

State of Vermont

VHCB Housing Bond Legislation

1 Sec. __. APPROPRIATION OF PROPERTY TRANSFER TAX FOR HOUSING BOND

2 PURPOSES AND AUTHORIZATION OF BONDS

3 (a) 32 V.S.A. § 9610(d) is added to read:

4 (d) Prior to distributions of property transfer tax revenues under 10 V.S.A. § 312, 24 V.S.A. §
5 4306(a), 32 V.S.A. § 435(b)(10) and 32 V.S.A. § 9610(c), \$2.5 million of the revenues received
6 from the property transfer tax shall be transferred to the Vermont Housing Finance Agency to
7 pay the principal of and interest due on the bonds, notes and other obligations authorized to be
8 issued by the Vermont Housing Finance Agency pursuant to 10 V.S.A. § 621(22), the proceeds
9 of which are for use by the Vermont Housing and Conservation Board in accordance with 10
10 V.S.A. chapter 15. So long as such bonds, notes and other obligations remain outstanding, the
11 rate of tax imposed in accordance with 32 V.S.A. § 9602 shall not be reduced below a rate
12 estimated, at the time of any reduction, to generate annual revenues of at least \$12 million.
13 Subsection (d) effective July 1, 2017 until July 1, 2038.

14 (b) 10 V.S.A § 621(22) is added to read:

15 (22) issue bonds, notes and other obligations secured by the property transfer tax revenues
16 transferred to the Agency pursuant to 32 V.S.A. § 9610(d).

17 (c) 10 V.S.A. § 631(l) is added to read:

1 (l) The bonds, notes and other obligations authorized to be issued pursuant to section 621(22) of
2 this title shall be secured by a pledge of the property transfer tax revenues to be transferred to the
3 Agency in accordance with 32 V.S.A. § 9610(d) and shall mature no later than June 30, 2038.
4 Such bonds, notes and other obligations may be issued in one or more series at one time or from
5 time to time, provided that the aggregate annual debt service on such bonds, notes and other
6 obligations shall at no time exceed \$2.5 million. The proceeds of such bonds, notes and other
7 obligations (net of any issuance fees and costs and required reserves) shall be deposited in the
8 Vermont Housing and Conservation Trust Fund established pursuant to 10 V.S.A. § 312 and
9 used by the Vermont Housing and Conservation Board for the purposes set forth in 10 V.S.A.
10 chapter 15. The Agency, the Vermont Housing and Conservation Board and the State Treasurer
11 are authorized to enter into such agreement or agreements as they deem necessary or desirable
12 for the purpose of setting forth the terms and conditions under which the property transfer tax
13 revenues that secure such bonds will be transferred to the Agency and such other matters as they
14 may determine.

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17 EXPLANATION: Requires that the first \$2.5 million of PTT revenue be used to repay bonds,
18 notes and other obligations to be issued by VHFA for 20 years. The net proceeds of the bonds
19 will be deposited into the Vermont Housing and Conservation Trust Fund.

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