

1 S.11

2 Introduced by Senator White

3 Referred to Committee on

4 Date:

5 Subject: Capital appropriation; education; school property; Austine School;  
6 sale

7 Statement of purpose: This bill proposes to clarify when a lien is created in  
8 favor of the State on any real property associated with the Austine School for  
9 the Deaf in connection with capital appropriations made to or for the benefit of  
10 the Austine School for the Deaf.

11 An act relating to the Austine School

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

13 Sec. 1. 16 V.S.A. § 3823 is amended to read:

14 § 3823. THE AUSTINE SCHOOL; FINANCING

15 (a) Notwithstanding any provision of law to the contrary, the Vermont  
16 Center for the Deaf and Hard of Hearing, which owns and operates the Austine  
17 School for the Deaf, and its successors in interest are authorized to mortgage,  
18 pledge as collateral, sell, transfer, or otherwise convey any real property  
19 associated with the Austine School for the Deaf without consent of the ~~general~~  
20 ~~assembly~~ General Assembly.

1 (b) All state capital appropriations made to or for the benefit of the Austine  
2 School for the Deaf prior to or subsequent to the effective date of this section  
3 shall create a first priority lien in favor of the ~~state~~ State unless expressly  
4 waived by the ~~general assembly~~ General Assembly; provided that this first  
5 priority lien shall:

6 (1) be subordinate, in an amount not to exceed \$3,000,000.00, to the  
7 interest of any lender to whom the Vermont Center for the Deaf and Hard of  
8 Hearing has pledged its real property as collateral pursuant to subsection (a) of  
9 this section; and

10 (2) only attach to any real property associated with the Austine School  
11 for the Deaf that is or was funded in whole or in part from state capital  
12 appropriations.

13 (c) If the Vermont Center for the Deaf and Hard of Hearing sells any or all  
14 of its real property that is or was funded in whole or in part from state capital  
15 appropriations, then, subject to the subordination provisions of subsection (b)  
16 of this section, all state capital appropriations ~~made to or for the benefit of the~~  
17 ~~Austine School~~ used to fund such real property shall be repaid to the ~~state~~  
18 State, without interest, from any remaining proceeds of the sale.

19 Sec. 2. EFFECTIVE DATE

20 This act shall take effect on passage.