

Sec. X. 32 V.S.A. § 1001b is added to read:

§ 1001b. CAPITAL EXPENDITURE CASH FUND

(a) Creation. There is hereby created the Capital Expenditure Cash Fund to be administered by the Commissioner of Finance and Management, in consultation with the State Treasurer, for the purpose of using general funds to defray the costs of future capital expenditures that would otherwise be paid for using the State's general obligation bonding authority and debt service obligations.

(b) Fund. The Fund may consist of:

(1) any appropriations or transfers made by the General Assembly; and

(2) any interest earned by the Fund.

(c) Use of funds. Monies in the Fund shall only be used for:

(1) costs associated with a proposed capital project that occur prior to the construction phase of that project, including feasibility, planning, design, and engineering and architectural costs;

(2) projects with an anticipated lifespan of less than 20 years;

(3) costs associated with the early redemption of general obligation bonds; and

(4) other eligible capital projects receiving an appropriation from the General Assembly.

(d) Fund balance. All balances in the Fund at the end of any fiscal year shall be carried forward and remain part of the Fund.

(e) Early redemption transfer. If any expenditures are made from the Fund or the General Assembly appropriates general funds to pay for the early redemption of general

obligation bonds pursuant to subdivision (b)(3) of this section, then an amount equal to the reduction in debt service required in any fiscal year resulting from that redemption shall be transferred to the Fund.

Sec. Y. CAPITAL EXPENDITURE CASH FUND; STUDY; REPORT

(a) The Commissioner of Finance and Management, in consultation with the Joint Fiscal Office and the State Treasurer, shall study and make recommendations on:

(1) a dedicated revenue source or State fiscal capacity to fund the Capital Expenditure Cash Fund; and

(2) For any revenue source or State fiscal capacity identified in subdivision (1) of this subsection, an analysis of the benefits and costs of dedicating this revenue source to the Capital Expenditure Cash Fund in comparison to other identified unfunded State fiscal pressures.

(b) On or before December 15, 2022, the Commissioner of Finance and Management shall submit a report on the study described in subsection (a) of this section to the House Committees on Appropriations and on Corrections and Institutions and the Senate Committees on Appropriations and on Institutions.

**Sec. C.102.1.** 2022 Acts and Resolves No. 83, Sec. 53 (b) (5) is amended to read:

Sec. 53. FISCAL YEAR 2022 UNALLOCATED RESERVE

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(b) After meeting the requirements of subsection (a) of this section, but prior to satisfying the requirements of 32 V.S.A. § 308c, the remaining unreserved and undesignated funds at the close of fiscal year 2022 shall be allocated as follows:

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(5) \$25,000,000 is ~~reserved and~~ carried forward into fiscal year 2023 to improve the debt position of the State and shall be and allocated as follows. ~~This may include the redemption of general obligation bonds, reducing the amount of new debt to be issued or to address negative internal fund balances.:~~

(1) \$5,000,000 shall be transferred to the Property Management Fund (58700) established by 29 V.S.A. § 160.

(2) \$20,000,000 shall be appropriated to the State Treasurer and used for redeeming State of Vermont general obligation bonds prior to maturity. In fiscal year 2024, to the extent bonds are redeemed, an amount equal to the reduction in payments for debt service required resulting from any redemption shall be reserved in the Cash Expenditure Cash Fund, as established in 32 V.S.A. § 1001b.