 proceeds is not subject to the limitations imposed by that article.

10 SEC. 2. Chapter 4 (commencing with Section 1130) of  
11 Division 5 of the Military and Veterans Code, as added by Section  
12 1 of this act, shall become effective upon the adoption by the voters  
13 of the Veterans’ Homes Bond Act of 2002, as set forth in Section  
14 1 of this act.

15 SEC. 3. (a) The Secretary of State shall submit Chapter 4  
16 (commencing with Section 1130) of Division 5 of the Military and  
17 Veterans Code (the Veterans’ Homes Bond Act of 2002), as set  
18 forth in Section 1 of this act, to the voters at the November 5, 2002,  
19 statewide general election.

20 (b) The Secretary of State shall ensure the placement of  
21 Chapter 4 (commencing with Section 1130) of Division 5 of the  
22 Military and Veterans Code (the Veterans’ Homes Bond Act of  
23 2002), as set forth in Section 1 of this act, on the November 5,  
24 2002, statewide general election ballot.

25 (c) The Secretary of State shall include, in the ballot pamphlets  
26 mailed pursuant to Section 9094 of the Elections Code, the  
27 information specified in Section 9084 of the Elections Code  
28 regarding the bond act contained in Chapter 4 (commencing with  
29 Section 1130) of Division 5 of the Military and Veterans Code (the  
30 Veterans’ Homes Bond Act of 2002), as set forth in Section 1 of  
31 this act. If that inclusion is not possible, the Secretary of State shall  
32 publish a supplemental ballot pamphlet regarding Chapter 4  
33 (commencing with Section 1130) of Division 5 of the Military and  
34 Veterans Code (the Veterans’ Homes Bond Act of 2002), as set  
35 forth in Section 1 of this act, to be mailed with the ballot pamphlet.  
36 If the supplemental ballot pamphlet cannot be mailed with the  
37 ballot pamphlet, the supplemental ballot pamphlet shall be mailed  
38 separately.

39 SEC. 4. (a) Notwithstanding any other provision of law, with  
40 respect to the Veterans’ Homes Bond Act of 2002, all ballots of the



1 election shall have printed thereon and in a square thereof,  
2 exclusively, the words “Veterans’ Homes Bond Act of 2002” (At  
3 this point, the Attorney General shall include the financial impact  
4 summary prepared pursuant to Section 9087 of the Elections Code  
5 and Section 88003 of the Government Code). Opposite the square,  
6 there shall be left spaces in which the voters may place a cross in  
7 the manner required by law to indicate whether they vote for or  
8 against the act.

9 (b) Notwithstanding Sections 13247 and 13281 of the  
10 Elections Code, the language in subdivision (a) shall be the only  
11 language included in the ballot label for the condensed statement  
12 of the ballot title, and the Attorney General shall not supplement,  
13 subtract from, or revise that language, except that the Attorney  
14 General may include the financial impact summary prepared  
15 pursuant to Section 9087 of the Elections Code and Section 88003  
16 of the Government Code. The ballot label is the condensed  
17 statement of the ballot title and the financial impact summary.

18 (c) Notwithstanding Section 13282 of the Elections Code, the  
19 public shall be permitted to examine the condensed statement of  
20 the ballot title in subdivision (a) for not more than eight days, and  
21 the financial impact statement from the time it is received by the  
22 Secretary of State until the end of the eight days. Any voter may  
23 seek a writ of mandate for the purpose of requiring any statement  
24 of the ballot label, or portion thereof, to be amended or deleted  
25 only within that eight-day period.

26 (d) Where the voting in the election is done by means of voting  
27 machines used pursuant to law in a manner that carries out the  
28 intent of this section, the use of the voting machines and the  
29 expression of the voter’s choice by means thereof are in  
30 compliance with this section.

31 SEC. 5. This act is an urgency statute necessary for the  
32 immediate preservation of the public peace, health, or safety  
33 within the meaning of Article IV of the Constitution and shall go  
34 into immediate effect. The facts constituting the necessity are:

35 In order to provide adequate facilities for the care of California’s  
36 veterans at the earliest possible time, it is necessary for this act to  
37 take effect immediately.

