

Proposed Amendment to H.117 (Secs. 20 – 25, only)

May 6, 2015 – 9:30 AM

* * * Communications Union Districts * * *

Sec. 20. 30 V.S.A. chapter 82 is added to read:

CHAPTER 82. COMMUNICATIONS UNION DISTRICT

§ 3051. FORMATION

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

(b) A town or city electing to form a district under this chapter shall submit to the eligible voters of such municipality a proposition in substantially the following form: “Shall the Town of _____ enter into a communications union district to be known as _____, under the provisions of Chapter 82 of Title 30, Vermont Statutes Annotated?” at an annual or special meeting of such town or city.

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

(d) For purposes of this chapter:

(1) “Communications plant” means any and all parts of any communications system owned by the district, whether using wires, cables, fiber optics, wireless, other technologies, or a combination thereof, and used for the purpose of transporting or storing information, in whatever forms,

1 directions, and media, together with any improvements thereto hereafter
2 constructed or acquired, and all other facilities, equipment, and appurtenances
3 necessary or appropriate to such system. However, the term “communications
4 plant” and any regulatory implications or any restrictions under this chapter
5 regarding a “communications plant” shall not apply to facilities or portions of
6 any communications facilities intended for use by, and solely used by, a
7 district member and its own officers and employees in the operation of
8 municipal departments or systems of which such communications are merely
9 an ancillary component.

10 (2) “Communications union district” or “district” means a
11 communications union district formed under this chapter.

12 (3) “Governing board” or “board” means the governing board of the
13 communications union district as established under this chapter.

14 (4) “Member municipality” or “member” means a town or city that
15 elects to form a communications union district under this chapter.

16 § 3052. COMPOSITION

17 A district formed under this chapter shall be composed of and include all of
18 the lands and residents within a member municipality, and any other town or
19 city subsequently admitted to the district as provided in this chapter except for
20 those towns and cities that may withdraw as provided in this chapter.

21 Registered voters in each member municipality are eligible to vote in all
22 district meetings, but only district member representatives are eligible to vote
23 in meetings of the district’s governing board.

1 § 3053. CREATION; DURATION; NONCONTESTABILITY

2 (a) Following the organizational meeting called for in section 3060 of this
3 chapter, the governing board shall cause to be filed with the Office of the
4 Secretary of State a certificate attesting to the vote conducted under subsection
5 3051(b) of this chapter.

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

9 (c) An action shall not be brought directly or indirectly challenging,
10 questioning, or in any manner contesting the legality of the formation, or the
11 existence as a body corporate and politic of any communications union district
12 created under this chapter after six months from the date of the recording in the
13 Office of the Secretary of State of the certificate required by subsection
14 3053(a) of this chapter. An action shall not be brought directly or indirectly
15 challenging, questioning, or in any manner contesting the legality or validity of
16 any bond issued or debt instrument entered into to defray costs of
17 communications plant improvements approved by the board, after six months
18 from the date upon which the board voted affirmatively to issue such bonds or
19 enter into such debt instruments. This section shall be liberally construed to
20 effect the legislative purpose to validate and make certain the legal existence of
21 all communications union districts in this State and the validity of bonds issued
22 or authorized, and debt instruments entered into for communications plant
23 purposes, and to bar every remedy therefor notwithstanding any defects or

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

3 (d) To the extent a district constructs communications infrastructure with
4 the intent of providing communications services, the municipality shall ensure
5 that any and all losses from these services, or in the event these services are
6 abandoned or curtailed, any and all costs associated with the investment in
7 communications infrastructure, are not borne by the taxpayers of district
8 members.

9 § 3054. POWERS

10 (a) In addition to the powers enumerated in 24 V.S.A. § 4866, and, subject
11 to the limitations and restrictions set forth in section 3056 of this chapter, a
12 district created under this chapter shall have the power to:

13 (1) operate, cause to be operated, or contract for the construction,
14 ownership, management, financing, and operation of a communications plant
15 for the delivery of communications services, as provided in 24 V.S.A. chapter
16 54, and all enactments supplementary and amendatory thereto;

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

19 (3) hire and fix the compensation and terms of employment of
20 employees;

21 (4) sue and be sued;

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

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

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

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

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

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

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

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

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

21 (14) enter into financing agreements as provided by 24 V.S.A. § 1789
22 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 and
11 bylaws for the orderly conduct of its affairs for carrying out its
12 communications purpose and for protection of its communications 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.

19 (b) Before a district may sell any service using a communications plant
20 subject to Public Service Board jurisdiction and for which a certificate of
21 public good is required under 30 V.S.A. chapter 5 or 13, it shall obtain a
22 certificate of public good for such service. Each such certificate of public
23 good shall be nonexclusive and shall not contain terms or conditions more

1 favorable than those imposed on existing certificate holders authorized to serve
2 the municipality.

3 § 3055. COMMUNICATIONS PLANT

4 Each member shall make available for lease to the district one or more sites
5 for a communications plant or components thereof within such member
6 municipality.

7 § 3056. LIMITATIONS

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

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

17 (c) Notwithstanding any grant of authority in this chapter to the contrary,
18 every issue of its notes and bonds shall be general obligations of the district
19 payable only out of any revenues or moneys of the district.

20 § 3057. GOVERNING BOARD; AUTHORITY

21 The legislative power and authority of a district created under this chapter
22 and the administration and the general supervision of all fiscal, prudential, and

1 governmental affairs thereof shall be vested in a legislative body known as the
2 governing board, except as specifically provided otherwise in this chapter.

3 § 3058. GOVERNING BOARD; COMPOSITION

4 The district governing board shall be composed of one representative from
5 each member and one or more alternates to serve in the absence of the
6 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 district's creation, the legislative body of
10 each member shall appoint a representative and one or more alternates to the
11 governing board for one-year terms. Appointments of representatives and
12 alternates shall be in writing, signed by the chair of the legislative body of the
13 appointing member, and presented to the clerk of the district. The legislative
14 body of a member, by majority vote, may replace its appointed representative
15 or alternate at any time and shall promptly notify the clerk of the district of
16 such replacement.

17 § 3060. ORGANIZATIONAL MEETING

18 Annually, on the second Tuesday in May following the appointments
19 contemplated in section 3059 of this chapter, the governing board shall hold its
20 organizational meeting. At such meeting, the board shall elect from among its
21 appointed representatives a chair and a vice chair, each of whom shall hold
22 office for one year and until his or her successor is duly elected and qualified.

23 § 3061. REGULAR MEETINGS

1 ~~A schedule of regular meetings of the governing board shall be established~~
2 ~~at the organizational meeting.~~

3 ~~§ 3062. SPECIAL MEETINGS~~

4 ~~Special meetings of the governing board may be called at any time by its~~
5 ~~chair or shall be called by the clerk upon written request of a majority of the~~
6 ~~board members. Except in case of an emergency, each board member shall be~~
7 ~~given at least 24 hours² notice of any special meeting of the board by notice in~~
8 ~~person, electronically, by telephone, or by written notice delivered personally,~~
9 ~~mailed, or left at such board member's usual place of residence.~~

10 ~~§ 3063. QUORUM~~

11 ~~For the purpose of transacting business, the presence of delegates or~~
12 ~~alternates representing more than 50 percent of district members shall~~
13 ~~constitute a quorum. However, a smaller number may adjourn to another date.~~
14 ~~Any action adopted by a majority of the votes cast at a meeting of the board at~~
15 ~~which a quorum is present shall be the action of the board, except as otherwise~~
16 ~~provided in this chapter.~~

17 ~~§ 3064. VOTING~~

18 ~~Each district member's delegation shall be entitled to cast one vote.~~

19 ~~§ 3065. TERM~~

20 ~~Unless replaced in the manner provided in section 3059 of this chapter, a~~
21 ~~representative on the governing board shall hold office until his or her~~
22 ~~successor is duly appointed and qualified. Any representative or alternate may~~
23 ~~be reappointed to successive terms without limit.~~

1 § 3066. VACANCY

2 Any vacancy on the board shall be filled within 30 days after such vacancy
3 occurs by appointment by the authority which appointed the representative or
4 alternate whose position has become vacant. An appointee to a vacancy shall
5 serve until the expiration of the term of the representative or alternate to whose
6 position the appointment was made and may thereafter be reappointed.

7 § 3067. RULES OF PROCEDURE

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

10 § 3068. COMPENSATION OF REPRESENTATIVES

11 Each district member may reimburse its representative to the governing
12 board for expenses as it determines reasonable, except as provided in § 3075 of
13 this chapter with respect to officers of the district.

14 § 3069. OFFICERS; BOND

15 (a) The officers of the district shall be the chair and the vice chair of the
16 board, the clerk of the district, and the treasurer of the district. Prior to
17 assuming their offices, officers may be required to post bond in such amounts
18 as shall be determined by resolution of the board. The cost of such bond shall
19 be borne by the district.

20 (b) The chair of the governing board shall be the chief executive officer of
21 the union district. The chair shall preside at all meetings of the board and shall
22 make and sign all contracts on behalf of the district upon approval by the

1 board. The chair shall perform all duties incident to the position and office as
2 required by the general laws of the State.

3 (c) During the absence of or inability of the chair to render or perform his
4 or her duties or exercise his or her powers, the same shall be performed and
5 exercised by the vice chair, and when so acting the vice chair shall have all the
6 powers and be subject to all the responsibilities hereby given to or imposed
7 upon the chair.

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

12 (e) Upon the death, disability, resignation, or removal of the chair or vice
13 chair, the board shall forthwith elect a successor to such vacant office until the
14 next annual meeting.

15 § 3070. CLERK

16 The clerk of the district shall be appointed by the board, and shall serve at
17 its pleasure. The clerk is not required to be a member of the governing board.

18 The clerk shall have the exclusive charge and custody of the records of the
19 district and the seal of the district. The clerk shall record all votes and
20 proceedings of the district, including meetings of the district and meetings of
21 the board, and shall prepare and cause to be posted and published all warnings
22 of meetings of the district. Following approval by the board, the clerk shall
23 cause the annual report to be distributed to the legislative bodies of its district

1 members. The clerk shall prepare and distribute any other reports required by
2 State law and resolutions or regulations of the board. The clerk shall perform
3 all duties and functions incident to the office of secretary or clerk of a body
4 corporate.

5 § 3071. TREASURER

6 The treasurer of the district shall be appointed by the board, and shall serve
7 at its pleasure. The treasurer shall not be a member of the governing board.
8 The treasurer shall have the exclusive charge and custody of the funds of the
9 district and shall be the disbursing officer of the district. When authorized by
10 the board, the treasurer may sign, make, or endorse in the name of the district
11 all checks and orders for the payment of money and pay out and disburse the
12 same and receipt therefor. The treasurer shall keep a record of every
13 obligation issued and contract entered into by the district and of every payment
14 thereon. The treasurer shall keep correct books of account of all the business
15 and transactions of the district and such other books and accounts as the board
16 may require. The treasurer shall render a statement of the condition of the
17 finances of the district at each regular meeting of the board and at such other
18 times as shall be required of the treasurer. The treasurer shall prepare the
19 annual financial statement and the budget of the district for distribution, upon
20 approval of the board, to the legislative bodies of district members. The
21 treasurer shall do and perform all of the duties appertaining to the office of
22 treasurer of a body politic and corporate. Upon removal or the treasurer's
23 termination from office by virtue of removal or resignation, the treasurer shall

1 immediately pay over to the successor all of the funds belonging to the district
2 and at the same time deliver to the successor all official books and papers.

3 § 3072. RECORDS

4 The conduct of all meetings and public access thereto, and the maintaining
5 of all records, books, and accounts of the district shall be governed by the laws
6 of this State relating to open meetings and accessibility of public records.

7 § 3073. AUDIT

8 Once the district becomes operational, the board shall cause an audit of the
9 financial condition of the district to be performed annually by an independent
10 professional accounting firm.

11 § 3074. EXECUTIVE COMMITTEES

12 The board shall have the authority to establish one or more executive
13 committees and grant and delegate to them such powers as it deems necessary.
14 Members of an executive committee shall serve staggered terms. A member of
15 an executive committee is not required to be a board member. The governing
16 board shall have the authority to establish any and all committees as it may
17 deem necessary.

18 § 3075. COMPENSATION OF OFFICERS

19 Officers of the district shall be paid from district funds such compensation
20 or reimbursement of expenses, or both, as shall be determined by board.

21 § 3076. RECALL OF OFFICERS

22 An officer may be removed by a two-thirds vote of the board whenever, in
23 its judgment, the best interest of the district shall be served.

1 § 3077. FISCAL YEAR

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

4 § 3078. BUDGET

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

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

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

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

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 district
18 obligations;

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

20 (7) anticipated revenues from all sources; and

21 (8) such other estimates as the board shall deem necessary to propose.

22 (b) Coincident with a regular meeting thereof, the board shall hold a public
23 hearing on or before the first day of **November** of each year to receive

1 comments from the legislative bodies of district members and hear all other
2 interested persons regarding the proposed budget. Notice of such hearing shall
3 be given to the legislative bodies of district members at least 30 days prior to
4 such public hearing. The board shall give consideration to all comments
5 received and make such changes to the proposed budget as it deems advisable.

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

9 (d) Actions or resolutions of the board for the annual appropriations of any
10 year shall not cease to be operative at the end of the fiscal year for which they
11 were adopted. Appropriations made by the board for the various estimates of
12 the budget shall be expended only for such estimates, but by majority vote of
13 the board the budget may be amended from time to time to transfer funds
14 between or among such estimates. Any balance left or unencumbered in any
15 such budget estimate, or the amount of any deficit at the end of the fiscal year,
16 shall be included in and paid out of the operating budget and appropriations in
17 the next fiscal year. All such budget amendments shall be reported by the
18 district treasurer to the legislative bodies of each district member within 14
19 days of the end of the fiscal year.

20 (e) Financial statements and audit results shall be delivered to the
21 legislative bodies of each district member within 10 days of delivery to the
22 board.

23 § 3079. INDEBTEDNESS

1 The board may borrow money through the issuance of notes of the district
2 for the purpose of paying current expenses of the district. Such notes must
3 mature within one year, and may be refunded in the manner provided by law,
4 and shall be payable solely from the district’s operating revenues. The
5 governing board may borrow money in anticipation of the receipt of grants-in-
6 aid from any source and any revenues. Such notes must mature within one
7 year, but may be renewed as provided by general law.

8 § 3080. PLEDGE OF REVENUES

9 (a) When the board, at a regular or special meeting called for such purpose,
10 shall determine by resolution passed by a vote of a majority of members
11 present and voting that the public interest or necessity demands
12 communications plant improvements, or a long-term contract, and that the cost
13 of the same will be too great to be paid out of the ordinary annual income and
14 revenue of the district, the board is authorized to pledge communications plant
15 net revenues and enter into long-term contracts to provide for such
16 improvements. A “long-term contract” means an agreement in which the
17 district incurs direct or conditional obligations for which the costs are too great
18 to be paid out of the ordinary annual income and revenues of the district, in the
19 judgment of the board. It includes an agreement authorized under 24 V.S.A.
20 § 1789, wherein performance by the district is conditioned upon periodic
21 appropriations. The term “communications plant improvements” includes
22 improvements that may be used for the benefit of the public, whether or not
23 publicly owned or operated.

1 (b) The pledge of communications plant net revenues, and other obligations
2 allowed by law, may be authorized for any purpose permitted by this chapter,
3 24 V.S.A. chapter 53, subchapter 2, and chapter 54, or any other applicable
4 statutes. A communications plant is declared to be a project within the
5 meaning of 24 V.S.A. § 1821(4).

6 § 3081. SINKING AND RESERVE FUNDS

7 (a) The board may establish and provide for sinking and reserve funds,
8 however denominated, for the retirement and security of pledges of
9 communications plant net revenue, or for long-term contracts. When so
10 established, such funds shall be kept intact and separate from other monies at
11 the disposal of the district, and shall be accounted for as a pledged asset for the
12 purpose of retiring or securing such obligations or contracts. The cost of
13 payments to any sinking or reserve fund shall be included in the annual budget
14 of the district.

15 (b) The board shall establish and provide for a capital reserve fund to pay
16 for communications plant improvements, replacement of worn out buildings
17 and equipment, and planned and unplanned major repairs in furtherance of the
18 purpose for which the district was created. Any such capital reserve fund shall
19 be kept in a separate account and invested as are other public funds and shall
20 be expended for such purposes for which established. The cost of payments to
21 any capital reserve fund shall be included in the annual budget of the district.

22 § 3082. SERVICE FEES

1 The board may from time to time establish and adjust service, subscription,
2 access, and utility fees for the purpose of generating revenues from the
3 operation of its communications plant.

4 § 3083. SPECIAL MEETINGS

5 (a) The board may call a special meeting of the district when it deems it
6 necessary or prudent to do so and shall call a special meeting of the district
7 when action by the voters is necessary under this chapter. In addition, the
8 board shall call a special meeting upon receipt of a petition signed by at least
9 five percent of the registered voters within the district, request of at least 25
10 percent of district members evidenced by formal resolutions of the legislative
11 bodies thereof, or petitions signed by at least one percent of the registered
12 voters of such district member. The board may rescind the call of a special
13 meeting called by it but not a special meeting called as provided in this
14 subsection. The board may schedule the date of such special meetings to
15 coincide with the date of annual municipal meetings, primary elections,
16 general elections, or similar meetings when the electorate within the district
17 members will be voting on other matters.

18 (b) At any special meeting of the district, voters of each district member
19 shall cast their ballots at such polling places within the municipality of their
20 residence as shall be determined by the board of the district in cooperation
21 within the boards of civil authority of each district member.

22 (c) Not less than three nor more than 14 days prior to any special meeting,
23 at least one public hearing shall be held by the board at which time the issues

1 under consideration shall be presented and comments received. Notice of such
2 public hearing shall include the publication of a warning in a newspaper of
3 general circulation in the district at least once a week, on the same day of the
4 week, for three consecutive weeks, the last publication not less than five nor
5 more than 10 days before the public hearing. Such notice may be included in
6 the warning called for in subsection (d) of this section.

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

14 (e) The original warning of any special meeting of the district shall be
15 signed by a majority of the board and shall be filed with the clerk before being
16 posted.

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

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

1 (h) All legal voters of the district members shall be legal voters of the
2 district. The district members shall post and revise checklists in the same
3 manner as for municipal meetings prior to any district meeting at which there
4 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 district, unless within 30 days of the date of
13 such resolution there is filed with the clerk of the district a request to call a
14 special district meeting under this section to consider a proposition to rescind
15 such resolution.

16 § 3084. WITHDRAWAL OF A MEMBER MUNICIPALITY

17 A district member may withdraw from the district upon the terms and
18 conditions specified below:

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

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

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

21 § 3085. ADMISSION OF DISTRICT MEMBERS

22 The board may authorize the inclusion of additional district members in the
23 communications union district upon such terms and conditions as it in its sole

1 discretion shall deem to be fair, reasonable, and in the best interests of the
2 district. The legislative body of any nonmember municipality which desires to
3 be admitted to the district shall make application for admission to the board.
4 The board shall determine the financial, economic, governance, and
5 operational effects that are likely to occur if such municipality is admitted and
6 thereafter either grant or deny authority for admission of the petitioning
7 municipality. If the board grants such authority, it shall also specify any terms
8 and conditions, including financial obligations, upon which such admission is
9 predicated. Upon resolution of the board, such applicant municipality shall
10 become and thereafter be a district member.

11 § 3086. DISSOLUTION

12 (a) If the board by resolution approved by two-thirds of all the votes
13 entitled to be cast determines that it is in the best interests of the public, the
14 district members, and the district that the communications union district be
15 dissolved, and if the district then has no outstanding obligations under pledges
16 of communications plant net revenue, long-term contracts, or contracts subject
17 to annual appropriation, or will have no such debt or obligation upon
18 completion of the plan of dissolution, it shall prepare a plan of dissolution and
19 thereafter adopt a resolution directing that the question of such dissolution and
20 the plan of dissolution be submitted to the voters of the district at a special
21 meeting thereof duly warned for such purpose. If a majority of the voters of
22 the district present and voting at such special meeting shall vote to dissolve the
23 district and approve the plan of dissolution, the district shall cease to conduct

1 its affairs except insofar as may be necessary for the winding up thereof. The
2 board shall immediately cause a notice of the proposed dissolution to be
3 mailed to each known creditor of the district and to the Secretary of State and
4 shall proceed to collect the assets of the district and apply and distribute them
5 in accordance with the plan of dissolution.

6 (b) The plan of dissolution shall:

7 (1) identify and value all unencumbered assets;

8 (2) identify and value all encumbered assets;

9 (3) identify all creditors and the nature or amount of all liabilities and
10 obligations;

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

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

16 (6) specify the nature and amount of any liabilities or obligations to be
17 assumed and paid by the district members;

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

20 (8) specify that any assets remaining after payment of all liabilities shall
21 be apportioned and distributed among the district members according to a
22 formula based upon population.

1 (c) When the plan of dissolution has been implemented, the board shall
2 adopt a resolution certifying that fact to the district members whereupon the
3 district shall be terminated, and notice thereof shall be delivered to the
4 Secretary of the Senate and the Clerk of the House of Representatives in
5 anticipation of confirmation of dissolution by the General Assembly.

6 **Sec. 21. EAST CENTRAL VERMONT TELECOMMUNICATIONS**

7 **DISTRICT**

8 The East Central Vermont Telecommunications District approved by the
9 voters of the Towns of Norwich, Randolph, Sharon, Strafford, and Woodstock
10 on March 3, 2015, qualifies as a communications union district under
11 30 V.S.A. chapter 82, if so approved by the legislative body of each
12 municipality after enactment of such chapter 82.

13 * * * VEDA Loans to Communications union districts * * *

14 Sec. 22. 10 V.S.A. § 212 is amended to read:

15 § 212. DEFINITIONS

16 As used in this chapter:

17 * * *

18 (6) “Eligible facility” or “eligible project” means any industrial,
19 commercial, or agricultural enterprise or endeavor approved by the authority
20 that meets the criteria established in the Vermont Sustainable Jobs Strategy
21 adopted by the Governor under section 280b of this title, including land and
22 rights in land, air, or water, buildings, structures, machinery, and equipment of
23 such eligible facilities or eligible projects, except that an eligible facility or

1 project shall not include the portion of an enterprise or endeavor relating to the
2 sale of goods at retail where such goods are manufactured primarily out of
3 state, and except further that an eligible facility or project shall not include the
4 portion of an enterprise or endeavor relating to housing. Such enterprises or
5 endeavors may include:

6 * * *

7 (N) industrial park planning, development, or improvement; ~~or~~
8 (O) for purposes of subchapter 5 of this chapter, a
9 telecommunications plant, as defined in 24 V.S.A. § 1911(2), owned by a
10 municipality individually or in concert with one or more other municipalities
11 as a communications union district established under 30 V.S.A. chapter 82; or

12 (P) any combination of the foregoing activities, uses, or purposes.

13 An eligible facility may include structures, appurtenances incidental to the
14 foregoing such as utility lines, storage accommodations, offices, dependent
15 care facilities, or transportation facilities.

16 * * *

17 Sec. 23. 10 V.S.A. § 261 is amended to read:

18 § 261. ADDITIONAL POWERS

19 In addition to powers enumerated elsewhere in this chapter, the

20 Authority may:

21 (1) make loans secured by mortgages, which may be subordinate to one
22 or more prior mortgages, upon application by the proposed mortgagor, who
23 may be a private corporation, partnership ~~or~~, person, or municipality financing

1 an eligible project described in subdivision 212(6) of this title, upon such terms
2 as the Authority may prescribe, for the purpose of financing the establishment
3 or expansion of eligible facilities. Such loans shall be made from the Vermont
4 Jobs Fund established under subchapter 3 of this chapter. The Authority may
5 provide for the repayment and redeposit of such loans in the manner provided
6 hereinafter.

7 * * *

8 Sec. 24. 10 V.S.A. § 262 is amended to read:

9 § 262. FINDINGS

10 Before making any loan, the Authority shall receive from an applicant a
11 loan application in such form as the Authority may by regulation prescribe, and
12 the Authority, or the Authority's loan officer pursuant to the provisions of
13 subdivision 216(15) of this title, shall determine and incorporate findings in its
14 minutes that:

15 * * *

16 (5) The principal obligation of the Authority's mortgage does not
17 exceed \$1,500,000.00 which may be secured by land and buildings or by
18 machinery and equipment, or both; unless:

19 (A) an integral element of the project consists of the generation of
20 heat or electricity employing biomass, geothermal, methane, solar, or wind
21 energy resources to be primarily consumed at the project, in which case the
22 principal obligation of the Authority's mortgage does not exceed
23 \$2,000,000.00, which may be secured by land and by buildings, or machinery

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

5 (B) a single loan for which the principal amount of the Authority's
6 mortgage does not exceed \$3,000,000.00 for an eligible facility consisting of a
7 municipal telecommunications plant, as defined in 24 V.S.A. § 1911(2); or

8 * * *

9 Sec. 25. 10 V.S.A. § 263 is amended to read:

10 § 263. MORTGAGE LOAN; LIMITATIONS

11 * * *

12 (b) Any loan of the ~~authority~~ Authority under this subchapter shall be for a
13 period of time and shall bear interest at such rate as determined by the
14 ~~authority~~ Authority and shall be secured by a mortgage on the eligible facility
15 for which the loan was made or upon the assets of a municipal communications
16 plant, including the net revenues derived from the operation thereof, or both.

17 The mortgage may be subordinate to one or more prior mortgages, including
18 the mortgage securing the obligation issued to secure the commitment of funds
19 from the independent and responsible sources and used in the financing of the
20 economic development project. Monies loaned by the authority shall be
21 withdrawn from the Vermont jobs fund fund and paid over to the mortgagor in
22 such manner as provided and prescribed by the rules and regulations of the

1 authority. All payments of principal and interest on the loans shall be
2 deposited by the authority in the Vermont jobs fund.

3 * * *

4 (h) All actions of a municipality taken under this subchapter for the
5 financing of an eligible project described in subsection 212(b) shall be as
6 authorized in § 245 of this title.

7 (i) The provisions of § 247 of this title shall apply to the financing of an
8 eligible project described in subdivision 216(6) of this title.

9

10

11 Effective on passage.