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H.624

Introduced by Representatives Botzow of Pownal, Marcotte of Coventry and  
Shand of Weathersfield

Referred to Committee on

Date:

Subject: Commerce; Vermont economic development authority; lending  
authority; moral obligation; full faith and credit

Statement of purpose: This bill proposes to increase the lending capacity of  
the Vermont economic development authority.

An act relating to the lending capacity of the Vermont economic  
development authority

It is hereby enacted by the General Assembly of the State of Vermont:

Sec. 1. 10 V.S.A. § 219(d) is amended to read:

(d) In order to assure the maintenance of the debt service reserve  
requirement in each debt service reserve fund established by the authority,  
there may be appropriated annually and paid to the authority for deposit in  
each such fund, such sum as shall be certified by the chair of the authority, to  
the governor or the governor-elect, the president of the senate, and the speaker  
of the house, as is necessary to restore each such debt service reserve fund to  
an amount equal to the debt service reserve requirement for such fund. The

1 chair shall annually, on or about February 1, make, execute, and deliver to the  
2 governor or the governor-elect, the president of the senate, and the speaker of  
3 the house, a certificate stating the sum required to restore each such debt  
4 service reserve fund to the amount aforesaid, and the sum so certified may be  
5 appropriated, and if appropriated, shall be paid to the authority during the then  
6 current state fiscal year. The principal amount of bonds or notes  
7 outstanding at any one time and secured in whole or in part by a debt service  
8 reserve fund to which state funds may be appropriated pursuant to this  
9 subsection shall not exceed ~~\$100,000,000.00~~ \$115,000,000.00, provided that  
10 the foregoing shall not impair the obligation of any contract or contracts  
11 entered into by the authority in contravention of the Constitution of the United  
12 States.

13 Sec. 2. 10 V.S.A. § 262(5) is amended to read:

14 (5) The principal obligation of the authority's mortgage does not exceed  
15 ~~\$1,300,000.00~~ \$1,500,000.00 which may be secured by land and buildings or  
16 by machinery and equipment, or both; unless an integral element of the project  
17 consists of the generation of heat or electricity employing biomass,  
18 geothermal, methane, solar, or wind energy resources to be primarily  
19 consumed at the project, in which case the principal obligation of the  
20 authority's mortgage does not exceed \$2,000,000.00, which may be secured by  
21 land and by buildings, or machinery and equipment, or both; such principal

1 obligation does not exceed 40 percent of the cost of the project; and the  
2 mortgagor is able to obtain financing for the balance of the cost of the project  
3 from other sources as provided in the following section;

4 Sec. 3. 10 V.S.A. § 216(15) is amended to read:

5 (15) To delegate to loan officers the power to review, approve and make  
6 loans under this chapter, subject to the approval of the manager, and to  
7 disburse funds on such loans, subject to the approval of the manager, provided  
8 that such loans do not exceed ~~\$250,000.00~~ \$350,000.00 in aggregate amount  
9 for any industrial loan for any three-year period for any particular individual,  
10 partnership, corporation, or other entity or related entity, or do not exceed  
11 ~~\$200,000.00~~ \$350,000.00 in aggregate amount if the loan is guaranteed by the  
12 Farm Services Agency, or its successor agency, or ~~\$150,000.00~~ \$300,000.00 in  
13 aggregate amount if the loan is not guaranteed by the Farm Services Agency,  
14 or its successor agency, for any agricultural loan for any three-year period for  
15 any particular individual, partnership, corporation, or other entity or related  
16 entity. No funds may be disbursed for any loan approved under this provision,  
17 except for any agricultural loan referenced above in an amount not to exceed  
18 \$50,000.00, until three working days after the members of the authority are  
19 notified by facsimile, electronic mail, or overnight delivery mailed or sent on  
20 the day of approval, of the intention to approve such loan. If any member  
21 objects within that three-day period, the approval will be held for

1 reconsideration by the members of the authority at its next duly scheduled  
2 meeting;

3 Sec. 4. 10 V.S.A. § 221(a) is amended to read:

4 (a) Upon application of the proposed mortgagee, the authority may insure  
5 mortgage payments required to repay loans made by the mortgagee for the  
6 purpose of financing the costs of a project, upon such terms and conditions as  
7 the authority may prescribe; provided, however, that the total principal  
8 obligations of all mortgages insured under this subsection and under subsection  
9 (c) of this section outstanding at any one time shall not exceed ~~\$9,000,000.00~~  
10 \$3,500,000.00. Before insuring any mortgage payments hereunder, the  
11 authority shall determine and incorporate each of the findings established by  
12 this subsection in its minutes. Such findings, when adopted by the authority  
13 shall be conclusive:

14 \* \* \*

15 Sec. 5. EFFECTIVE DATE

16 This act shall take effect on passage.