

1 TO THE HOUSE OF REPRESENTATIVES:

2 The Committee on Commerce and Economic Development to which was
3 referred House Bill No. 578 entitled “An act relating to administering State
4 funds for loans to individuals for replacement of failed wastewater systems and
5 potable water supplies” respectfully reports that it has considered the same and
6 recommends that the bill be amended by striking all after the enacting clause
7 and inserting in lieu thereof the following:

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

9 § 4753. REVOLVING LOAN FUNDS; AUTHORITY TO SPEND; REPORT

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

11 * * *

12 (10) The Vermont Wastewater and Potable Water Revolving Loan Fund
13 which shall be used to provide loans to individuals, in accordance with section
14 ~~4763a~~ 4763b of this title, for the design and construction of repairs to or
15 replacement of wastewater systems and potable water supplies when the
16 wastewater system or potable water supply is a failed system or supply as
17 defined in 10 V.S.A. § 1972. The amount of \$275,000.00 from the fees
18 collected pursuant to 3 V.S.A. § 2822(j)(4) shall be deposited on an annual
19 basis into this Fund.

20 (b) Each of such funds shall be established and held separate and apart
21 from any other funds or moneys of State and shall be used and administered

1 exclusively for the purpose of this chapter with the exception of transferring
2 funds from the Vermont Drinking Water Planning Loan Fund and the Vermont
3 Drinking Water Source Protection Fund to the Vermont Environmental
4 Protection Agency (EPA) Drinking Water State Revolving Fund, and from the
5 Vermont Pollution Control Revolving Fund to the Vermont Environmental
6 Protection Agency (EPA) Pollution Control Revolving Fund, when authorized
7 by the Secretary. These funds shall be administered by the Bond Bank on
8 behalf of the State, except that: ~~the fund~~ Fund shall be administered by VEDA
9 concerning loans to privately owned water systems under subdivision (a)(3) of
10 this section; and the Fund may be administered by a community development
11 credit union, as that term is defined in 8 V.S.A. § 3010(3) or another financial
12 institution, as that term is defined in 8 V.S.A. § 11101, that is contracted with
13 by the State for the purpose of providing loans to individuals for failed
14 wastewater systems and potable water supplies under subdivision (a)(10) of
15 this section. The funds shall be invested in the same manner as permitted for
16 investment of funds belonging to the State or held in the Treasury. The funds
17 shall consist of the following:

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

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

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

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

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

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

11 * * *

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

13 § 4757. REVOLVING LOAN FUNDS; ADDITIONAL USES

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

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

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

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

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

10 (5) to pay the costs of the ~~bond bank~~ Bond Bank, VEDA₂ and the
11 agency associated with the administration of each fund; provided, however,
12 that no more than four percent of the aggregate of the highest fund balances in
13 any fiscal year shall be used for such purposes, and that a separate account be
14 established outside the ~~drinking water state revolving fund~~ Drinking Water
15 State Revolving Fund for such purposes. As used in this subsection, costs
16 shall include fiscal, clerical, administrative₂ and issuance expenditures directly
17 attributable and allocated to the maintenance implementation and
18 administration of the loan funds created under this chapter; and

19 (6) to pay from the Vermont Wastewater and Potable Water Revolving
20 Loan Fund the costs of administration of loans awarded under subdivision
21 4753(a)(10) of this title.

1 Sec. 3. EFFECTIVE DATE

2 This act shall take effect on passage.

3

4

5

6

7

8

9 (Committee vote: _____)

10

11

Representative [surname]

12

FOR THE COMMITTEE