



Veterans Homes Bond Act of 2000.

Text of Proposition 16

This law proposed by Senate Bill 630 of the 1999-2000 Regular Session (Chapter 728, Statutes of 1999) is submitted to the people in accordance with the provisions of Article XVI of the California Constitution.

This proposed law adds sections to the Military and Veterans Code; therefore, new provisions proposed to be added are printed in *italic type* to indicate that they are new.

PROPOSED LAW

SEC. 2. Chapter 2 (commencing with Section 1100) is added to

Division 5 of the Military and Veterans Code, to read:

Chapter 2. Veterans' Homes Bond Act of 2000

Article 1. General Provisions

1100. This chapter shall be known, and may be cited, as the Veterans' Homes Bond Act of 2000.

1102. As used in this chapter, the following terms have the following meaning:

(a) "Board" means the Department of Veterans Affairs designated in accordance with subdivision (b) of Section 1108.

(b) "Committee" means the Veterans' Home Finance Committee created pursuant to subdivision (a) of Section 1108.

(c) "Fund" means the Veterans' Home Fund created pursuant to Section 1103.

Article 2. Veterans' Homes

1103. The proceeds of bonds issued and sold pursuant to this chapter shall be deposited in the Veterans' Home Fund, which is hereby created in the State Treasury.

1104. (a) Upon appropriation by the Legislature, money in the fund shall be used by the Department of Veterans Affairs for the purpose of designing and constructing veterans' homes in California and completing a comprehensive renovation of the Veterans' Home at Yountville. Funding from this bond shall be allocated to fund the state's matching requirement to construct or renovate those veterans' homes in Section 1011 first, and then fund any additional homes established under this section. These homes shall be in addition to sites authorized under Section 1011.

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

Article 3. Fiscal Provisions

1105. The proceeds of bonds issued and sold pursuant to this chapter shall be deposited in the State Treasury to the credit of the Veterans' Home Fund, created by Section 1103.

1106. Bonds in the total amount of fifty million dollars (\$50,000,000), not including the amount of any refunding bonds issued in accordance with Section 1130, or as much thereof as is necessary, may be issued and sold to provide a fund to be used for carrying out the purposes expressed in this chapter and to be used and sold for carrying out the purposes of Section 1104 and to reimburse the General Obligation Bond Expense Revolving Fund pursuant to Section 16724.5 of the Government Code. The bonds, when sold, shall be and shall constitute a valid and binding obligation of the State of California, and the full faith and credit of the State of California is hereby pledged for the punctual payment of both the principal of, and interest on, the bonds as the principal and interest become due and payable.

1107. The bonds authorized by this chapter shall be prepared, executed, issued, sold, paid, and redeemed as provided in the State General Obligation Bond Law (Chapter 4 (commencing with Section 16720) of Part 3 of Division 4 of Title 2 of the Government Code), and all of the provisions of that law apply to the bonds and to this chapter and are hereby incorporated in this chapter as though set forth in full in this chapter.

1108. (a) Solely for the purpose of authorizing the issuance and sale, pursuant to the State General Obligation Bond Law, of the bonds authorized by this chapter, the Veterans' Home Finance Committee is hereby created. For purposes of this chapter, the Veterans' Home Finance Committee is "the committee" as that term is used in the State General Obligation Bond Law. The committee consists of the Treasurer, the Controller, the Director of Finance, and the Secretary of Veterans Affairs, or their designated representatives. The Treasurer shall serve as chairperson of the committee. A majority of the committee may act for the committee.

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

1109. The committee shall determine whether or not it is necessary or desirable to issue bonds

authorized pursuant to this chapter in order to carry out the actions specified in this chapter and, if so, the amount of bonds to be issued and sold. Successive issues of bonds may be authorized and sold to carry out those actions progressively, and it is not necessary that all of the bonds authorized to be issued be sold at any one time.

1110. There shall be collected each year and in the same manner and at the same time as other state revenue is collected, in addition to the ordinary revenues of the state, a sum in an amount required to pay the principal of, and interest on, the bonds maturing each year. It is the duty of all officers charged by law with any duty in regard to the collection of the revenue to do and perform each and every act that is necessary to collect that additional sum.

1111. Notwithstanding Section 13340 of the Government Code, there is hereby appropriated from the General Fund in the State Treasury, for the purposes of this chapter, an amount that will equal the total of the following:

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

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

1112. The Director of Finance may authorize the withdrawal from the General Fund of an amount or amounts not to exceed the amount of the unsold bonds that have been authorized by the committee to be sold for the purpose of carrying out this chapter. Any amount withdrawn shall be deposited in the fund. Any money made available under this section shall be returned to the General Fund, plus an amount equal to the interest that the money would have earned in the Pooled Money Investment Account, from money received from the sale of bonds for the purpose of carrying out this chapter.

1113. The Department of Veterans Affairs may request the Pooled Money Investment Board to make a loan from the Pooled Money Investment Account in accordance with Section 16312 of the Government Code for the purposes of carrying out this chapter. The amount of the request shall not exceed the amount of the unsold bonds that the committee, by resolution, has authorized to be sold for the purpose of carrying out this chapter. The department shall execute any documents required by the Pooled Money Investment Board to obtain and repay the loan. Any amounts loaned shall be deposited in the fund to be allocated by the department in accordance with this chapter.

1114. All money deposited in the fund that is derived from premium and accrued interest on bonds sold shall be reserved in the fund and shall be available for transfer to the General Fund as a credit to expenditures for bond interest.

1115. The bonds may be refunded in accordance with Article 6 (commencing with Section 16780) of Chapter 4 of Part 3 of Division 4 of Title 2 of the Government Code, which is a part of the State General Obligation Bond Law. Approval by the voters of the state for the issuance of the bonds described in this chapter includes the approval of the issuance of any bonds issued to refund any bonds originally issued under this chapter or any previously issued refunding bonds.

1116. Notwithstanding any provision of this chapter or the State General Obligation Bond Law, if the Treasurer sells bonds pursuant to this chapter that include a bond counsel opinion to the effect that the interest on the bonds is excluded from gross income for federal tax purposes, subject to designated conditions, the Treasurer may maintain separate accounts for the investment of bond proceeds and the investment earnings on those proceeds. The Treasurer may use or direct the use of those proceeds or earnings to pay any rebate, penalty, or other payment required under federal law or to take any other action with respect to the investment and use of bond proceeds required or desirable under federal law to maintain the tax-exempt status of those bonds and to obtain any

other advantage under federal law on behalf of the funds of this state.

1117. The Legislature hereby finds and declares that, inasmuch as the proceeds from the sale of bonds authorized by this chapter are not "proceeds of taxes" as that term is used in Article XIII B of the California Constitution, the disbursement of these proceeds is not subject to the limitations imposed by that article.