

## Senate Bill No. 1675

### CHAPTER 287

An act to amend Sections 1002.1, 1002.2, 1002.3, 1002.4, and 1003.14 of the Military and Veterans Code, relating to veterans, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor September 25, 2008. Filed with  
Secretary of State September 25, 2008.]

#### LEGISLATIVE COUNSEL'S DIGEST

SB 1675, Cox. Veterans' Revenue Debenture Act of 1970.

The Veterans' Revenue Debenture Act of 1970 prescribes procedures for the issuance of debentures by the Department of Veterans Affairs and for the administration thereof. Those provisions require the department to adopt a resolution of issuance whenever the department determines that debentures should be issued, and requires the resolution to be submitted to the Veterans' Debenture Finance Committee for their consideration. Upon approval by the Veterans' Debenture Finance Committee, the resolution of issuance becomes effective and the State Treasury prepares the debentures in accordance with the resolution.

This bill would authorize that a resolution of issuance may provide the department with the discretion to structure the terms and conditions of any authorized issuance of debentures, as specified, including the discretion to determine interest rates and payment dates.

This bill would declare that it is to take effect immediately as an urgency statute.

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

SECTION 1. Section 1002.1 of the Military and Veterans Code is amended to read:

1002.1. A resolution of issuance may provide for the issuance of debentures in one or more series and for the aggregate principal amount of any series thereof. Any series of debentures may consist of serial debentures or of term debentures with sinking fund requirements or partially of serial debentures and partially of term debentures with sinking fund requirements. For any authorized issuance of debentures, the resolution may provide the department with the discretion to determine the number of series to be issued, the aggregate principal amount of each series, the designation of debentures within any such series as serial or term debentures, and the mandatory sinking account payments for term debentures, if any, subject to the aggregate principal amount of debentures authorized in the resolution.

SEC. 2. Section 1002.2 of the Military and Veterans Code is amended to read:

1002.2. A resolution of issuance may provide for the dates to be borne by debentures, and by each series, issued thereunder and for the dates of maturity thereof. For any authorized issuance of debentures, the resolution may provide the department with discretion to determine the dates of the debentures and maturity dates of the debentures, subject to the maximum maturity date authorized in the resolution.

SEC. 3. Section 1002.3 of the Military and Veterans Code is amended to read:

1002.3. A resolution of issuance may provide for date or dates for the payment of interest on debentures and the interest rate or rates, fixed or variable, or the method of determining such rate or rates. For any authorized issuance of debentures, the resolution may provide the department with discretion to determine the interest rates and payment dates, subject to the maximum rate of interest and the method of determination authorized in the resolution. The first interest payment may be at any time on or before one year from the date of the debenture. The resolution may also provide the department with discretion to obtain credit enhancement or liquidity support for the authorized debentures and to determine the form of any such agreement.

SEC. 4. Section 1002.4 of the Military and Veterans Code is amended to read:

1002.4. A resolution of issuance may provide for the call and redemption of debentures issued thereunder, upon such terms, conditions and notice, and upon the payment of such premium, as may be fixed in said resolution. For any authorized issuance of debentures, the resolution may provide the department with discretion to determine the prices, terms and conditions for redemption, and the amount of premium, if any, not to exceed the maximum amount authorized in the resolution. No debenture shall be subject to call or redemption prior to its fixed maturity date unless the right to exercise such call is expressly stated on the face of the debenture.

SEC. 5. Section 1003.14 of the Military and Veterans Code is amended to read:

1003.14. Debentures authorized under any resolution of issuance approved by the Veterans' Debenture Finance Committee shall be sold by the State Treasurer upon the written request of the department at public or private sale, as determined by the department with the approval of the Veterans' Debenture Finance Committee, and at those times and in those amounts that the department deems necessary to provide sufficient funds for the purposes for which the debentures are then authorized. Successive issues of debentures within the limits of the authorization for the issuance of debentures, if any of those limitations are included in the proceedings for the issuance of the debentures, shall be equally and regularly secured without preference, priority or distinction as to security or otherwise by reason of time of issue, or sale, except as debentures of various series may differ with respect to dates, numbers, interest rates, maturity, redemption

provisions, sinking fund provisions, or otherwise as authorized in any resolution of issuance.

SEC. 6. This act is an urgency statute necessary for the immediate preservation of the public peace, health, or safety within the meaning of Article IV of the Constitution and shall go into immediate effect. The facts constituting the necessity are:

In order for the department to maintain the lowest possible interest rates to be paid by California veterans for farms and homes purchased by the department, it is necessary that this act take effect immediately.