

1 H.578

2 Introduced by Representatives Botzow of Pownal, Marcotte of Coventry,

3 Bouchard of Colchester, Carr of Brandon, Dickinson of St.

4 Albans Town, Kitzmiller of Montpelier, Kupersmith of South

5 Burlington, Ralston of Middlebury, and Young of Glover

6 Referred to Committee on

7 Date:

8 Subject: Conservation and development; municipal government; potable water

9 supplies and wastewater systems

10 Statement of purpose of bill as introduced: This bill proposes to authorize the

11 State to enter into an agreement with an independent financial institution to

12 administer funds from the Vermont Wastewater and Potable Water Revolving

13 Loan Fund for the purpose of making loans to individuals for the replacement

14 of failed wastewater systems or potable water supplies.

15 An act relating to administering State funds for loans to individuals for

16 replacement of failed wastewater systems and potable water supplies

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

1 Sec. 1. 24 V.S.A. § 4753 is amended to read:

2 § 4753. REVOLVING LOAN FUNDS; AUTHORITY TO SPEND; REPORT

3 (a) There is hereby established a series of special funds to be known as:

4 * * *

5 (10) The Vermont Wastewater and Potable Water Revolving Loan Fund
6 which shall be used to provide loans to individuals, in accordance with section
7 4763a of this title, for the design and construction of repairs to or replacement
8 of wastewater systems and potable water supplies when the wastewater system
9 or potable water supply is a failed system or supply as defined in 10 V.S.A.
10 § 1972. The amount of \$275,000.00 from the fees collected pursuant to
11 3 V.S.A. § 2822(j)(4) shall be deposited on an annual basis into this Fund.

12 (b) Each of such funds shall be established and held separate and apart
13 from any other funds or moneys of State and shall be used and administered
14 exclusively for the purpose of this chapter with the exception of transferring
15 funds from the Vermont Drinking Water Planning Loan Fund and the Vermont
16 Drinking Water Source Protection Fund to the Vermont Environmental
17 Protection Agency (EPA) Drinking Water State Revolving Fund, and from the
18 Vermont Pollution Control Revolving Fund to the Vermont Environmental
19 Protection Agency (EPA) Pollution Control Revolving Fund, when authorized
20 by the Secretary. These funds shall be administered by the Bond Bank on
21 behalf of the State, except that: ~~the fund~~ Fund shall be administered by VEDA

1 concerning loans to privately owned water systems under subdivision (a)(3) of
2 this section; and the Fund may be administered by a financial institution
3 contracted by the State concerning loans to individuals for failed wastewater
4 systems and potable water supplies under subdivision (a)(10) of this section.

5 The funds shall be invested in the same manner as permitted for investment of
6 funds belonging to the State or held in the Treasury. The funds shall consist of
7 the following:

8 (1) Such sums as may be appropriated or transferred thereto from time
9 to time by the General Assembly, the State Emergency Board or the Joint
10 Fiscal Committee during such times as the General Assembly is not in session.

11 (2) Principal and interest received from the repayment of loans made
12 from each of such funds.

13 (3) Capitalization grants and awards made to the State by the United
14 States of America for any of the purposes for which such funds have been
15 established.

16 (4) Interest earned from the investment of fund balances.

17 (5) Private gifts, bequests, and donations made to the State for any of the
18 purposes for which such funds have been established.

19 (6) Other funds from any public or private source intended for use for
20 any of the purposes for which such funds have been established.

21 * * *

1 Sec. 2. 24 V.S.A. § 4757 is amended to read:

2 § 4757. REVOLVING LOAN FUNDS; ADDITIONAL USES

3 In addition to providing a source of funds from which loans may be made to
4 municipalities under this chapter, each fund created under section 4753 of this
5 chapter may be used for one or more of the following purposes:

6 (1) to make loans, to refund bonds or notes of a municipality issued after
7 March 7, 1985 for sewerage works, or after July 1, 1993 for water supply
8 systems for the purpose of financing the construction of any capital
9 improvements or management program described in section 4753 and certified
10 under section 4756 of this title;

11 (2) to guarantee or insure, directly or indirectly, the payment of notes or
12 bonds issued or to be issued by a municipality for the purpose of financing the
13 construction of any capital improvement or management program described in
14 section 4754 of this title and certified under section 4756;

15 (3) to guarantee or insure, directly or indirectly, funds established by
16 municipalities for the purpose of financing construction of any capital
17 improvement described in section 4754 of this title;

18 (4) to invest available fund balances, and to credit the net interest
19 income thereon to the particular fund providing investment funds; ~~and~~

1 (5) to pay the costs of the ~~bond bank~~ Bond Bank, VEDA, and the
2 agency associated with the administration of each fund; provided, however,
3 that no more than four percent of the aggregate of the highest fund balances in
4 any fiscal year shall be used for such purposes, and that a separate account be
5 established outside the ~~drinking water state revolving fund~~ Drinking Water
6 State Revolving Fund for such purposes. As used in this subsection, costs
7 shall include fiscal, clerical, administrative, and issuance expenditures directly
8 attributable and allocated to the maintenance implementation and
9 administration of the loan funds created under this chapter; and

10 (6) to pay from the Vermont Wastewater and Potable Water Revolving
11 Loan Fund the costs of administration of loans awarded under subdivision
12 4753(a)(10) of this title.

13 Sec. 3. EFFECTIVE DATE

14 This act shall take effect on passage.