

Assembly Bill No. 2087

Passed the Assembly June 1, 2010

Chief Clerk of the Assembly

Passed the Senate August 23, 2010

Secretary of the Senate

This bill was received by the Governor this _____ day
of _____, 2010, at _____ o'clock ____M.

Private Secretary of the Governor

CHAPTER _____

An act to amend Section 987.53 of the Military and Veterans Code, relating to veterans.

LEGISLATIVE COUNSEL'S DIGEST

AB 2087, Torres. Veterans' farm and home purchases: definition: home.

Existing law provides for farm and home purchase benefits for qualifying veterans under the Veterans' Farm and Home Purchase Act of 1974, and subsequent acts, which are collectively referred to as the CalVet Home Loan program. Existing law defines "home" for purposes of this program to mean a parcel of real estate upon which there is a dwelling house and other buildings that will suit the needs of the purchaser and the purchaser's dependents as a place of abode, which includes a condominium, as defined, and a mobilehome, as defined.

This bill would expand the definition of home to include residences with 2 to 4 units, inclusive, that satisfy specified requirements and that are only occupied by veterans and their families.

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

SECTION 1. Section 987.53 of the Military and Veterans Code is amended to read:

987.53. As used in this article:

(a) "Farm" means a tract of land, which, in the opinion of the department, is capable of producing sufficient income to provide payment of the amortized contract installments, including principal, interest, and taxes.

(b) "Home" means a parcel of real estate upon which there is a dwelling house and other buildings that will, in the opinion of the department, suit the needs of the purchaser and the purchaser's dependents as a place of abode. "Home" includes all of the following:

- (1) A condominium as defined in subdivision (h).
- (2) A mobilehome as defined in subdivision (k).

(3) A residence with two to four units, inclusive, that satisfies the requirements of Section 143(k)(7) of the Internal Revenue Code and that is only occupied by veterans and their families.

(c) “Purchaser” means a veteran or any person who has entered into a contract of purchase of a farm or home from the department.

(d) “Purchase price” means the price which the department pays for any farm or home.

(e) “Selling price” means the price for which the department sells any farm or home.

(f) “Initial payment” means the first payment to be made by a purchaser to the department for a farm or home.

(g) “Progress payment plan” means payment by the department for improvements on real property in installments as work progresses.

(h) “Condominium” means an estate in real property consisting of an undivided interest in common in a portion of a parcel of real property together with a separate interest in space in a residential building on the real property, such as an apartment, which, in the opinion of the department, suits the needs of the purchaser and the purchaser’s dependents as a place of abode. A condominium may include, in addition, a separate interest in other portions of the real property.

(i) “Effective rate of interest” means the average rate of interest on the unpaid balance due on a participation contract to which the department’s legal rights are subject, and the rate of interest on the unpaid balance of the purchase price, as determined by the department.

(j) “Participation contract” means an obligation secured by a deed of trust or mortgage, or other security interest established pursuant to regulations of the department.

(k) “Mobilehome” means either a parcel of real estate, or an undivided interest in common in a portion of a parcel of real property, on which is sited one or more mobilehome modules, or a site in a mobilehome park, as defined in Section 18214 of the Health and Safety Code, on which one or more mobilehome modules is sited or is to be sited that will, in the opinion of the department, suit the needs of the purchaser and the purchaser’s dependents as a place of abode and meets all requirements of local governmental jurisdictions. However, where the mobilehome

module or modules are sited on trust land, “local governmental jurisdictions” means the tribal governing body.

For purposes of this subdivision, “module” means a section of a mobilehome at least 10 feet wide and at least 40 feet long.

(l) “Indian veteran” means a veteran, as defined in Section 980, who, in addition, either belongs to an Indian tribe, band, group, reservation, rancheria, or community which is recognized by the United States as eligible for services from the United States Bureau of Indian Affairs or is an Indian beneficiary and who is eligible under this article for purchase by the department of a home or farm sited on trust land.

(m) “Trust land,” with respect to an Indian veteran, means land held in trust by the United States government for individual Indians, Indians who belong to Indian tribes, or Indian tribes.

(n) “Allotment trust land” means land held by the United States under the Indian General Allotment Act of 1887, as amended, (Chapter 9 (commencing with Section 331) of Title 25 of the United States Code), in trust for an individual Indian or for two or more Indians holding individual interests in common. It includes both trust and restricted public domain allotments and allotments within the boundaries of an Indian reservation.

(o) “Tribal trust land” means land held in trust by the United States for an Indian tribe or band.

(p) “Tribe” means any Indian tribe, band, group, reservation, rancheria, or community which is recognized by the United States as eligible for services from the United States Bureau of Indian Affairs.

(q) “Immediate family” means the spouse of a purchaser, the natural or adopted dependent children of the purchaser, and the parents of the purchaser if they are dependent on the purchaser for 50 percent or more of their support.

(r) “Indian beneficiary” means an Indian for whom land is held in trust by the United States government.

Approved _____, 2010

Governor