

1 TO THE HOUSE OF REPRESENTATIVES:

2 The Committee on Corrections and Institutions to which was referred  
3 House Bill No. 552 entitled “An act relating to Vermont Environmental  
4 Protection Agency (EPA) Pollution Control Revolving Fund” respectfully  
5 reports that it has considered the same and recommends that the bill be  
6 amended by striking out all after the enacting clause and inserting in lieu  
7 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 (1) The Vermont Environmental Protection Agency (EPA) Pollution  
12 Control Revolving Fund, which shall be used, consistent with federal law, to  
13 provide loans for planning and construction of clean water projects, including  
14 acquisitions of project-related easements, land, options to purchase land, and  
15 temporary or permanent rights-of-way, and for implementing related  
16 management programs.

17 \* \* \*

18 (b)(1) Each of such funds shall be established and held separate and apart  
19 from any other funds or monies of the State and shall be used and administered  
20 exclusively for the purpose of this chapter with the exception of transferring  
21 funds from the Vermont Drinking Water Planning Loan Fund and the Vermont

1 Drinking Water Source Protection Fund to the Vermont Environmental  
2 Protection Agency (EPA) Drinking Water State Revolving Fund, and from the  
3 Vermont Pollution Control Revolving Fund to the Vermont Environmental  
4 Protection Agency (EPA) Pollution Control Revolving Fund, when authorized  
5 by the Secretary.

6 (2) These funds shall be administered by the Bond Bank on behalf of the  
7 State, except that:

8 (A) the Vermont EPA Drinking Water State Revolving Fund shall be  
9 administered by VEDA concerning loans to privately owned public water  
10 systems ~~under subdivisions (a)(3) and (5) of this section~~ in accordance with  
11 subchapter 3 of this chapter;

12 (B) the Vermont Environmental Protection Agency (EPA) Pollution  
13 Control Revolving Fund shall be administered by VEDA concerning loans to  
14 private entities for clean water projects in accordance with subchapter 4 of this  
15 chapter; and

16 (C) the Vermont Wastewater and Potable Water Revolving Loan  
17 Fund may be administered by a community development financial institution,  
18 as that term is defined in 12 U.S.C. § 4702, that is contracted with by the State  
19 for the purpose of providing loans to individuals for failed wastewater systems  
20 and potable water supplies ~~under subdivision (a)(10) of this section~~ in  
21 accordance with section 4763b of this chapter.

1           (3) The funds shall be invested in the same manner as permitted for  
2 investment of funds belonging to the State or held in the Treasury.

3           (4) The funds shall consist of the following:

4           (1)(A) such sums as may be appropriated or transferred thereto from  
5 time to time by the General Assembly, the State Emergency Board, or the Joint  
6 Fiscal Committee during such times as the General Assembly is not in session;

7           (2)(B) principal and interest received from the repayment of loans made  
8 from each of such funds;

9           (3)(C) capitalization grants and awards made to the State by the United  
10 States of America for any of the purposes for which such funds have been  
11 established;

12           (4)(D) interest earned from the investment of fund balances;

13           (5)(E) private gifts, bequests, and donations made to the State for any of  
14 the purposes for which such funds have been established; and

15           (6)(F) other funds from any public or private source intended for use for  
16 any of the purposes for which such funds have been established.

17   \* \* \*

18           Sec. 2. 24 V.S.A. § 4755 is amended to read:

19           § 4755. LOAN; LOAN AGREEMENTS; GENERAL PROVISIONS

20           (a) Except as provided by subsection (c) of this section, the Bond Bank  
21 may make loans to a municipality on behalf of the State for one or more of the

1 purposes set forth in section 4754 of this chapter. Each of the loans shall be  
2 made subject to the following conditions and limitations:

3 \* \* \*

4 (4) Notwithstanding any other provisions of law, municipal legislative  
5 bodies may execute notes and incur debt on behalf of municipalities:

6 (A) with voter approval at a duly warned meeting, for amounts less  
7 than \$75,000.00;

8 (B) by increasing previously approved bond authorizations by up to  
9 \$75,000.00 to cover unanticipated project costs or the cost of directly and  
10 functionally related enhancements; ~~or~~

11 (C) without voter approval for a natural resources project under the  
12 sponsorship program, as defined in section 4752 of this title, provided that:

13 (i) the amount of the debt incurred does not exceed an amount to  
14 be forgiven or cancelled upon the completion of the project; and

15 (ii) the municipality obtains voter approval for the paired water  
16 pollution abatement and control facilities project under the sponsorship  
17 program, pursuant to the requirements set forth in chapter 53 of this title; or

18 (D) without voter approval for municipal clean water and public  
19 water supply system projects receiving loan forgiveness, provided that the  
20 amount of debt incurred does not exceed the amount to be forgiven or  
21 cancelled upon completion of the project.

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

§ 4763c. LOANS TO MUNICIPALITIES FOR MUNICIPAL PUBLIC  
WATER SUPPLY SYSTEMS

(a) The Secretary may certify to the Vermont Municipal Bond Bank established by section 4571 of this title the award of a loan to a municipality to assist with a public water supply system project, when the Secretary finds that:

\* \* \*

(b) The certification by the Secretary shall specify the interest rate, and indicate which of the following loan conditions concerning construction loans apply:

(1) The term shall not exceed 30 years, and the annual interest rate, plus the administrative fee, shall be ~~no~~ not more than three percent or less than zero percent, except that when the applicant municipality is disadvantaged as defined by subdivision 4752(12)(A) of this title, the term shall not exceed 40 years. When the applicant municipality is disadvantaged as defined in subdivision 4752(12), the annual interest rate, plus the administrative fee, shall be ~~no~~ not less than minus three percent.

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Sec. 4. 24 V.S.A. § 4765 is amended to read:

§ 4765. APPLICATION FOR LOANS TO MUNICIPALITIES

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Sec. 5. 24 V.S.A. § 4771 is amended to read:

§ 4771. CONDITIONS OF LOAN AGREEMENT

(a) VEDA may make loans to applicants on behalf of the State for one or more of the purposes set forth in subsection 4770(b) of this title. Each such loan shall be made subject to the following conditions:

(1) The loan shall be evidenced by a note payable over a term not to exceed ~~20~~ 30 years. Repayment shall commence ~~no~~ not later than one year after completion of the project for which loan funds have been applied.

\* \* \*

(5)(A) Notwithstanding subdivision (4) of this subsection, a privately owned nonprofit community type system may qualify for a ~~30-year~~ 40-year loan term at an interest rate, plus administrative fee, to be established by the Secretary of Natural Resources that shall be ~~no~~ not more than three percent or less than minus three percent, provided that the applicant system meets the income level and annual household user cost requirements of a disadvantaged municipality as defined in ~~10 V.S.A. § 1571(9)(A)~~ subdivision 4752(12)(A) of this title, and at least 80 percent of the residential units served by the water system is continuously occupied by local residents and at least 80 percent of the water produced is for residential use.

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1       Sec. 6. EFFECTIVE DATE

2           This act shall take effect on passage.

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10           (Committee vote: \_\_\_\_\_)

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Representative \_\_\_\_\_

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FOR THE COMMITTEE