

Date of Hearing: April 27, 2021

ASSEMBLY COMMITTEE ON MILITARY AND VETERANS AFFAIRS

Jacqui Irwin, Chair

AB 1314 (Committee on Military and Veterans Affairs) – As Introduced February 19, 2021

SUBJECT: Veterans' homes: leases

SUMMARY: This bill creates Veterans' Home Fund, and requires all moneys received in connection with the leasing or letting of a home, with specified exclusions, to be deposited in the fund, and provides that money in the fund is available, upon appropriation by the Legislature, for the maintenance of existing homes and for the acquisition or construction of new or replacement homes, as specified. Specifically, **this bill:**

- 1) Requires that any moneys received for the leasing or letting of any real property at a California Veterans Home is deposited in the Veterans' Home Fund.
- 2) Creates within the State Treasury the Veterans' Home Fund, and requires that all net proceeds from the sale or lease of Veterans' Home of California property, except as provided in Section 1049, shall be deposited in the fund.
- 3) Money in the fund shall be available, upon appropriation by the Legislature, for the maintenance of existing homes, and for the acquisition or construction of new or replacement homes, including, but not limited to, the cost of design.

EXISTING LAW:

- 1) Establishes the Veterans' Home of California system for the operation of Veterans' Homes at various sites throughout the state.
- 2) Sets forth the duties of the CalVet regarding the administration and regulation of Veterans' Homes.
- 3) Authorizes the Director of the Department of General Services (DGS) to lease or let any real property held by the department for a home, as specified, to any entity or person upon terms and conditions determined to be in the best interests of the home.
- 4) Requires that in any leasing or letting of any real property held by the Veterans Homes, except as provided in Section 1049, all moneys received therewith shall be deposited in the General Fund.

FISCAL EFFECT: This bill has not been analyzed in a fiscal committee.

COMMENTS: Senate Bill 82, Budget and Fiscal Review, 2019, amended Military and Veterans Code Section 1023 (b) as follows:

(b) The Director of General Services may lease or let any real property held by the department for a home, and not needed for any direct or immediate purpose of the home, to any entity or person upon terms and conditions determined to be in the best interests of the

home. In any leasing or letting, ~~primary consideration shall be given to the use of real property for agricultural purposes, and~~ except as provided in Section ~~1048, 1049~~, all moneys received in connection therewith shall be deposited in the General ~~Fund to the credit of, and shall augment the current appropriation for the support of, the home.~~ *Fund.*

However, the property upon which the Yountville Veterans Home was built was transferred to the state in 1899 under a deed stipulating that it was to be held and maintained “for the support, maintenance and well being of aged and infirm United States ex soldiers, sailors and marines.” Additionally, MVC Code Section 1023 (a) still requires that “[a]ll property held by the department for a home shall be held in trust for the state and for the use and benefit of the home” and that property may be leased only “upon terms and conditions determined to be in the best interests of the home.”

The amendment to MVC Code Section 1023 imposed by SB 82 separated lease revenue from the homes, introducing, at best, an ambiguity about its consistency with the terms of the Yountville deed and other parts of the statute.

Prior legislation.

Assembly Bill 240 (Irwin, Chapter 61, Statutes of 2020) limited the term of a lease of real property at a California Department of Veterans Affairs (CalVet) Veterans' Home to five years, except under specified conditions; and required that any use of property by a third party at a Veterans' Home meet specified criteria.

REGISTERED SUPPORT / OPPOSITION:

Support

None on file.

Opposition

None on file.

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