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H.353

Introduced by Representatives Masland of Thetford, Briglin of Thetford,
Buxton of Tunbridge, Christie of Hartford, Clarkson of
Woodstock, Haas of Rochester, Hooper of Montpelier,
Kitzmiller of Montpelier, and Zagar of Barnard

Referred to Committee on

Date:

Subject: Telecommunications; municipalities; telecommunications union
district

Statement of purpose of bill as introduced: This bill proposes to authorize the
establishment of telecommunications union districts.

An act relating to the creation of municipal telecommunications districts

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

Sec. 1. 30 V.S.A. chapter 82 is added to read:

CHAPTER 82. TELECOMMUNICATIONS UNION DISTRICTS

§ 3051. FORMATION

(a) Two or more towns and cities may elect to form a union district for the
delivery of communications services and the operation of communications
plants, which union district shall be a body politic and corporate.

1 (b) A town, city, village, or fire district electing to form a union district
2 under this chapter shall submit to the eligible voters of such municipality a
3 proposition in substantially the following form: “Shall the Town of
4 _____ enter into a telecommunications union district to be known as
5 _____, under the provisions of Chapter 122A of Title 24,
6 Vermont Statutes Annotated?” at an annual or special meeting of such town,
7 city, village, or fire district.

8 (c) Additional towns or cities may be admitted to the union district in the
9 manner provided in section 3085 of this chapter.

10 § 3052. COMPOSITION

11 A union district formed under this chapter shall be composed of and include
12 all of the lands and residents within those towns and cities electing the
13 provisions of this chapter, and such other towns, cities, villages, and fire
14 districts as are subsequently admitted to the union district as provided in this
15 chapter except for those towns, cities, villages, and fire districts that may
16 withdraw as provided in this chapter. Registered voters in each member
17 municipality shall be eligible to vote in all union district meetings.

18 § 3053. CREATION; DURATION; NONCONTESTABILITY

19 (a) Following the organizational meeting called for in section 3060 of this
20 chapter, the governing board shall cause to be filed with the Office of the

1 Secretary of State a certificate attesting to the vote conducted under subsection
2 3051(b) of this chapter.

3 (b) A union district formed under this chapter shall continue as a body
4 politic and corporate unless and until dissolved according to the procedures set
5 forth in this chapter.

6 (c) No action shall be brought directly or indirectly challenging,
7 questioning, or in any manner contesting the legality of the formation, or the
8 existence as a body corporate and politic of any telecommunications union
9 district created under this chapter after six months from the date of the
10 recording in the Office of the Secretary of State of the certificate required by
11 subsection 3053(a) of this chapter; nor shall any action be brought directly or
12 indirectly challenging, questioning, or in any manner contesting the legality or
13 validity of obligations or long-term contracts or other contracts, to defray costs
14 of communication plant improvements approved by the district governing
15 board, after six months from the date upon which the district governing board
16 voted affirmatively to issue obligations or to enter into long-term contracts or
17 other contracts to defray costs of communications plant improvements. This
18 section shall be liberally construed to effect the legislative purpose to validate
19 and make certain the legal existence of all telecommunications union districts
20 in this State and the validity of obligations, long-term contracts, and other
21 contracts by such district, and to bar every remedy therefor notwithstanding

1 any defects or irregularities, jurisdictional or otherwise, after expiration of the
2 six-month period.

3 § 3054. POWERS

4 In addition to the powers enumerated in 24 V.S.A. § 4866, and, subject to
5 the limitations and restrictions set forth in section 3056 of this chapter, a
6 telecommunications union district created under this chapter shall have the
7 power to:

8 (1) operate, cause to be operated, or contract for the construction,
9 ownership, management, financing, and operation of any and all
10 communications plants for the delivery of communications services, as
11 provided in 24 V.S.A. chapter 54, and all enactments supplementary and
12 amendatory thereto;

13 (2) purchase, sell, lease, own, acquire, convey, mortgage, improve, and
14 use real and personal property in connection with its purpose;

15 (3) hire and fix the compensation and terms of employment of
16 employees;

17 (4) sue and be sued;

18 (5) enter into contracts for any term or duration;

19 (6) contract with architects, engineers, financial and legal consultants,
20 and others for professional services;

1 (7) contract with individuals, corporations, associations, authorities, and
2 agencies for services and property, including the assumption of the liabilities
3 and assets thereof;

4 (8) provide communications services for its member municipalities, the
5 inhabitants thereof, and the businesses therein, and for such others as its
6 facilities and obligations may allow;

7 (9) contract with the State of Vermont, the United States of America, or
8 any subdivision or agency thereof for services, assistance, and joint ventures;

9 (10) contract with any municipality for the services of any officers or
10 employees of that municipality useful to it;

11 (11) promote cooperative arrangements and coordinated action among
12 its members and other public and private entities;

13 (12) make recommendations for review and action to its members and
14 other public agencies which perform functions within the region in which its
15 members are located;

16 (13) exercise any other powers which are necessary or desirable for
17 dealing with telecommunications matters of mutual concern and that are
18 exercised or are capable of exercise by any of its members;

19 (14) enter into financing agreements as provided by 24 V.S.A. § 1789
20 and chapter 53, subchapter 2, or other provisions of law authorizing the pledge

1 of net revenue, or alternative means of financing capital improvements and
2 operations;

3 (15) establish a budget to provide for the funding thereof out of general
4 revenue;

5 (16) appropriate and expend monies;

6 (17) establish sinking and reserve funds for retiring and securing its
7 obligations;

8 (18) establish capital reserve funds and make appropriations thereto for
9 public improvements and the financing thereof;

10 (19) enact and enforce any and all necessary or desirable regulations for
11 the orderly conduct of its affairs for carrying out its purpose and for protection
12 of its property;

13 (20) solicit, accept, and administer gifts, grants, and bequests in trust or
14 otherwise for its purpose;

15 (21) exercise all powers incident to a public corporation;

16 (22) adopt a name under which it shall be known and shall conduct
17 business; and

18 (23) establish an effective date of its creation.

1 § 3055. COMMUNICATIONS PLANTS

2 Each member municipality shall make available for lease to the union
3 district one or more sites for communications plants or components thereof
4 within such member municipality.

5 § 3056. LIMITATIONS

6 (a) Notwithstanding any grant of authority in this chapter to the contrary, a
7 union district created under this chapter shall not exercise any power,
8 authority, or prerogative in contravention of any general law restricting,
9 limiting, or proscribing the direct or indirect use of any taxing or assessment
10 power to support or subsidize the ownership or operation of a communications
11 plant.

12 (b) Notwithstanding any grant of authority in this chapter to the contrary, a
13 union district created under this chapter shall not have the power to levy,
14 assess, apportion, or collect any tax upon property within the union district, nor
15 upon any of its constituent members, without specific authorization of the
16 General Assembly.

17 § 3057. AUTHORITY

18 The legislative power and authority of a union district created under this
19 chapter and the administration and the general supervision of all fiscal,
20 prudential, and governmental affairs thereof shall be vested in a legislative

1 branch known as the governing board, except as specifically provided
2 otherwise in this chapter.

3 § 3058. GOVERNING BOARD; COMPOSITION

4 The union district governing board shall be composed of one representative
5 from each member town and city and one or more alternates to serve in the
6 absence of the designated representative.

7 § 3059. GOVERNING BOARD; APPOINTMENT

8 Annually on or before the last Monday in April commencing in the year
9 following the effective date of the union district's creation, the legislative
10 branch of each member town and city shall appoint its representative and one
11 or more alternate members to the governing board. Appointments of
12 representatives and alternates shall be in writing, signed by the chair of the
13 legislative branch of the appointing town, city, village, and fire district, and
14 presented to the clerk of the union district. The legislative branch of a member
15 town, city, village, or fire district, by majority vote, may replace its appointed
16 representative or alternate at any time and shall promptly notify the clerk of the
17 union district of such replacement.

18 § 3060. ORGANIZATIONAL MEETING

19 Annually, on the second Tuesday in May following the appointments
20 contemplated in section 3059 of this chapter, the governing board shall hold its
21 organizational meeting. At such meeting, the governing board shall elect from

1 among its appointed representatives a chair and a vice chair, each of whom
2 shall hold office for one year and until his or her successor is duly elected and
3 qualified.

4 § 3061. REGULAR MEETINGS

5 A schedule of regular meetings of the governing board shall be established
6 at the organizational meeting.

7 § 3062. SPECIAL MEETINGS

8 Special meetings of the governing board may be called at any time by its
9 chair or shall be called by the clerk upon written request of a majority of the
10 members of the governing board. Except in case of an emergency, each
11 member of the governing board shall be given at least 24 hours' notice of any
12 special meeting of the governing board by notice in person, electronically, by
13 telephone, or by written notice delivered personally, mailed, or left at such
14 member's usual place of residence.

15 § 3063. QUORUM

16 For the purpose of transacting business, the presence of delegates or
17 alternates representing more than 50 percent of member municipalities shall
18 constitute a quorum. However, a smaller number may adjourn to another date.
19 Any action adopted by a majority of the votes cast at a meeting of the
20 governing board at which a quorum is present shall be the action of the
21 governing board, except as otherwise provided in this chapter.

1 § 3064. VOTING

2 Each member municipality's delegation shall be entitled to cast one vote.

3 § 3065. TERM

4 Unless replaced in the manner provided in section 3059 of this chapter, all
5 representatives to the governing board shall hold office until their successors
6 are duly appointed and qualified. Any representative or alternate may be
7 reappointed to successive terms without limit.

8 § 3066. VACANCY

9 Any vacancy on the governing board shall be filled within 30 days after
10 such vacancy occurs by appointment by the authority which appointed the
11 representative or alternate whose position has become vacant. An appointee to
12 a vacancy shall serve until the expiration of the term of the representative or
13 alternate to whose position the appointment was made and may thereafter be
14 reappointed.

15 § 3067. RULES OF PROCEDURE

16 Except as otherwise provided by law, or as may be agreed upon by the
17 governing board, Robert's Rules of Order shall govern at all meetings.

18 § 3068. COMPENSATION OF MEMBERS

19 Each member municipality may reimburse its representatives to the
20 governing board for expenses as it shall determine reasonable.

1 § 3069. OFFICERS; BOND

2 (a) The officers of the union district shall be the chair and the vice chair of
3 the governing board, the clerk of the district, and the treasurer of the district.
4 Prior to assuming their offices, officers may be required to post bond in such
5 amounts as shall be determined by resolution of the governing board. The cost
6 of such bond shall be borne by the union district.

7 (b) The chair of the governing board shall be the chief executive officer of
8 the union district. The chair shall preside at all meetings of the governing
9 board and shall make and sign all contracts on behalf of the union district upon
10 approval by the governing board. The chair shall perform all of the duties
11 incident to the position and office.

12 (c) During the absence of or inability of the chair to render or perform his
13 or her duties or exercise his or her powers, the same shall be performed and
14 exercised by the vice chair, and when so acting the vice chair shall have all the
15 powers and be subject to all the responsibilities hereby given to or imposed
16 upon the chair.

17 (d) During the absence or inability of the vice chair to render or perform his
18 or her duties or exercise his or her powers, the governing board shall elect from
19 among its membership an acting vice chair who shall have the powers and be
20 subject to all the responsibilities hereby given or imposed upon the vice chair.

1 (e) Upon the death, disability, resignation, or removal of the chair or vice
2 chair, the governing board shall forthwith call a special meeting for the
3 purpose of electing a successor to such vacant office until the next annual
4 meeting.

5 § 3070. CLERK

6 The clerk of the union district shall be appointed by the governing board,
7 and shall serve at its pleasure. The clerk shall have the exclusive charge and
8 custody of the records of the union district and the seal of the union district.
9 The clerk shall record all votes and proceedings of the union district, including
10 meetings of the union district and meetings of the governing board, and shall
11 prepare and cause to be posted and published all warnings of meetings of the
12 union district. Following approval by the governing board, the clerk shall
13 cause the annual report to be distributed to the legislative branches of its
14 member municipalities. The clerk shall prepare and distribute any other
15 reports required by laws of the State and resolutions or regulations of the
16 governing board. The clerk shall perform all of the duties and functions
17 incident to the office of secretary or clerk of a body corporate.

18 § 3071. TREASURER

19 The treasurer of the union district shall be appointed by the governing
20 board, and shall serve at its pleasure. The treasurer shall have the exclusive
21 charge and custody of the funds of the union district and shall be the disbursing

1 officer of the union district. When authorized by the governing board, the
2 treasurer may sign, make, or endorse in the name of the union district all
3 checks and orders for the payment of money and pay out and disburse the same
4 and receipt therefor. The treasurer shall keep a record of every obligation
5 issued and contract entered into by the union district and of every payment
6 thereon. The treasurer shall keep correct books of account of all the business
7 and transactions of the union district and such other books and accounts as the
8 governing board may require. The treasurer shall render a statement of the
9 condition of the finances of the union district at each regular meeting of the
10 governing board and at such other times as shall be required of the treasurer.
11 The treasurer shall prepare the annual financial statement and the budget of the
12 union district for distribution, upon approval of the governing board, to the
13 legislative bodies of the member municipalities. The treasurer shall do and
14 perform all of the duties appertaining to the office of treasurer of a body politic
15 and corporate. Upon removal or the treasurer's termination from office by
16 virtue of removal or resignation, the treasurer shall immediately pay over to the
17 successor all of the funds belonging to the union district and at the same time
18 deliver to the successor all official books and papers.

19 § 3072. RECORDS

20 The conduct of all meetings and public access thereto, and the maintaining
21 of all records, books, and accounts of the union district shall be governed by

1 the laws of this State relating to open meetings and accessibility of public
2 records.

3 § 3073. AUDIT

4 Once the telecommunications union district becomes operational, the
5 governing board shall cause an audit of the financial condition of the union
6 district to be performed annually by an independent professional accounting
7 firm.

8 § 3074. EXECUTIVE BOARD; COMMITTEES

9 The governing board shall have the authority to establish an executive
10 committee and grant and delegate to it such powers as it may deem necessary.

11 Members of the executive committee shall serve staggered terms. The
12 governing board shall have the authority to establish any and all committees as
13 it may deem necessary.

14 § 3075. COMPENSATION OF OFFICERS

15 Officers of the union district shall be paid such compensation or
16 reimbursement of expenses, or both, as shall be determined by the governing
17 board.

18 § 3076. RECALL OF OFFICERS

19 An officer may be removed by a two-thirds vote of the governing board
20 whenever, in its judgment, the best interest of the union district will be served.

1 § 3077. FISCAL YEAR

2 The fiscal year of the union district shall commence on January 1 and end
3 on December 31 of each year.

4 § 3078. BUDGET

5 (a) Annually on or before the 15th day of September, the governing board
6 shall approve and cause to be distributed to the legislative branch of each
7 member municipality for review and comment an annual report of its activities,
8 together with a financial statement, a proposed budget of the union district for
9 the next fiscal year, and a forecast presenting anticipated year-end results. The
10 proposed budget shall include reasonably detailed estimates of:

11 (1) deficits and surpluses from prior fiscal years;

12 (2) anticipated expenditures for the administration of the union district;

13 (3) anticipated expenditures for the operation and maintenance of any
14 union district communications plants;

15 (4) payments due on obligations, long-term contracts, leases, and
16 financing agreements;

17 (5) payments due to any sinking funds for the retirement of union
18 district obligations;

19 (6) payments due to any capital or financing reserve funds;

20 (7) anticipated revenues from all sources;

1 (8) such other estimates as the governing board shall deem necessary to
2 propose.

3 (b) Coincident with a regular meeting thereof, the governing board shall
4 hold a public hearing on or before the first day of October of each year to
5 receive comments from the legislative branches of member municipalities and
6 hear all other interested persons regarding the proposed budget. Notice of such
7 hearing shall be given to the legislative branches of member municipalities at
8 least 30 days prior to such public hearing. The governing board shall give
9 consideration to all comments received and make such changes to the proposed
10 budget as it deems advisable.

11 (c) Annually on or before December 1, the governing board shall adopt the
12 budget, and appropriate the sums which it deems necessary to meet its
13 obligations and operate and carry out the union district's functions for the next
14 ensuing fiscal year.

15 (d) Actions or resolutions of the governing board for the annual
16 appropriations of any year shall not cease to be operative at the end of the
17 fiscal year for which they were adopted. Appropriations made by the
18 governing board for the various estimates of the budget shall be expended only
19 for such estimates, but by majority vote of the governing board the budget may
20 be amended from time to time to transfer funds between or among such
21 estimates. Any balance left or unencumbered in any such budget estimate, or

1 the amount of any deficit at the end of the fiscal year, shall be included in and
2 paid out of the operating budget and appropriations in the next fiscal year. All
3 such budget amendments shall be reported by the district treasurer to the
4 legislative branches of each member municipality within 14 days of the end of
5 the fiscal year.

6 (e) Financial statements and audit results shall be delivered to the
7 legislative branches of each member municipality within 10 days of delivery to
8 the governing board.

9 § 3079. INDEBTEDNESS

10 The governing board may borrow money through the issuance of notes of
11 the telecommunications union district for the purpose of paying current
12 expenses of the union district. Such notes must mature within one year, and
13 may be refunded in the manner provided by law, and shall be payable solely
14 from the union district's operating revenues. The governing board may borrow
15 money in anticipation of the receipt of grants-in-aid from any source and any
16 revenues. Such notes must mature within one year, but may be renewed as
17 provided by general law.

18 § 3080. PLEDGE OF REVENUES

19 (a) When the governing board, at a regular or special meeting called for
20 such purpose, shall determine by resolution passed by a vote of a majority of
21 members present and voting that the public interest or necessity demands

1 communications plant improvements, or a long-term contract, and that the cost
2 of the same will be too great to be paid out of the ordinary annual income and
3 revenue, the governing board shall be authorized to pledge communications
4 plant net revenues and enter into long-term contracts to provide for such
5 improvements. A “long-term contract” means an agreement in which the
6 union district incurs direct or conditional obligations for which the costs are
7 too great to be paid out of the ordinary annual income and revenues of the
8 union district, in the judgment of the governing board. “Long-term contract”
9 includes an agreement authorized under 24 V.S.A. § 1789, wherein
10 performance by the union district is conditioned upon periodic appropriations.
11 The term “communications plant improvements” shall include improvements
12 that may be used for the benefit of the public, whether or not publicly owned
13 or operated.

14 (b) The pledge of communications plant net revenues, and other obligations
15 allowed by law, may be authorized for any purpose permitted by this chapter,
16 24 V.S.A. chapter 53, subchapter 2, and chapter 54, or any other applicable
17 statutes. Communications plants are declared to be projects within the
18 meaning of 23 V.S.A. § 1821(4).

19 § 3081. SINKING AND RESERVE FUNDS

20 (a) The governing board may establish and provide for sinking and reserve
21 funds, however denominated, for the retirement and security of pledges of

1 communications plant net revenue, or for long-term contracts. When so
2 established, such funds shall be kept intact and separate from other monies at
3 the disposal of the union district, and shall be accounted for as a pledged asset
4 for the purpose of retiring or securing such obligations or contracts. The cost
5 of payments to any sinking or reserve fund shall be included in the annual
6 budget of the union district.

7 (b) The governing board shall establish and provide for a capital reserve
8 fund to pay for communications plant improvements, replacement of worn out
9 buildings and equipment, and planned and unplanned major repairs in
10 furtherance of the purpose for which the union district was created. Any such
11 capital reserve fund shall be kept in a separate account and invested as are
12 other public funds and shall be expended for such purposes for which
13 established. The cost of payments to any capital reserve fund shall be included
14 in the annual budget of the union district.

15 § 3082. SERVICE FEES

16 The governing board may from time to time establish and adjust service,
17 subscription, access, and utility fees for the purpose of generating revenues
18 from the operation of its communications plants.

19 § 3083. SPECIAL MEETINGS

20 (a) The governing board may call a special meeting of the union district
21 when it deems it necessary or prudent to do so and shall call a special meeting

1 of the union district when action by the voters is necessary under this chapter.
2 In addition, the governing board shall call a special meeting if petitioned to do
3 so by not less than 10 percent of the legal voters of the union district. The
4 governing board may rescind the call of a special meeting called by it but not a
5 special meeting called on application of 10 percent of the legal voters of the
6 union district. The governing board shall schedule the date of such special
7 meetings to coincide with the date of annual municipal meetings, primary
8 elections, general elections, or similar meetings when the electorate within the
9 member municipalities will be voting on other matters.

10 (b) At any special meeting of the union district, voters of each member
11 municipality shall cast their ballots at such polling places within the
12 municipality of their residence as shall be determined by the governing board
13 of the union district in cooperation within the boards of civil authority of each
14 member municipality.

15 (c) Not less than three nor more than 14 days prior to any special meeting,
16 at least one public hearing shall be held by the governing board at which time
17 the issues under consideration shall be presented and comments received.
18 Notice of such public hearing shall include the publication of a warning in a
19 newspaper of general circulation in the union district at least once a week, on
20 the same day of the week, for three consecutive weeks, the last publication not

1 less than five nor more than 10 days before the public hearing. Such notice
2 may be included in the warning called for in subsection (d) of this section.

3 (d) The governing board shall warn a special meeting by filing a notice
4 with the clerk of each member municipality and by posting a notice in at least
5 five public places in each municipality in the union district not less than 30 nor
6 more than 40 days before the meeting. In addition, the warning shall be
7 published in a newspaper of general circulation in the union district once a
8 week on the same day of the week for three consecutive weeks before the
9 meeting, the last publication to be not less than five nor more than 10 days
10 before the meeting.

11 (e) The original warning of any special meeting of the union district shall
12 be signed by a majority of the governing board and shall be filed with the clerk
13 before being posted.

14 (f) The posted and published warning notification shall include the date,
15 time, place, and nature of the meeting. It shall, by separate articles,
16 specifically indicate the business to be transacted and the questions to be
17 voted upon.

18 (g) The Australian Ballot system shall be used at all special meetings of the
19 union district when voting is to take place. Ballots shall be commingled and
20 counted under the supervision of the district clerk.

1 (h) All legal voters of the member municipalities shall be legal voters of
2 the union district. The member municipalities shall post and revise checklists
3 in the same manner as for municipal meetings prior to any union district
4 meeting at which there will be voting.

5 (i) At all special meetings the provisions of 17 V.S.A. chapter 51 regarding
6 election officials, voting machines, polling places, absentee voting, process of
7 voting, count and return of votes, validation, recounts and contest of elections,
8 reconsideration or rescission of vote, and jurisdiction of courts shall apply
9 except where clearly inapplicable. The clerk shall perform the functions
10 assigned to the Secretary of State under that chapter. The Washington
11 Superior Court shall have jurisdiction over petitions for recounts. Election
12 expenses shall be borne by the union district.

13 § 3084. WITHDRAWAL OF A MEMBER MUNICIPALITY

14 A member municipality may withdraw from the union district upon the
15 terms and conditions specified below:

16 (1) Prior to the union district pledging communications plant net
17 revenues, or entering into a long-term contract, or contract subject to annual
18 appropriation, a member municipality may vote to withdraw in the same
19 manner as the vote for admission to the union district by such member
20 municipality. If a majority of the voters of a member municipality present and
21 voting at a meeting duly warned for such purpose shall vote to withdraw from

1 the union district, the vote shall be certified by the clerk of that municipality
2 and presented to the governing board. Thereafter, the governing board shall
3 give notice to the remaining member municipalities of the vote to withdraw
4 and shall hold a meeting to determine if it is in the best interest of the union
5 district to continue to exist. Representatives of the member municipalities
6 shall be given an opportunity to be heard at such meeting together with any
7 other interested persons. After such a meeting the governing board may
8 declare the union district dissolved immediately or as soon thereafter as its
9 financial obligations and of each member municipality on account thereof have
10 been satisfied, or it may declare that the union district shall continue to exist
11 despite the withdrawal of such member municipality. The membership of the
12 withdrawing municipality shall terminate as soon after such vote to withdraw
13 as any financial obligations of the withdrawing municipality have been paid to
14 the union district.

15 (2) After the union district has pledged communications plant net
16 revenues, or entered into a long-term contract or contract subject to annual
17 appropriations, a member municipality may vote to withdraw in the same
18 manner as the vote for admission to the union district by such member
19 municipality. It shall be a condition that the withdrawing municipality shall
20 enter into a written agreement with the union district whereby such
21 withdrawing municipality shall be obligated to continue to pay its share of any

1 contract obligations incurred by the union district for the remaining term of the
2 contract term.

3 § 3085. ADMISSION OF MEMBERS

4 The governing board may authorize the inclusion of additional member
5 municipalities in the union district upon such terms and conditions as it in its
6 sole discretion shall deem to be fair, reasonable, and in the best interests of the
7 union district. The legislative branch of any nonmember municipality which
8 desires to be admitted to the union district shall make application for admission
9 to the governing board. The governing board shall determine the financial,
10 economic, governance, and operational effects that are likely to occur if such
11 municipality is admitted and shall thereafter either grant or deny authority for
12 admission of the petitioning municipality. If the governing board grants such
13 authority, it shall also specify any terms and conditions, including financial
14 obligations upon which such admission is predicated. Upon resolution of the
15 governing board, such applicant municipality shall become and thereafter be a
16 member municipality of the union district.

17 § 3086. DISSOLUTION

18 (a) If the governing board by resolution approved by two-thirds of all the
19 votes entitled to be cast determines that it is in the best interests of the public,
20 the member municipalities, and the union district that the union district be
21 dissolved, and if the union district then has no outstanding obligations under

1 pledges of communications plant net revenue, long-term contracts, or contracts
2 subject to annual appropriation, or will have no such debt or obligation upon
3 completion of the plan of dissolution, it shall prepare a plan of dissolution and
4 thereafter adopt a resolution directing that the question of such dissolution and
5 the plan of dissolution be submitted to the voters of the union district at a
6 special meeting thereof duly warned for such purpose. If a majority of the
7 voters of the union district present and voting at such special meeting shall
8 vote to dissolve the union district and approve the plan of dissolution, the
9 union district shall cease to conduct its affairs except insofar as may be
10 necessary for the winding up thereof. The governing board shall immediately
11 cause a notice of the proposed dissolution to be mailed to each known creditor
12 of the union district and to the Secretary of State and shall proceed to collect
13 the assets of the union district and apply and distribute them in accordance
14 with the plan of dissolution.

15 (b) The plan of dissolution shall:

16 (1) identify and value all unencumbered assets;

17 (2) identify and value all encumbered assets;

18 (3) identify all creditors and the nature or amount of all liabilities and
19 obligations;

20 (4) identify all obligations under long-term contracts and contracts
21 subject to annual appropriation;

1 (5) specify the means by which assets of the union district shall be
2 liquidated and all liabilities and obligations shall be paid and discharged, or
3 adequate provision shall be made for the satisfaction thereof;

4 (6) specify the nature and amount of any liabilities or obligations to be
5 assumed and paid by the member municipalities;

6 (7) specify the means by which any assets remaining after discharge of
7 all liabilities shall be liquidated if necessary;

8 (8) specify that any assets remaining after payment of all liabilities shall
9 be apportioned and distributed among the member municipalities according to
10 a formula based upon population.

11 (c) When the plan of dissolution has been implemented, the governing
12 board shall adopt a resolution certifying that fact to the member municipalities
13 whereupon the union district shall be terminated, and notice thereof shall be
14 delivered to the Secretary of the Senate and the Clerk of the House of
15 Representatives in anticipation of confirmation of dissolution by the General
16 Assembly.

17 Sec. 2. EFFECTIVE DATE

18 This act shall take effect on passage.