

1       **Proposal from Senator Pearson Concerning Notification of CUD Default**

2       Sec. Y. 30 V.S.A. § 8086(h) is added to read:

3           (h)(1) The Board shall require a communications union district that  
4       borrowes funds for the purpose of financing a broadband project to immediately  
5       provide written notice to the Board in the event the communications union  
6       district becomes aware that it is at risk of defaulting on the payment of  
7       principal or interest on a loan when due. The Board, in turn, shall promptly  
8       provide written notice to the General Assembly, or to the Joint Fiscal  
9       Committee if the General Assembly is not in session, of such risk of default  
10       and shall include in its notification a description of any potential ramifications  
11       of the default under the terms and conditions of the applicable loan.

12           (2) If a communications union district defaults on the payment of principal  
13       or interest on a loan secured by grant-funded network assets, such assets may  
14       not be transferred or sold for a period of 180 calendar days commencing on the  
15       day the loan became past due.