

## Senate Bill No. 281

### CHAPTER 902

An act to amend Sections 1023, 1047, 1048, and 1049 of, and to repeal Section 1023.5 of, the Military and Veterans Code, relating to veterans.

[Approved by Governor October 9, 1999. Filed  
with Secretary of State October 10, 1999.]

#### LEGISLATIVE COUNSEL'S DIGEST

SB 281, Chesbro. Veterans: California veterans' homes: Morale, Welfare, and Recreation Fund.

(1) Existing law requires that a portion of the money received from the lease of real property for a golf course on the grounds of the Veterans Home of California, Yountville, commencing at the end of the first 12 months after the date the department no longer operates a driving range or that property, upon appropriation by the Legislature, be made available annually to the administrator for special projects benefiting that veterans home.

This bill would repeal those provisions.

(2) Existing law requires each California veterans' home to be under the management and control of the Department of Veterans Affairs and, subject to the policies adopted by the California Veterans Board and the Secretary of Veterans Affairs, to be administered by an administrator. The administrator is required to maintain a post fund that includes any profits from operations of the Veterans' Home Exchange and post fund operations, revenue derived from the issuance of prisoner-of-war special license plates, all donations to the fund, interest earned on invested funds, funds derived from the estates of deceased members, and certain other moneys and property derived from the home, except that the moneys and properties received by the home from estate assets located outside the home in excess of \$200,000 in any one calendar year are required to be paid into the General Fund.

This bill instead would require the administrator to maintain a Morale, Welfare, and Recreation Fund to include any funds derived from golf course green fees and range ball fees, in addition to the moneys and property included in the post fund under existing law.

The bill would delete the requirement that moneys and properties received by the home from estate assets located outside the home in excess of \$200,000 in any one calendar year be paid into the General Fund and, instead, would require those moneys and properties to be included in the Morale, Welfare, and Recreation Fund, regardless of amount.

(3) Existing law requires the post fund to be used, at the discretion of the administrator and subject to the approval of the secretary, to provide for the general welfare of the home and its veterans, including, but not limited to, providing for operations of the Veterans' Home Exchange, motion picture theater, library, and band, and to pay for newspapers, chapel expenses, welfare and entertainment expenses, sport activities, celebrations, and any necessary insurance to protect property of the fund or the Veterans' Home Exchange, and any other activity for the benefit of the home or its members.

This bill, instead, would delete the requirement that the post fund be used for the benefit of the home and would limit the use of that money, which would be deposited in the Morale, Welfare, and Recreation Fund, for the morale, welfare, and recreation of the veterans, as specified. The bill also would prohibit expenditures from that fund for certain purposes that are unrelated to the morale, welfare, and recreation of the veterans or that may be funded from other sources. The bill would provide that appropriations from the General Fund may not be reduced for the purpose of, or to have the effect of, requiring increased expenditures from the Morale, Welfare, and Recreation Fund for those specified purposes.

This bill would require the administrator to prepare and submit to the secretary and to certain committees of the Legislature, on or before August 20 of each year, a report detailing funds received in the Morale, Welfare, and Recreation Fund and transmitted to the Controller and a report detailing expenditures from that fund.

The bill would also make a conforming change.

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

SECTION 1. Section 1023 of the Military and Veterans Code is amended to read:

1023. (a) The department may sue and be sued in any of the courts of this state. All property held by the department for the home shall be held in trust for the state and for the use and benefit of the home. The administrator shall manage the home and administer its affairs, and, subject to the direction of the director, adopt rules and regulations for the government of the home in conformity as nearly as possible to the rules and regulations of the United States Veterans' Administration for their facilities.

(b) The Director of General Services may lease or let any real property held by the department for the 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, all money received in connection therein



shall be deposited in the General Fund to the credit of, and shall augment the current appropriation for the support of, the home.

SEC. 2. Section 1023.5 of the Military and Veterans Code is repealed.

SEC. 3. Section 1047 of the Military and Veterans Code is amended to read:

1047. (a) The administrator shall maintain a Morale, Welfare, and Recreation Fund that shall be used, at the discretion of the administrator and subject to the approval of the secretary, to provide for the general welfare of the veterans, including, but not limited to, providing for operations of the Veterans' Home Exchange, hobby shop, motion picture theater, library, band, and any other function that is operated for the morale, welfare, and recreation of the veterans, and to pay for newspapers, chapel expenses, welfare and entertainment expenses, sport activities, celebrations, and any other activity that is for the morale, welfare, and recreation of the veterans.

(b) Money in the Morale, Welfare, and Recreation Fund may not be expended for any of the following:

- (1) Medical treatments or any other treatment for which reimbursement is available from other sources.
- (2) Maintenance of the physical plant of the home.
- (3) Any function, operation, or activity that is not related to the morale, welfare, or recreation of the veterans.
- (4) Any function, operation, or activity for which an alternate source of funding is available.

(c) Appropriations from the General Fund for the purposes described in paragraphs (1) and (5) of subdivision (b) may not be reduced for the purpose of, or to have the effect of, requiring increased expenditures from the Morale, Welfare, and Recreation Fund for those described purposes.

(d) The administrator shall prepare an itemized report that is organized by category and accounts for all expenditures made from the Morale, Welfare, and Recreation Fund during the previous fiscal year and shall submit the report on or before August 20 of each year to all of the following:

- (1) The secretary.
- (2) The fiscal committees of the Assembly and the Senate.
- (3) The committees of the Assembly and the Senate that have subject matter jurisdiction over veterans' affairs.

SEC. 2. Section 1048 of the Military and Veterans Code is amended to read:

1048. (a) The Moral, Welfare, and Recreation Fund shall include proceeds from operations of the Veterans' Home Exchange, revenue derived from the issuance of prisoner-of-war special license plates pursuant to Section 5101.5 of the Vehicle Code, all funds derived from golf course green fees and range ball fees, all donations to the fund, interest earned on invested funds, funds derived from the estates of



deceased members, and any other moneys or property described in this chapter, including, but not limited to, moneys and properties received by the home from estate assets located outside the home, regardless of amount.

(b) The administrator shall prepare an itemized report that is organized by category and accounts for all funds deposited into the Morale, Welfare, and Recreation Fund and transmitted to the Controller under Section 1047 during the previous fiscal year and shall submit the report on or before August 20 of each year to all of the following:

- (1) The secretary.
- (2) The fiscal committees of the Assembly and the Senate.
- (3) The committees of the Assembly and the Senate that have subject matter jurisdiction over veterans' affairs.

SEC. 3. Section 1049 of the Military and Veterans Code is amended to read:

1049. Moneys in the Morale, Welfare, and Recreation Fund maintained under subdivision (a) of Section 1047 may be used to establish or operate a Veterans' Home Exchange that may conduct any lawful endeavor which, in the judgment of the administrator, will benefit the veterans, except as prohibited under subdivision (b) of Section 1047. The administrator may establish the Veterans' Home Exchange to operate at a profit.

