

**SENATE BILL**

**No. 6**

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**Introduced by Senator Ayala**

March 4, 1997

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An act to amend Section 989.4 of the Military and Veterans Code, relating to veterans, and making an appropriation therefor.

LEGISLATIVE COUNSEL'S DIGEST

SB 6, as introduced, Ayala. Veterans farm and home purchases: disaster indemnity fund.

Existing law provides for farm and home purchase benefits for qualifying veterans under the Veterans' Farm and Home Purchase Act of 1974. Existing law requires the Department of Veterans Affairs to maintain the Indemnity Fund for the purpose of indemnifying eligible purchasers for the cost of repairing damage in excess of \$250 caused by flood, earthquake, or other perils not otherwise covered in the home insurance required of purchasers under the act.

This bill would, instead, provide that the fund indemnify for costs of repairing structural damage in excess of \$500 caused by prescribed floodwaters, and for costs of repairing structural damage in excess of 5% of the total covered loss or \$500, whichever is greater, caused by earthquake, volcanic eruption, landslide, or mudslide. This bill would delete the requirement that the loss not otherwise be covered by insurance and would delete coverage for other perils. By changing the purpose of this continuously appropriated fund, this bill would make an appropriation.

Vote: majority. Appropriation: yes. Fiscal committee: yes.  
State-mandated local program: no.

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

1 SECTION 1. Section 989.4 of the Military and  
 2 Veterans Code is amended to read:  
 3 989.4. The department shall maintain an Indemnity  
 4 Fund, which is hereby created in the State Treasury, for  
 5 the purpose of indemnifying eligible purchasers, for ~~the~~  
 6 *any of the following:*  
 7 (a) *The cost of repairing structural damage in excess*  
 8 *of ~~two hundred fifty dollars (\$250)~~ five hundred dollars*  
 9 *(\$500) caused by flood, including floods by surface water,*  
 10 *waves, tidal water, tidal wave, overflow of streams or*  
 11 *other bodies of water, spray from any of the foregoing,*  
 12 *whether wind-driven or not, and water that backs up*  
 13 *through sewers or drains.*  
 14 (b) *The cost of repairing structural damage in excess*  
 15 *of 5 percent of the total covered loss or five hundred*  
 16 *dollars (\$500), whichever is greater, caused by*  
 17 *earthquake, volcanic eruption, landslide, or mudslide or*  
 18 *other perils not otherwise covered by insurance required*  
 19 *of purchasers pursuant to Section 987.2.*  
 20 (c) Money accruing to the Indemnity Fund is hereby  
 21 appropriated for carrying out the purposes of this article.

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