

AMENDED IN SENATE JUNE 19, 2023

CALIFORNIA LEGISLATURE—2023–24 REGULAR SESSION

**ASSEMBLY BILL**

**No. 531**

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**Introduced by Assembly Member Irwin**

(Principal coauthor: ~~Assembly Member Soria~~) *Senator Eggman*)

**(Coauthors: Assembly Members Addis and Boerner)**

(Coauthors: ~~Senators Archuleta and Umberg~~)

February 8, 2023

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~~An act to add Article 5aa (commencing with Section 998.700) to Chapter 6 of Division 4 of the Military and Veterans Code, relating to veterans' housing, by providing the funds necessary therefor through an election for the issuance and sale of bonds of the State of California and for the handling and disposition of those funds. An act to add Chapter 4 (commencing with Section 5965) to Part 7 of Division 5 of the Welfare and Institutions Code, relating to behavioral health, by providing the funds necessary therefor through an election for the issuance and sale of bonds of the State of California and for the handling and disposition of those funds.~~

LEGISLATIVE COUNSEL'S DIGEST

AB 531, as amended, Irwin. ~~Veterans Housing and Homeless Prevention Bond Act of 2024. The Behavioral Health Infrastructure Bond Act of 2023.~~

*Existing law, the Bronzan-McCorquodale Act, contains provisions governing the operation and financing of community mental health services in every county through locally administered and locally controlled community mental health programs. Existing law, the Mental Health Services Act (MHSA), an initiative measure enacted by the voters as Proposition 63 in the November 2, 2004, statewide general election,*

*establishes the Mental Health Services Fund to fund various county mental health programs.*

*This bill would enact the Behavioral Health Infrastructure Bond Act of 2023 which, if approved by the voters, would authorize the issuance of bonds in the amount of \$4,680,000,000 to finance grants for the acquisition of capital assets for, and the construction and rehabilitation of, unlocked, voluntary, and community-based treatment settings and residential care settings and also for housing for veterans and others who are experiencing homelessness or are at risk of homelessness and are living with a behavioral health challenge.*

*The bill would provide for the submission of the bond act to the voters at the March 5, 2024, statewide primary election.*

~~Existing law, the Veterans Housing and Homeless Prevention Bond Act of 2014 (the 2014 bond act), authorizes the issuance of bonds in the amount of \$600,000,000, as specified, for expenditure by the California Housing Finance Agency, the Department of Housing and Community Development, and the Department of Veterans Affairs to provide housing to veterans and their families pursuant to the Veterans Housing and Homeless Prevention Act of 2014 (VHHPA).~~

~~This bill would enact the Veterans Housing and Homeless Prevention Bond Act of 2024 to authorize the issuance of bonds in an amount not to exceed \$600,000,000 to provide additional funding for the VHHPA. The bill would provide for the handling and disposition of the funds in the same manner as the 2014 bond act.~~

~~The bill would provide for the submission of the bond act to the voters at the March 5, 2024, statewide primary election.~~

~~Vote: 2/3. Appropriation: no. Fiscal committee: yes.  
State-mandated local program: no.~~

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

1     *SECTION 1. Chapter 4 (commencing with Section 5965) is*  
2     *added to Part 7 of Division 5 of the Welfare and Institutions Code,*  
3     *to read:*

4  
5             *CHAPTER 4. BEHAVIORAL HEALTH INFRASTRUCTURE BOND*  
6                             *ACT OF 2023*

7  
8     5965. *This chapter shall be known, and may be cited, as the*  
9     *Behavioral Health Infrastructure Bond Act of 2023.*

1 5965.01. *The people of California find and declare all of the*  
2 *following:*

3 (a) *The intent of the bonds issued under this act is to help*  
4 *provide appropriate care options for Californians living with*  
5 *serious mental health conditions and substance use disorders who*  
6 *need a higher level of care, which may include long-term*  
7 *residential support services.*

8 (b) *The bonds would fund the development of an array of*  
9 *voluntary, unlocked, community-based treatment and residential*  
10 *care settings. These settings represent key sublevels of care that*  
11 *are necessary to support individuals with the most complex*  
12 *behavioral health conditions to succeed as they journey through*  
13 *the care continuum from acute settings to residential settings to*  
14 *supported housing settings.*

15 (c) *There are over 10,000 Californian veterans experiencing*  
16 *homelessness. Over 50 percent of homeless veterans suffer from*  
17 *mental health issues and 70 percent are affected by substance use*  
18 *disorders. The bond would also provide funding for housing of*  
19 *veterans experiencing homelessness who are living with behavioral*  
20 *health challenges.*

21 (d) *The data is alarming. In 2022, 1 in 20 adults in California*  
22 *is living with a serious mental illness (SMI), representing a nearly*  
23 *50-percent increase in the last decade. One in 13 children in*  
24 *California has a serious emotional disturbance (SED), which is*  
25 *more common in children in low-income families. Thirty percent*  
26 *of youth 12 to 24 years of age, inclusive, experience serious*  
27 *psychological distress. One in 10 Californians meet the criteria*  
28 *for a substance use disorder (SUD) and the rate of SUDs among*  
29 *youth 18 to 25 years of age, inclusive, is nearly twice that of adults*  
30 *and more than three times that of adolescents.*

31 (e) *Veterans have a higher rate of suicide than the general*  
32 *population and experience higher rates of mental illness or*  
33 *substance use disorder. In 2020, there were over 10,000*  
34 *Californian veterans experiencing homelessness.*

35 (f) *Meeting the growing demand for behavioral health care has*  
36 *exposed strained infrastructure. The limited availability of*  
37 *clinically appropriate, culturally competent, community-based*  
38 *care facilities and residential settings to support rehabilitation*  
39 *and recovery contributes to the growing crisis of homelessness*  
40 *and incarceration among those living with an SMI and an SUD.*

1 *Research in 2021 indicates that the state has a shortage of over*  
2 *2,700 subacute and nearly 3,000 community residential beds.*

3 *(g) The state will continue to invest in needed infrastructure*  
4 *through establishing the Behavioral Health Infrastructure Bond*  
5 *Act of 2023 and building community-based treatment and*  
6 *residential care settings. Funds will also support housing for*  
7 *veterans experiencing homelessness with behavioral health needs.*

8 *(h) Efforts to streamline the process for approving projects and*  
9 *renovating or building new facilities to accelerate the delivery of*  
10 *care in residential settings made available through additional*  
11 *Behavioral Health Services Act and bond financing is a priority.*

12 *5965.02. As used in this chapter, the following terms have the*  
13 *following meanings:*

14 *(a) “Act” means the Behavioral Health Infrastructure Bond*  
15 *Act of 2023 (Chapter 4 (commencing with Section 5965)).*

16 *(b) “Board” means the State Department of Health Care*  
17 *Services, with respect to the bond proceeds referenced in*  
18 *paragraph (2) of subdivision (b) of Section 5965.04, and the*  
19 *Department of Housing and Community Development, with respect*  
20 *to bond proceeds referenced in paragraph (1) of subdivision (b)*  
21 *of Section 5965.04, and either the State Department of Health*  
22 *Care Services, with respect to and for requests up to the amount*  
23 *specified for bond proceeds referenced in paragraph (2) of*  
24 *subdivision (b) of Section 5965.04, or the Department of Housing*  
25 *and Community Development, with respect to and for requests up*  
26 *to the amount specified for bond proceeds referenced in paragraph*  
27 *(1) of subdivision (b) of Section 5965.04, for purposes of Section*  
28 *5965.12 of this code and Section 16726 of the Government Code.*

29 *(c) “Committee” means the Behavioral Health Infrastructure*  
30 *Act Finance Committee created pursuant to Section 5965.07.*

31 *(d) “Fund” means the Behavioral Health Infrastructure Fund*  
32 *created pursuant to Section 5965.03.*

33 *(e) “State General Obligation Bond Law” means the State*  
34 *General Obligation Bond Law (Chapter 4 (commencing with*  
35 *Section 16720) of Part 3 of Division 4 of Title 2 of the Government*  
36 *Code), as it may be amended.*

37 *5965.03. (a) The proceeds of interim debt and bonds, excluding*  
38 *proceeds used directly to repay interim debt and excluding bonds*  
39 *issued in accordance with Section 5965.14, issued and sold*

1 *pursuant to this chapter shall be deposited in the Behavioral Health*  
2 *Infrastructure Fund, which is hereby created in the State Treasury.*

3 *(b) All moneys in the fund, notwithstanding Section 13340 of*  
4 *the Government Code, are hereby continuously appropriated*  
5 *without respect to fiscal years for the purposes of this chapter.*

6 *(c) Bonds shall be issued and delivered in the amount*  
7 *determined by the committee to be necessary or desirable pursuant*  
8 *to Section 5965.08.*

9 *5965.035. (a) An eligible applicant that is allocated funds for*  
10 *a grant program pursuant to this chapter shall not use more than*  
11 *5 percent of the funds allocated for the program to pay the*  
12 *administrative costs of that program.*

13 *(b) Eligible administrative costs will be determined by the State*  
14 *Department of Health Care Services for grants administered under*  
15 *paragraph (1) of subdivision (a) of Section 5965.04 and by the*  
16 *Department of Housing and Community Development under*  
17 *paragraph (2) of subdivision (a) of Section 5965.04.*

18 *5965.04. (a) Moneys in the fund shall be used for all of the*  
19 *following purposes:*

20 *(1) Making grants administered by the State Department of*  
21 *Health Care Services for the acquisition of capital assets for, and*  
22 *the construction and rehabilitation of, unlocked, voluntary, and*  
23 *community-based treatment settings and residential care settings.*

24 *(2) Making grants administered by the Department of Housing*  
25 *and Community Development to acquire capital assets for, and to*  
26 *construct and rehabilitate housing for, veterans and others who*  
27 *are experiencing homelessness or are at risk of homelessness and*  
28 *are living with a behavioral health challenge, as defined in*  
29 *subdivision (b) of Section 5962.01.*

30 *(3) Paying general administrative costs of the board, not to*  
31 *exceed 3 percent of the net proceeds of each sale of bonds.*

32 *(4) (A) Paying the costs of issuing bonds, paying the annual*  
33 *administration costs of the bonds, and paying interest on bonds.*

34 *(B) In addition, moneys in the fund or other proceeds of the sale*  
35 *of bonds authorized by this chapter may be used to pay principal*  
36 *of, or redemption premium on, interim debt issued prior to the*  
37 *issuance of bonds authorized by this chapter.*

38 *(b) Moneys in the fund shall be allocated as follows:*

39 *(1) Up to eight hundred sixty-five million dollars (\$865,000,000)*  
40 *of the proceeds of the bonds, after allocation of bond proceeds to*

1 *the purposes described in paragraphs (3) and (4) of subdivision*  
2 *(a), shall be used for the grants, grant implementation, and grant*  
3 *oversight described in paragraph (2) of subdivision (a).*  
4 *Subdivisions (a) and (b) of Section 16727 of the Government Code*  
5 *shall not apply to the allocation of these proceeds.*

6 *(2) The remaining proceeds of the bonds, after allocation of*  
7 *bond proceeds for purposes described in paragraphs (2) to (4),*  
8 *inclusive, of subdivision (a), shall be used for grants, as described*  
9 *in paragraph (1) of subdivision (a), and for grant implementation*  
10 *oversight.*

11 *(c) (1) A housing project funded, in whole or in part, pursuant*  
12 *to this section shall be a use by right subject to a streamlined,*  
13 *ministerial review pursuant to Section 65912.114 of the*  
14 *Government Code, notwithstanding subdivision (i) of that section.*

15 *(2) A project proponent shall require all contractors and*  
16 *subcontractors performing work on the project to pay prevailing*  
17 *wages for any proposed rehabilitation, construction, or major*  
18 *alterations in accordance with Chapter 1 (commencing with*  
19 *Section 1720) of Part 7 of Division 2 of the Labor Code.*

20 *(3) A project complies with Sections 65912.130 and 65912.131*  
21 *of the Government Code if it is 50 or more housing units.*

22 *5965.05. (a) (1) Bonds in the total amount of four billion six*  
23 *hundred eighty million dollars (\$4,680,000,000), not including*  
24 *the amount of refunding bonds issued in accordance with Section*  
25 *5965.14, may be issued and sold for the purposes expressed in this*  
26 *chapter and to reimburse the General Obligation Bond Expense*  
27 *Revolving Fund pursuant to Section 16724.5 of the Government*  
28 *Code.*

29 *(2) The bonds, when sold, issued, and delivered, shall be and*  
30 *constitute a valid and binding obligation of the State of California,*  
31 *and the full faith and credit of the State of California is hereby*  
32 *pledged for the punctual payment of both the principal of, and*  
33 *interest on, the bonds as the principal and interest become due*  
34 *and payable.*

35 *(b) (1) The Treasurer shall issue and sell the bonds authorized*  
36 *in subdivision (a) in the amount determined by the committee to*  
37 *be necessary or desirable pursuant to Section 5965.08.*

38 *(2) The bonds shall be issued and sold upon the terms and*  
39 *conditions specified in a resolution to be adopted by the committee*  
40 *pursuant to Section 5965.08.*

1 5965.06. *The bonds authorized by this chapter shall be*  
2 *prepared, executed, issued, sold, paid, and redeemed as provided*  
3 *in the State General Obligation Bond Law (Chapter 4 (commencing*  
4 *with Section 16720) of Part 3 of Division 4 of Title 2 of the*  
5 *Government Code), as amended, and all of the provisions of that*  
6 *law, as amended, apply to the bonds and to this chapter and are*  
7 *hereby incorporated in this chapter as though set forth in full in*  
8 *this chapter.*

9 5965.07. (a) *Solely for the purpose of authorizing the issuance*  
10 *and sale, pursuant to the State General Obligation Bond Law, of*  
11 *the bonds authorized by this chapter, the Behavioral Health*  
12 *Infrastructure Act Finance Committee is hereby created.*

13 (b) (1) *The committee consists of the Controller, the Treasurer,*  
14 *and the Director of Finance.*

15 (2) *Notwithstanding any other law, a member may designate a*  
16 *representative to act as that member in the member's place, for*  
17 *all purposes, as though the member were personally present.*

18 (c) (1) *The Treasurer shall serve as chairperson of the*  
19 *committee.*

20 (2) *A majority of the committee may act for the committee.*

21 5965.08. (a) *The committee shall determine, by resolution,*  
22 *whether it is necessary or desirable to issue and sell bonds*  
23 *authorized pursuant to this chapter to carry out the actions*  
24 *specified in this chapter and, if so, the amount of bonds to be issued*  
25 *and sold.*

26 (b) *Successive issues of bonds may be authorized and sold to*  
27 *carry out those actions progressively, and it is not necessary that*  
28 *all of the bonds authorized to be issued be sold at any one time.*

29 5965.09. (a) *There shall be collected each year, and in the*  
30 *same manner and at the same time as other state revenue is*  
31 *collected, in addition to the ordinary revenues of the state, a sum*  
32 *in an amount required to pay the principal of, and interest on, the*  
33 *bonds becoming due each year.*

34 (b) *It is the duty of all officers charged by law with a duty in*  
35 *regard to the collection of the revenue to do and perform each and*  
36 *every act that is necessary to collect that additional sum.*

37 5965.10. *Notwithstanding Section 13340 of the Government*  
38 *Code, there is hereby continuously appropriated from the General*  
39 *Fund in the State Treasury, for the purposes of this chapter and*

1 *without regard to fiscal years, an amount that equals the total of*  
2 *the following:*

3 *(a) The sum annually necessary to pay the principal of, and*  
4 *interest on, bonds issued and sold pursuant to this chapter, as the*  
5 *principal and interest become due and payable.*

6 *(b) The sum necessary to carry out Section 5965.11.*

7 *5965.11. (a) For the purpose of carrying out this chapter, the*  
8 *Director of Finance may authorize the withdrawal from the*  
9 *General Fund of an amount or amounts not to exceed the amount*  
10 *of the unsold bonds that have been authorized by the committee*  
11 *to be sold for the purpose of carrying out this chapter, excluding*  
12 *refunding bonds authorized pursuant to Section 5965.14 less any*  
13 *amount loaned pursuant to Section 5965.12 and not yet repaid,*  
14 *and any amount withdrawn from the General Fund pursuant to*  
15 *this section and not yet returned to the General Fund.*

16 *(b) Any amounts withdrawn shall be deposited in the fund.*

17 *(c) Any moneys made available under this section shall be*  
18 *returned to the General Fund, with interest at the rate earned by*  
19 *the moneys in the Pooled Money Investment Account, from*  
20 *proceeds received from the sale of bonds for the purpose of*  
21 *carrying out this chapter.*

22 *5965.12. (a) The board may request the Pooled Money*  
23 *Investment Board to make a loan from the Pooled Money*  
24 *Investment Account, in accordance with Section 16312 of the*  
25 *Government Code, for the purpose of carrying out this chapter,*  
26 *less any amount withdrawn pursuant to Section 5965.11 and not*  
27 *yet returned to the General Fund.*

28 *(b) The amount of the request shall not exceed the amount of*  
29 *the unsold bonds that the committee has, by resolution, authorized*  
30 *to be sold for the purpose of carrying out this chapter, excluding*  
31 *refunding bonds authorized pursuant to Section 5965.14, less any*  
32 *amount withdrawn from the General Fund pursuant to Section*  
33 *5965.11 and not yet returned to the General Fund.*

34 *(c) The board shall execute documents required by the Pooled*  
35 *Money Investment Board to obtain and repay the loan.*

36 *(d) Any amounts loaned shall be deposited in the fund to be*  
37 *allocated by the board in accordance with this chapter.*

38 *5965.13. All moneys deposited in the fund that are derived*  
39 *from premium and accrued interest on bonds sold pursuant to this*  
40 *chapter shall be reserved in the fund and shall be available for*

1 *transfer to the General Fund as a credit to expenditures for bond*  
2 *interest, except that amounts derived from premium may be*  
3 *reserved and used to pay costs of bond issuance before any transfer*  
4 *to the General Fund.*

5 5965.14. (a) *The bonds issued and sold pursuant to this*  
6 *chapter may be refunded in accordance with Article 6 (commencing*  
7 *with Section 16780) of Chapter 4 of Part 3 of Division 4 of Title*  
8 *2 of the Government Code, which is a part of the State General*  
9 *Obligation Bond Law.*

10 (b) *Approval by the voters of the state for the issuance of the*  
11 *bonds described in this chapter includes the approval of the*  
12 *issuance of bonds issued to refund bonds originally issued under*  
13 *this chapter or any previously issued refunding bonds.*

14 (c) *A bond refunded with the proceeds of refunding bonds, as*  
15 *authorized by this section, may be legally defeased to the extent*  
16 *permitted by law in the manner and to the extent set forth in the*  
17 *resolution, as amended, authorizing that refunded bond.*

18 5965.15. (a) *Notwithstanding any provision of this chapter or*  
19 *the State General Obligation Bond Law, if the Treasurer sells*  
20 *bonds pursuant to this chapter that include a bond counsel opinion*  
21 *to the effect that the interest on the bonds is excluded from gross*  
22 *income for federal tax purposes, under designated conditions, or*  
23 *is otherwise entitled to a federal tax advantage, the Treasurer may*  
24 *maintain separate accounts for the investment of bond proceeds*  
25 *and the investment earnings on those proceeds.*

26 (b) *The Treasurer may use or direct the use of those proceeds*  
27 *or earnings to pay a rebate, penalty, or other payment required*  
28 *under federal law or to take any other action with respect to the*  
29 *investment and use of those bond proceeds, required or desirable*  
30 *under federal law, to maintain the tax-exempt status of those bonds*  
31 *and to obtain any other advantage under federal law on behalf of*  
32 *the funds of this state.*

33 5965.16. *The sale of bonds authorized by this chapter are not*  
34 *“proceeds of taxes” as that term is used in Article XIII B of the*  
35 *California Constitution, and the disbursement of these proceeds*  
36 *is not subject to the limitations imposed by that article.*

37 SEC. 2. *Section 1 of this act shall take effect upon the approval*  
38 *by the voters of the Behavioral Health Infrastructure Bond Act of*  
39 *2023, as set forth in Section 1 of this act.*



1 998.703.—(a) Bonds in the total amount of six hundred million  
2 dollars (\$600,000,000), not including the amount of any refunding  
3 bonds issued pursuant to Section 998.713, may be issued and sold  
4 to provide a fund to be used for carrying out the purposes expressed  
5 in subdivision (b) and to reimburse the General Obligation Bond  
6 Expense Revolving Fund pursuant to Section 16724.5 of the  
7 Government Code. The bonds, when sold, issued, and delivered,  
8 shall be and constitute a valid and binding obligation of the State  
9 of California, and the full faith and credit of the State of California  
10 is hereby pledged for the punctual payment of both principal of,  
11 and interest on, the bonds as the principal and interest become due  
12 and payable.

13 (b) The proceeds of bonds issued and sold pursuant to this  
14 section, exclusive of refunding bonds issued pursuant to Section  
15 998.713, shall be made available to the board for the purposes of  
16 creating a fund to provide housing to veterans and their families  
17 pursuant to the Veterans Housing and Homeless Prevention Act  
18 of 2014 (Article 3.2 (commencing with Section 987.001)), and  
19 any subsequent statutory enactment that amends that act or enacts  
20 or amends any successor act for the purpose of providing housing  
21 to veterans and their families.

22 (c) The Legislature may, from time to time, by majority vote,  
23 amend the provisions of this act for the purpose of improving  
24 program efficiency, effectiveness, and accountability, or for the  
25 purpose of furthering overall program goals.

26 (d) The proceeds of bonds issued and sold pursuant to this  
27 article, not including the proceeds of any refunding bonds issued  
28 pursuant to Section 998.713, shall be deposited in the Housing for  
29 Veterans Fund, established by Section 998.544.

30 998.704.—The bonds authorized by this article shall be prepared,  
31 executed, issued, sold, paid, and redeemed as provided in the State  
32 General Obligation Bond Law (Chapter 4 (commencing with  
33 Section 16720) of Part 3 of Division 4 of Title 2 of the Government  
34 Code), as amended from time to time, and all of the provisions of  
35 that law, except subdivisions (a) and (b) of Section 16727 of the  
36 Government Code, shall apply to the bonds and to this article and  
37 are hereby incorporated in this article as though set forth in full in  
38 this article.

39 998.705.—The Housing for Veterans Finance Committee, as  
40 established and authorized pursuant to Section 998.547, shall act

1 for the purpose of authorizing the issuance and sale pursuant to  
 2 the State General Obligation Bond Law of the bonds authorized  
 3 by this article.

4 998.706. The committee shall determine whether or not it is  
 5 necessary or desirable to issue bonds authorized pursuant to this  
 6 article in order to carry out the actions specified in Section 998.703  
 7 and, if so, the amount of bonds to be issued and sold. Successive  
 8 issues of bonds may be authorized and sold to carry out those  
 9 actions progressively, and it is not necessary that all of the bonds  
 10 authorized to be issued be sold at any one time.

11 998.707. There shall be collected each year and in the same  
 12 manner and at the same time as other state revenue is collected,  
 13 in addition to the ordinary revenues of the state, a sum in an amount  
 14 required to pay the principal of, and interest on, the bonds each  
 15 year. It is the duty of all officers charged by law with any duty in  
 16 regard to the collection of the revenue to do and perform each and  
 17 every act that is necessary to collect that additional sum.

18 998.708. Notwithstanding Section 13340 of the Government  
 19 Code, there is hereby appropriated from the General Fund in the  
 20 State Treasury, for the purposes of this article, an amount that will  
 21 equal the total of the following:

22 (a) The sum annually necessary to pay the principal of, and  
 23 interest on, bonds issued and sold pursuant to this article, as the  
 24 principal and interest become due and payable.

25 (b) The sum necessary to carry out Section 998.709,  
 26 appropriated without regard to fiscal years.

27 998.709. For the purposes of carrying out this article, the  
 28 Director of Finance may authorize the withdrawal from the General  
 29 Fund of an amount not to exceed the amount of the unsold bonds  
 30 that have been authorized by the committee to be sold for the  
 31 purpose of carrying out this article, excluding refunding bonds  
 32 authorized pursuant to Section 998.713, less any amount borrowed  
 33 pursuant to Section 998.712 and not yet repaid and any amount  
 34 loaned from the General Fund pursuant to this section not yet  
 35 returned to the General Fund. Any amounts withdrawn shall be  
 36 deposited in the fund. Any money made available under this section  
 37 shall be returned to the General Fund plus an amount equal to the  
 38 interest that the money would have earned in the Pooled Money  
 39 Investment Account from proceeds received from the sale of bonds  
 40 for the purpose of carrying out this article.

1 998.710.— All money deposited in the fund that is derived from  
2 premium and accrued interest on bonds sold, in excess of any  
3 amount of premium used to pay costs of issuing the bonds, shall  
4 be reserved in the fund and shall be available for transfer to the  
5 General Fund as a credit to expenditures for bond interest, except  
6 that amounts derived from premium may be reserved and used to  
7 pay costs of bond issuance before any transfer to the General Fund.  
8 998.711.— Pursuant to the State General Obligation Bond Law  
9 (Chapter 4 (commencing with Section 16720) of Part 3 of Division  
10 4 of Title 2 of the Government Code), all or a portion of the cost  
11 of bond issuance may be paid out of the bond proceeds, including  
12 any premium derived from the sale of the bonds. These costs shall  
13 be shared proportionally by each program funded through this  
14 bond act.  
15 998.712.— The board may request the Pooled Money Investment  
16 Board to make a loan from the Pooled Money Investment Account,  
17 in accordance with Section 16312 of the Government Code, for  
18 purposes of carrying out this article. The amount of the loan shall  
19 not exceed the amount of the unsold bonds that the committee, by  
20 resolution, has authorized to be sold for the purpose of carrying  
21 out this article, excluding refunding bonds authorized pursuant to  
22 Section 998.712, less any amount withdrawn pursuant to this  
23 section and Section 998.709 and not yet repaid. The board shall  
24 execute any documents required by the Pooled Money Investment  
25 Board to obtain and repay the loan. Any amounts loaned shall be  
26 deposited in the fund to be allocated by the board in accordance  
27 with this article.  
28 998.713.— Any bonds issued pursuant to this article may be  
29 refunded in accordance with Article 6 (commencing with Section  
30 16780) of Chapter 4 of Part 3 of Division 4 of Title 2 of the  
31 Government Code, which is a part of the State General Obligation  
32 Bond Law. Approval by the voters of the state for the issuance of  
33 the bonds described in this article includes the approval of the  
34 issuance and sale or exchange of any bonds issued to refund any  
35 bonds originally issued under this article or any previously issued  
36 refunding bonds. Any bond refunded with the proceeds of a  
37 refunding bond as authorized by this section may be legally  
38 defeased to the extent permitted by law in the manner and to the  
39 extent set forth in the resolution, as amended from time to time,  
40 authorizing that refunded bond.

1 998.714. Notwithstanding any other provision of this article,  
2 or of the State General Obligation Bond Law, if the Treasurer sells  
3 bonds pursuant to this part that include a bond counsel opinion to  
4 the effect that the interest on the bonds is excluded from gross  
5 income for federal tax purposes under designated conditions or is  
6 otherwise entitled to any federal tax advantage, the Treasurer may  
7 maintain separate accounts for the investment of bond proceeds  
8 and for the investment of earnings on those proceeds. The Treasurer  
9 may use or direct the use of those proceeds or earnings to pay any  
10 rebate, penalty, or other payment required under federal law or  
11 take any other action with respect to the investment and use of  
12 those bond proceeds required or desirable under federal tax law  
13 or to obtain any other advantage under federal law on behalf of  
14 the funds of this state.

15 998.715. The Legislature hereby finds and declares that,  
16 inasmuch as the proceeds from the sale of bonds authorized by  
17 this article are not “proceeds of taxes” as that term is used in Article  
18 XIII B of the California Constitution, the disbursement of these  
19 proceeds is not subject to the limitations imposed by that article.

20 SEC. 2. Section 1 of this act shall take effect upon the approval  
21 by the voters of the Veterans Housing and Homeless Prevention  
22 Bond Act of 2024, as set forth in that section.

23 SEC. 3. Section 1 of this act shall be submitted to the voters  
24 at the March 5, 2024, statewide primary election in accordance  
25 with provisions of the Elections Code and the Government Code  
26 governing the submission of a statewide measure to the voters.