

1 TO THE HOUSE OF REPRESENTATIVES:

2 The Committee on Commerce and Economic Development to which was  
3 referred House Bill No. 785 entitled “An act relating to housing and  
4 affordability” respectfully reports that it has considered the same and  
5 recommends that the bill be amended by striking out all after the enacting  
6 clause and inserting in lieu thereof the following:

7 Sec. 1. 24 V.S.A. § 4752 is amended to read:

8 § 4752. DEFINITIONS

9 As used in this chapter:

10 \* \* \*

11 (13) “Potable water supply facilities” ~~means municipal water sources,~~  
12 ~~water treatment plants, structures, pipe lines, storage facilities, pumps, and~~  
13 ~~attendant facilities necessary to develop a source of water and to treat and~~  
14 ~~convey it in proper quantity and quality for public use within a municipality~~  
15 has the same meaning as in 10 V.S.A. § 1972.

16 \* \* \*

17 (17) “Designer” means a person authorized to design wastewater  
18 systems and potable water supplies as identified in 10 V.S.A. § 1975.

19 Sec. 2. 24 V.S.A. § 4753 is amended to read:

20 § 4753. REVOLVING LOAN FUNDS; AUTHORITY TO SPEND; REPORT

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

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\* \* \*

(10) The Vermont Wastewater and Potable Water Revolving Loan Fund, which shall be used to provide loans to individuals, in accordance with section 4763b of this title, for the design and construction of repairs to or replacement of wastewater systems and potable water supplies when the wastewater system or potable water supply is a failed system or supply as defined in 10 V.S.A. § 1972, or when a designer demonstrates that the wastewater system or potable water supply has a high probability of failing. The amount of up to \$275,000.00 from the fees collected pursuant to 3 V.S.A. § 2822(j)(4) shall be deposited ~~on an annual basis~~ into this Fund at the beginning of each fiscal year to ensure a minimum balance of available funds of \$275,000.00 exists for each fiscal year.

\* \* \*

Sec. 3. 24 V.S.A. § 4763b is amended to read:

§ 4763b. LOANS TO INDIVIDUALS FOR FAILED WASTEWATER SYSTEMS AND FAILED POTABLE WATER SUPPLIES

(a) Notwithstanding any other provision of law, when the wastewater system or potable water supply serving only ~~one single family residence on its own lot~~ single-family and multifamily residences either meets the definition of a failed supply or system in 10 V.S.A. § 1972 or is demonstrated by a designer to have a high probability of failing, the Secretary of Natural Resources may

1 lend monies to ~~the owner of the residence~~ an owner of one or more of the  
2 residences from the Vermont Wastewater and Potable Water Revolving Loan  
3 Fund established in section 4753 of this title. In such cases, the following  
4 conditions shall apply:

5 (1) ~~loans a loan~~ may only be made to ~~households with an~~ owner with a  
6 household income equal to or less than 200 percent of the State average  
7 median household income;

8 (2) ~~loans a loan~~ may only be made to ~~households where the recipient of~~  
9 ~~the loan resides in the residence~~ an owner who resides in one of the residences  
10 served by the failed supply or system on a year-round basis;

11 (3) ~~loans a loan~~ may only be made ~~if the owner of the residence~~ to an  
12 owner who has been denied financing for the repair, replacement, or  
13 construction due to involuntary disconnection by at least one other financing  
14 entity;

15 (4) when the failed supply or system also serves residences owned by  
16 persons other than the loan applicant, a loan may only be made for an equitable  
17 share of the cost to repair or replace the failed supply or system that is  
18 determined through agreement of all of the owners of residences served by the  
19 failed system or supply;

1           (5) no construction loan shall be made to an individual under this  
2 subsection, nor shall any part of any revolving loan made under this subsection  
3 be expended, until all of the following take place:

4                   (A) the Secretary of Natural Resources determines that if a  
5 wastewater system and potable water supply permit is necessary for the design  
6 and construction of the project to be financed by the loan, the permit has been  
7 issued to the owner of the failed system or supply; and

8                   (B) the individual applying for the loan certifies to the Secretary of  
9 Natural Resources that the proposed project has secured all State and federal  
10 permits, licenses, and approvals necessary to construct and operate the project  
11 to be financed by the loan;

12           ~~(5)~~(6) all funds from the repayment of loans made under this section  
13 shall be deposited into the Vermont Wastewater and Potable Water Revolving  
14 Loan Fund.

15           (b) The Secretary of Natural Resources shall establish standards, policies,  
16 and procedures as necessary for the implementation of this section. The  
17 Secretary may establish criteria to extend the payment period of a loan or to  
18 waive all or a portion of the loan amount.

19   Sec. 4. EFFECTIVE DATE

20           This act shall take effect upon passage.

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3 (Committee vote: \_\_\_\_\_)

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Representative \_\_\_\_\_

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FOR THE COMMITTEE