

**Proposed Amendment to H.117 (Secs. 20 – 25, only)**

*May 5, 2015 – 10:10 AM*

\* \* \* Telecommunications Union Districts \* \* \*

Sec. 20. 30 V.S.A. chapter 82 is added to read:

CHAPTER 82. TELECOMMUNICATIONS UNION DISTRICTS

§ 3051. FORMATION

(a) Two or more towns and cities may elect to form a union district for the delivery of communications services and the operation of communications plants, which union district shall be a body politic and corporate.

(b) A town or city electing to form a union district under this chapter shall submit to the eligible voters of such municipality a proposition in substantially the following form: “Shall the Town of \_\_\_\_\_ enter into a telecommunications union district to be known as \_\_\_\_\_, under the provisions of Chapter 82 of Title 30, Vermont Statutes Annotated?” at an annual or special meeting of such town or city.

(c) Additional towns or cities may be admitted to the union district in the manner provided in section 3085 of this chapter.

§ 3052. COMPOSITION

A union district formed under this chapter shall be composed of and include all of the lands and residents within those towns and cities electing the provisions of this chapter, and such other towns and cities as are subsequently admitted to the union district as provided in this chapter except for those towns

1 and cities that may withdraw as provided in this chapter. Registered voters in  
2 each member municipality shall be eligible to vote in all union district  
3 meetings.

4 § 3053. CREATION; DURATION; NONCONTESTABILITY

5 (a) Following the organizational meeting called for in section 3060 of this  
6 chapter, the governing board shall cause to be filed with the Office of the  
7 Secretary of State a certificate attesting to the vote conducted under subsection  
8 3051(b) of this chapter.

9 (b) A union district formed under this chapter shall continue as a body  
10 politic and corporate unless and until dissolved according to the procedures set  
11 forth in this chapter.

12 (c) No action shall be brought directly or indirectly challenging,  
13 questioning, or in any manner contesting the legality of the formation, or the  
14 existence as a body corporate and politic of any telecommunications union  
15 district created under this chapter after six months from the date of the  
16 recording in the Office of the Secretary of State of the certificate required by  
17 subsection 3053(a) of this chapter; nor shall any action be brought directly or  
18 indirectly challenging, questioning, or in any manner contesting the legality or  
19 validity of obligations or long-term contracts or other contracts, to defray costs  
20 of communication plant improvements approved by the district governing  
21 board, after six months from the date upon which the district governing board  
22 voted affirmatively to issue obligations or to enter into long-term contracts or  
23 other contracts to defray costs of communications plant improvements. This

1 section shall be liberally construed to effect the legislative purpose to validate  
2 and make certain the legal existence of all telecommunications union districts  
3 in this State and the validity of obligations, long-term contracts, and other  
4 contracts by such district, and to bar every remedy therefor notwithstanding  
5 any defects or irregularities, jurisdictional or otherwise, after expiration of the  
6 six-month period.

7 § 3054. POWERS

8 (a) In addition to the powers enumerated in 24 V.S.A. § 4866, and, subject  
9 to the limitations and restrictions set forth in section 3056 of this chapter, a  
10 telecommunications union district created under this chapter shall have the  
11 power to:

12 (1) operate, cause to be operated, or contract for the construction,  
13 ownership, management, financing, and operation of any and all  
14 communications plants for the delivery of communications services, as  
15 provided in 24 V.S.A. chapter 54, and all enactments supplementary and  
16 amendatory thereto;

17 (2) purchase, sell, lease, own, acquire, convey, mortgage, improve, and  
18 use real and personal property in connection with its purpose;

19 (3) hire and fix the compensation and terms of employment of  
20 employees;

21 (4) sue and be sued;

22 (5) enter into contracts for any term or duration;

1           (6) contract with architects, engineers, financial and legal consultants,  
2 and others for professional services;

3           (7) contract with individuals, corporations, associations, authorities, and  
4 agencies for services and property, including the assumption of the liabilities  
5 and assets thereof;

6           (8) provide communications services for its member municipalities, the  
7 inhabitants thereof, and the businesses therein, and for such others as its  
8 facilities and obligations may allow;

9           (9) contract with the State of Vermont, the United States of America, or  
10 any subdivision or agency thereof for services, assistance, and joint ventures;

11           (10) contract with any municipality for the services of any officers or  
12 employees of that municipality useful to it;

13           (11) promote cooperative arrangements and coordinated action among  
14 its members and other public and private entities;

15           (12) make recommendations for review and action to its members and  
16 other public agencies which perform functions within the region in which its  
17 members are located;

18           (13) exercise any other powers which are necessary or desirable for  
19 dealing with telecommunications matters of mutual concern and that are  
20 exercised or are capable of exercise by any of its members;

21           (14) enter into financing agreements as provided by 24 V.S.A. § 1789  
22 and chapter 53, subchapter 2, or other provisions of law authorizing the pledge

1 of net revenue, or alternative means of financing capital improvements and  
2 operations;

3 (15) establish a budget to provide for the funding thereof out of general  
4 revenue;

5 (16) appropriate and expend monies;

6 (17) establish sinking and reserve funds for retiring and securing its  
7 obligations;

8 (18) establish capital reserve funds and make appropriations thereto for  
9 public improvements and the financing thereof;

10 (19) enact and enforce any and all necessary or desirable regulations for  
11 the orderly conduct of its affairs for carrying out its purpose and for protection  
12 of its property;

13 (20) solicit, accept, and administer gifts, grants, and bequests in trust or  
14 otherwise for its purpose;

15 (21) exercise all powers incident to a public corporation;

16 (22) adopt a name under which it shall be known and shall conduct  
17 business; and

18 (23) establish an effective date of its creation.

19 (b) Before a telecommunications union district may sell any service using a  
20 communications plant subject to Public Service Board jurisdiction and for  
21 which a certificate of public good is required under 30 V.S.A. chapter 5 or 13,  
22 it shall obtain a certificate of public good for such service. Each such  
23 certificate of public good shall be nonexclusive and shall not contain terms or

1 conditions more favorable than those imposed on existing certificate holders  
2 authorized to serve the municipality.

3 § 3055. COMMUNICATIONS PLANTS

4 Each member municipality shall make available for lease to the union  
5 district one or more sites for communications plants or components thereof  
6 within such member municipality.

7 § 3056. LIMITATIONS

8 (a) Notwithstanding any grant of authority in this chapter to the contrary, a  
9 union district created under this chapter shall not exercise any power,  
10 authority, or prerogative in contravention of any general law restricting,  
11 limiting, or proscribing the direct or indirect use of any taxing or assessment  
12 power to support or subsidize the ownership or operation of a communications  
13 plant.

14 (b) Notwithstanding any grant of authority in this chapter to the contrary, a  
15 union district created under this chapter shall not have the power to levy,  
16 assess, apportion, or collect any tax upon property within the union district, nor  
17 upon any of its constituent members, without specific authorization of the  
18 General Assembly.

19 § 3057. AUTHORITY

20 The legislative power and authority of a union district created under this  
21 chapter and the administration and the general supervision of all fiscal,  
22 prudential, and governmental affairs thereof shall be vested in a legislative

1 branch known as the governing board, except as specifically provided  
2 otherwise in this chapter.

3 § 3058. GOVERNING BOARD; COMPOSITION

4 The union district governing board shall be composed of one representative  
5 from each member town and city and one or more alternates to serve in the  
6 absence of the designated representative.

7 § 3059. GOVERNING BOARD; APPOINTMENT

8 Annually on or before the last Monday in April commencing in the year  
9 following the effective date of the union district's creation, the legislative  
10 branch of each member town and city shall appoint its representative and one  
11 or more alternate members to the governing board. Appointments of  
12 representatives and alternates shall be in writing, signed by the chair of the  
13 legislative branch of the appointing town or city, and presented to the clerk of  
14 the union district. The legislative branch of a member town or city, by  
15 majority vote, may replace its appointed representative or alternate at any time  
16 and shall promptly notify the clerk of the union district of such replacement.

17 § 3060. ORGANIZATIONAL MEETING

18 Annually, on the second Tuesday in May following the appointments  
19 contemplated in section 3059 of this chapter, the governing board shall hold its  
20 organizational meeting. At such meeting, the governing board shall elect from  
21 among its appointed representatives a chair and a vice chair, each of whom  
22 shall hold office for one year and until his or her successor is duly elected and  
23 qualified.

1    § 3061. REGULAR MEETINGS

2       A schedule of regular meetings of the governing board shall be established  
3 at the organizational meeting.

4    § 3062. SPECIAL MEETINGS

5       Special meetings of the governing board may be called at any time by its  
6 chair or shall be called by the clerk upon written request of a majority of the  
7 members of the governing board. Except in case of an emergency, each  
8 member of the governing board shall be given at least 24 hours' notice of any  
9 special meeting of the governing board by notice in person, electronically, by  
10 telephone, or by written notice delivered personally, mailed, or left at such  
11 member's usual place of residence.

12   § 3063. QUORUM

13       For the purpose of transacting business, the presence of delegates or  
14 alternates representing more than 50 percent of member municipalities shall  
15 constitute a quorum. However, a smaller number may adjourn to another date.  
16 Any action adopted by a majority of the votes cast at a meeting of the  
17 governing board at which a quorum is present shall be the action of the  
18 governing board, except as otherwise provided in this chapter.

19   § 3064. VOTING

20       Each member municipality's delegation shall be entitled to cast one vote.

21   § 3065. TERM

22       Unless replaced in the manner provided in section 3059 of this chapter, all  
23 representatives to the governing board shall hold office until their successors

1 are duly appointed and qualified. Any representative or alternate may be  
2 reappointed to successive terms without limit.

3 § 3066. VACANCY

4 Any vacancy on the governing board shall be filled within 30 days after  
5 such vacancy occurs by appointment by the authority which appointed the  
6 representative or alternate whose position has become vacant. An appointee to  
7 a vacancy shall serve until the expiration of the term of the representative or  
8 alternate to whose position the appointment was made and may thereafter be  
9 reappointed.

10 § 3067. RULES OF PROCEDURE

11 Except as otherwise provided by law, or as may be agreed upon by the  
12 governing board, Robert's Rules of Order shall govern at all meetings.

13 § 3068. COMPENSATION OF MEMBERS

14 Each member municipality may reimburse its representatives to the  
15 governing board for expenses as it shall determine reasonable.

16 § 3069. OFFICERS; BOND

17 (a) The officers of the union district shall be the chair and the vice chair of  
18 the governing board, the clerk of the district, and the treasurer of the district.  
19 Prior to assuming their offices, officers may be required to post bond in such  
20 amounts as shall be determined by resolution of the governing board. The cost  
21 of such bond shall be borne by the union district.

22 (b) The chair of the governing board shall be the chief executive officer of  
23 the union district. The chair shall preside at all meetings of the governing

1 board and shall make and sign all contracts on behalf of the union district upon  
2 approval by the governing board. The chair shall perform all of the duties  
3 incident to the position and office.

4 (c) During the absence of or inability of the chair to render or perform his  
5 or her duties or exercise his or her powers, the same shall be performed and  
6 exercised by the vice chair, and when so acting the vice chair shall have all the  
7 powers and be subject to all the responsibilities hereby given to or imposed  
8 upon the chair.

9 (d) During the absence or inability of the vice chair to render or perform his  
10 or her duties or exercise his or her powers, the governing board shall elect from  
11 among its membership an acting vice chair who shall have the powers and be  
12 subject to all the responsibilities hereby given or imposed upon the vice chair.

13 (e) Upon the death, disability, resignation, or removal of the chair or vice  
14 chair, the governing board shall forthwith elect a successor to such vacant  
15 office until the next annual meeting.

16 § 3070. CLERK

17 The clerk of the union district shall be appointed by the governing board,  
18 and shall serve at its pleasure. The clerk shall have the exclusive charge and  
19 custody of the records of the union district and the seal of the union district.  
20 The clerk shall record all votes and proceedings of the union district, including  
21 meetings of the union district and meetings of the governing board, and shall  
22 prepare and cause to be posted and published all warnings of meetings of the  
23 union district. Following approval by the governing board, the clerk shall

1 cause the annual report to be distributed to the legislative branches of its  
2 member municipalities. The clerk shall prepare and distribute any other  
3 reports required by laws of the State and resolutions or regulations of the  
4 governing board. The clerk shall perform all of the duties and functions  
5 incident to the office of secretary or clerk of a body corporate.

6 § 3071. TREASURER

7 The treasurer of the union district shall be appointed by the governing  
8 board, and shall serve at its pleasure. The treasurer shall have the exclusive  
9 charge and custody of the funds of the union district and shall be the disbursing  
10 officer of the union district. When authorized by the governing board, the  
11 treasurer may sign, make, or endorse in the name of the union district all  
12 checks and orders for the payment of money and pay out and disburse the same  
13 and receipt therefor. The treasurer shall keep a record of every obligation  
14 issued and contract entered into by the union district and of every payment  
15 thereon. The treasurer shall keep correct books of account of all the business  
16 and transactions of the union district and such other books and accounts as the  
17 governing board may require. The treasurer shall render a statement of the  
18 condition of the finances of the union district at each regular meeting of the  
19 governing board and at such other times as shall be required of the treasurer.  
20 The treasurer shall prepare the annual financial statement and the budget of the  
21 union district for distribution, upon approval of the governing board, to the  
22 legislative bodies of the member municipalities. The treasurer shall do and  
23 perform all of the duties appertaining to the office of treasurer of a body politic

1 and corporate. Upon removal or the treasurer's termination from office by  
2 virtue of removal or resignation, the treasurer shall immediately pay over to the  
3 successor all of the funds belonging to the union district and at the same time  
4 deliver to the successor all official books and papers.

5 § 3072. RECORDS

6 The conduct of all meetings and public access thereto, and the maintaining  
7 of all records, books, and accounts of the union district shall be governed by  
8 the laws of this State relating to open meetings and accessibility of public  
9 records.

10 § 3073. AUDIT

11 Once the telecommunications union district becomes operational, the  
12 governing board shall cause an audit of the financial condition of the union  
13 district to be performed annually by an independent professional accounting  
14 firm.

15 § 3074. EXECUTIVE BOARD; COMMITTEES

16 The governing board shall have the authority to establish an executive  
17 committee and grant and delegate to it such powers as it may deem necessary.  
18 Members of the executive committee shall serve staggered terms. The  
19 governing board shall have the authority to establish any and all committees as  
20 it may deem necessary.

1 § 3075. COMPENSATION OF OFFICERS

2 Officers of the union district shall be paid such compensation or  
3 reimbursement of expenses, or both, as shall be determined by the governing  
4 board.

5 § 3076. RECALL OF OFFICERS

6 An officer may be removed by a two-thirds vote of the governing board  
7 whenever, in its judgment, the best interest of the union district will be served.

8 § 3077. FISCAL YEAR

9 The fiscal year of the union district shall commence on January 1 and end  
10 on December 31 of each year.

11 § 3078. BUDGET

12 (a) Annually on or before the 15th day of September, the governing board  
13 shall approve and cause to be distributed to the legislative branch of each  
14 member municipality for review and comment an annual report of its activities,  
15 together with a financial statement, a proposed budget of the union district for  
16 the next fiscal year, and a forecast presenting anticipated year-end results. The  
17 proposed budget shall include reasonably detailed estimates of:

18 (1) deficits and surpluses from prior fiscal years;

19 (2) anticipated expenditures for the administration of the union district;

20 (3) anticipated expenditures for the operation and maintenance of any  
21 union district communications plants;

22 (4) payments due on obligations, long-term contracts, leases, and  
23 financing agreements;

1           (5) payments due to any sinking funds for the retirement of union  
2 district obligations;  
3           (6) payments due to any capital or financing reserve funds;  
4           (7) anticipated revenues from all sources; and  
5           (8) such other estimates as the governing board shall deem necessary to  
6 propose.

7           (b) Coincident with a regular meeting thereof, the governing board shall  
8 hold a public hearing on or before the first day of October of each year to  
9 receive comments from the legislative branches of member municipalities and  
10 hear all other interested persons regarding the proposed budget. Notice of such  
11 hearing shall be given to the legislative branches of member municipalities at  
12 least 30 days prior to such public hearing. The governing board shall give  
13 consideration to all comments received and make such changes to the proposed  
14 budget as it deems advisable.

15           (c) Annually on or before December 1, the governing board shall adopt the  
16 budget, and appropriate the sums which it deems necessary to meet its  
17 obligations and operate and carry out the union district's functions for the next  
18 ensuing fiscal year.

19           (d) Actions or resolutions of the governing board for the annual  
20 appropriations of any year shall not cease to be operative at the end of the  
21 fiscal year for which they were adopted. Appropriations made by the  
22 governing board for the various estimates of the budget shall be expended only  
23 for such estimates, but by majority vote of the governing board the budget may

1 be amended from time to time to transfer funds between or among such  
2 estimates. Any balance left or unencumbered in any such budget estimate, or  
3 the amount of any deficit at the end of the fiscal year, shall be included in and  
4 paid out of the operating budget and appropriations in the next fiscal year. All  
5 such budget amendments shall be reported by the district treasurer to the  
6 legislative branches of each member municipality within 14 days of the end of  
7 the fiscal year.

8 (e) Financial statements and audit results shall be delivered to the  
9 legislative branches of each member municipality within 10 days of delivery to  
10 the governing board.

11 § 3079. INDEBTEDNESS

12 The governing board may borrow money through the issuance of notes of  
13 the telecommunications union district for the purpose of paying current  
14 expenses of the union district. Such notes must mature within one year, and  
15 may be refunded in the manner provided by law, and shall be payable solely  
16 from the union district's operating revenues. The governing board may borrow  
17 money in anticipation of the receipt of grants-in-aid from any source and any  
18 revenues. Such notes must mature within one year, but may be renewed as  
19 provided by general law.

20 § 3080. PLEDGE OF REVENUES

21 (a) When the governing board, at a regular or special meeting called for  
22 such purpose, shall determine by resolution passed by a vote of a majority of  
23 members present and voting that the public interest or necessity demands

1 communications plant improvements, or a long-term contract, and that the cost  
2 of the same will be too great to be paid out of the ordinary annual income and  
3 revenue, the governing board shall be authorized to pledge communications  
4 plant net revenues and enter into long-term contracts to provide for such  
5 improvements. A “long-term contract” means an agreement in which the  
6 union district incurs direct or conditional obligations for which the costs are  
7 too great to be paid out of the ordinary annual income and revenues of the  
8 union district, in the judgment of the governing board. “Long-term contract”  
9 includes an agreement authorized under 24 V.S.A. § 1789, wherein  
10 performance by the union district is conditioned upon periodic appropriations.  
11 The term “communications plant improvements” includes improvements that  
12 may be used for the benefit of the public, whether or not publicly owned or  
13 operated.

14 (b) The pledge of communications plant net revenues, and other obligations  
15 allowed by law, may be authorized for any purpose permitted by this chapter,  
16 24 V.S.A. chapter 53, subchapter 2, and chapter 54, or any other applicable  
17 statutes. Communications plants are declared to be projects within the  
18 meaning of 24 V.S.A. § 1821(4).

19 § 3081. SINKING AND RESERVE FUNDS

20 (a) The governing board may establish and provide for sinking and reserve  
21 funds, however denominated, for the retirement and security of pledges of  
22 communications plant net revenue, or for long-term contracts. When so  
23 established, such funds shall be kept intact and separate from other monies at

1 the disposal of the union district, and shall be accounted for as a pledged asset  
2 for the purpose of retiring or securing such obligations or contracts. The cost  
3 of payments to any sinking or reserve fund shall be included in the annual  
4 budget of the union district.

5 (b) The governing board shall establish and provide for a capital reserve  
6 fund to pay for communications plant improvements, replacement of worn out  
7 buildings and equipment, and planned and unplanned major repairs in  
8 furtherance of the purpose for which the union district was created. Any such  
9 capital reserve fund shall be kept in a separate account and invested as are  
10 other public funds and shall be expended for such purposes for which  
11 established. The cost of payments to any capital reserve fund shall be included  
12 in the annual budget of the union district.

13 § 3082. SERVICE FEES

14 The governing board may from time to time establish and adjust service,  
15 subscription, access, and utility fees for the purpose of generating revenues  
16 from the operation of its communications plants.

17 § 3083. SPECIAL MEETINGS

18 (a) The governing board may call a special meeting of the union district  
19 when it deems it necessary or prudent to do so and shall call a special meeting  
20 of the union district when action by the voters is necessary under this chapter.  
21 In addition, the governing board shall call a special meeting upon receipt of a  
22 petition signed by at least five percent of the registered voters within the  
23 district, request of at least 25 percent of member towns or cities evidenced by

1 formal resolutions of the legislative bodies thereof, or petitions signed by at  
2 least one percent of the registered voters of such town or city. The governing  
3 board may rescind the call of a special meeting called by it but not a special  
4 meeting called as provided in this subsection. The governing board may  
5 schedule the date of such special meetings to coincide with the date of annual  
6 municipal meetings, primary elections, general elections, or similar meetings  
7 when the electorate within the member municipalities will be voting on other  
8 matters.

9 (b) At any special meeting of the union district, voters of each member  
10 municipality shall cast their ballots at such polling places within the  
11 municipality of their residence as shall be determined by the governing board  
12 of the union district in cooperation within the boards of civil authority of each  
13 member municipality.

14 (c) Not less than three nor more than 14 days prior to any special meeting,  
15 at least one public hearing shall be held by the governing board at which time  
16 the issues under consideration shall be presented and comments received.  
17 Notice of such public hearing shall include the publication of a warning in a  
18 newspaper of general circulation in the union district at least once a week, on  
19 the same day of the week, for three consecutive weeks, the last publication not  
20 less than five nor more than 10 days before the public hearing. Such notice  
21 may be included in the warning called for in subsection (d) of this section.

22 (d) The governing board shall warn a special meeting by filing a notice  
23 with the clerk of each member municipality and by posting a notice in at least

1 five public places in each municipality in the union district not less than 30 nor  
2 more than 40 days before the meeting. In addition, the warning shall be  
3 published in a newspaper of general circulation in the union district once a  
4 week on the same day of the week for three consecutive weeks before the  
5 meeting, the last publication to be not less than five nor more than 10 days  
6 before the meeting.

7 (e) The original warning of any special meeting of the union district shall  
8 be signed by a majority of the governing board and shall be filed with the clerk  
9 before being posted.

10 (f) The posted and published warning notification shall include the date,  
11 time, place, and nature of the meeting. It shall, by separate articles,  
12 specifically indicate the business to be transacted and the questions to be  
13 voted upon.

14 (g) The Australian Ballot system shall be used at all special meetings of the  
15 union district when voting is to take place. Ballots shall be commingled and  
16 counted under the supervision of the district clerk.

17 (h) All legal voters of the member municipalities shall be legal voters of  
18 the union district. The member municipalities shall post and revise checklists  
19 in the same manner as for municipal meetings prior to any union district  
20 meeting at which there will be voting.

21 (i) At all special meetings the provisions of 17 V.S.A. chapter 51 regarding  
22 election officials, voting machines, polling places, absentee voting, process of  
23 voting, count and return of votes, validation, recounts and contest of elections,

1 reconsideration or rescission of vote, and jurisdiction of courts shall apply  
2 except where clearly inapplicable. The clerk shall perform the functions  
3 assigned to the Secretary of State under that chapter. **The Washington**  
4 Superior Court shall have jurisdiction over petitions for recounts. Election  
5 expenses shall be borne by the union district, unless within 30 days of the date  
6 of such resolution there is filed with the clerk of the union district a request to  
7 call a special district meeting under this section to consider a proposition to  
8 rescind such resolution.

9 § 3084. WITHDRAWAL OF A MEMBER MUNICIPALITY

10 A member municipality may withdraw from the union district upon the  
11 terms and conditions specified below:

12 (1) Prior to the union district pledging communications plant net  
13 revenues, or entering into a long-term contract, or contract subject to annual  
14 appropriation, a member municipality may vote to withdraw in the same  
15 manner as the vote for admission to the union district by such member  
16 municipality. If a majority of the voters of a member municipality present and  
17 voting at a meeting duly warned for such purpose shall vote to withdraw from  
18 the union district, the vote shall be certified by the clerk of that municipality  
19 and presented to the governing board. Thereafter, the governing board shall  
20 give notice to the remaining member municipalities of the vote to withdraw  
21 and shall hold a meeting to determine if it is in the best interest of the union  
22 district to continue to exist. Representatives of the member municipalities  
23 shall be given an opportunity to be heard at such meeting together with any

1 other interested persons. After such a meeting the governing board may  
2 declare the union district dissolved immediately or as soon thereafter as its  
3 financial obligations and of each member municipality on account thereof have  
4 been satisfied, or it may declare that the union district shall continue to exist  
5 despite the withdrawal of such member municipality. The membership of the  
6 withdrawing municipality shall terminate as soon after such vote to withdraw  
7 as any financial obligations of the withdrawing municipality have been paid to  
8 the union district.

9 (2) After the union district has pledged communications plant net  
10 revenues, or entered into a long-term contract or contract subject to annual  
11 appropriations, a member municipality may vote to withdraw in the same  
12 manner as the vote for admission to the union district by such member  
13 municipality. It shall be a condition that the withdrawing municipality shall  
14 enter into a written agreement with the union district whereby such  
15 withdrawing municipality shall be obligated to continue to pay its share of any  
16 contract obligations incurred by the union district for the remaining term of the  
17 contract term.

18 § 3085. ADMISSION OF MEMBERS

19 The governing board may authorize the inclusion of additional member  
20 municipalities in the union district upon such terms and conditions as it in its  
21 sole discretion shall deem to be fair, reasonable, and in the best interests of the  
22 union district. The legislative branch of any nonmember municipality which  
23 desires to be admitted to the union district shall make application for admission

1 to the governing board. The governing board shall determine the financial,  
2 economic, governance, and operational effects that are likely to occur if such  
3 municipality is admitted and shall thereafter either grant or deny authority for  
4 admission of the petitioning municipality. If the governing board grants such  
5 authority, it shall also specify any terms and conditions, including financial  
6 obligations upon which such admission is predicated. Upon resolution of the  
7 governing board, such applicant municipality shall become and thereafter be a  
8 member municipality of the union district.

9 § 3086. DISSOLUTION

10 (a) If the governing board by resolution approved by two-thirds of all the  
11 votes entitled to be cast determines that it is in the best interests of the public,  
12 the member municipalities, and the union district that the union district be  
13 dissolved, and if the union district then has no outstanding obligations under  
14 pledges of communications plant net revenue, long-term contracts, or contracts  
15 subject to annual appropriation, or will have no such debt or obligation upon  
16 completion of the plan of dissolution, it shall prepare a plan of dissolution and  
17 thereafter adopt a resolution directing that the question of such dissolution and  
18 the plan of dissolution be submitted to the voters of the union district at a  
19 special meeting thereof duly warned for such purpose. If a majority of the  
20 voters of the union district present and voting at such special meeting shall  
21 vote to dissolve the union district and approve the plan of dissolution, the  
22 union district shall cease to conduct its affairs except insofar as may be  
23 necessary for the winding up thereof. The governing board shall immediately

1 cause a notice of the proposed dissolution to be mailed to each known creditor  
2 of the union district and to the Secretary of State and shall proceed to collect  
3 the assets of the union district and apply and distribute them in accordance  
4 with the plan of dissolution.

5 (b) The plan of dissolution shall:

6 (1) identify and value all unencumbered assets;

7 (2) identify and value all encumbered assets;

8 (3) identify all creditors and the nature or amount of all liabilities and  
9 obligations;

10 (4) identify all obligations under long-term contracts and contracts  
11 subject to annual appropriation;

12 (5) specify the means by which assets of the union district shall be  
13 liquidated and all liabilities and obligations shall be paid and discharged, or  
14 adequate provision shall be made for the satisfaction thereof;

15 (6) specify the nature and amount of any liabilities or obligations to be  
16 assumed and paid by the member municipalities;

17 (7) specify the means by which any assets remaining after discharge of  
18 all liabilities shall be liquidated if necessary;

19 (8) specify that any assets remaining after payment of all liabilities shall  
20 be apportioned and distributed among the member municipalities according to  
21 a formula based upon population.

22 (c) When the plan of dissolution has been implemented, the governing  
23 board shall adopt a resolution certifying that fact to the member municipalities

1 whereupon the union district shall be terminated, and notice thereof shall be  
2 delivered to the Secretary of the Senate and the Clerk of the House of  
3 Representatives in anticipation of confirmation of dissolution by the General  
4 Assembly.

5 **Sec. 21. EAST CENTRAL VERMONT TELECOMMUNICATIONS**

6 **DISTRICT**

7 The East Central Vermont Telecommunications District approved by the  
8 voters of the Towns of Norwich, Randolph, Sharon, Strafford, and Woodstock  
9 on March 3, 2015, qualifies as a telecommunications union district under  
10 30 V.S.A. chapter 82.

11 \* \* \* VEDA Loans to Telecommunications Union Districts \* \* \*

12 Sec. 22. 10 V.S.A. § 212 is amended to read:

13 § 212. DEFINITIONS

14 As used in this chapter:

15 \* \* \*

16 (6) “Eligible facility” or “eligible project” means any industrial,  
17 commercial, or agricultural enterprise or endeavor approved by the authority  
18 that meets the criteria established in the Vermont Sustainable Jobs Strategy  
19 adopted by the Governor under section 280b of this title, including land and  
20 rights in land, air, or water, buildings, structures, machinery, and equipment of  
21 such eligible facilities or eligible projects, except that an eligible facility or  
22 project shall not include the portion of an enterprise or endeavor relating to the  
23 sale of goods at retail where such goods are manufactured primarily out of

1 state, and except further that an eligible facility or project shall not include the  
 2 portion of an enterprise or endeavor relating to housing. Such enterprises or  
 3 endeavors may include:

4 \* \* \*

5 (N) industrial park planning, development, or improvement; ~~or~~  
 6 (O) for purposes of subchapter 5 of this chapter, a  
 7 telecommunications plant, as defined in 24 V.S.A. § 1911(2), owned by a  
 8 municipality individually or in concert with one or more other municipalities  
 9 as a telecommunications union district established under 30 V.S.A. chapter 82;  
 10 or

11 (P) any combination of the foregoing activities, uses, or purposes.

12 An eligible facility may include structures, appurtenances incidental to the  
 13 foregoing such as utility lines, storage accommodations, offices, dependent  
 14 care facilities, or transportation facilities.

15 \* \* \*

16 Sec. 23. 10 V.S.A. § 261 is amended to read:

17 § 261. ADDITIONAL POWERS

18 In addition to powers enumerated elsewhere in this chapter, the  
 19 Authority may:

20 (1) make loans secured by mortgages, which may be subordinate to one  
 21 or more prior mortgages, upon application by the proposed mortgagor, who  
 22 may be a private corporation, partnership ~~or~~, person, or municipality financing  
 23 an eligible project described in subdivision 212(6) of this title, upon such terms

1 as the Authority may prescribe, for the purpose of financing the establishment  
2 or expansion of eligible facilities. Such loans shall be made from the Vermont  
3 Jobs Fund established under subchapter 3 of this chapter. The Authority may  
4 provide for the repayment and redeposit of such loans in the manner provided  
5 hereinafter.

6 \* \* \*

7 Sec. 24. 10 V.S.A. § 262 is amended to read:

8 § 262. FINDINGS

9 Before making any loan, the Authority shall receive from an applicant a  
10 loan application in such form as the Authority may by regulation prescribe, and  
11 the Authority, or the Authority's loan officer pursuant to the provisions of  
12 subdivision 216(15) of this title, shall determine and incorporate findings in its  
13 minutes that:

14 \* \* \*

15 (5) The principal obligation of the Authority's mortgage does not  
16 exceed \$1,500,000.00 which may be secured by land and buildings or by  
17 machinery and equipment, or both; unless:

18 (A) an integral element of the project consists of the generation of  
19 heat or electricity employing biomass, geothermal, methane, solar, or wind  
20 energy resources to be primarily consumed at the project, in which case the  
21 principal obligation of the Authority's mortgage does not exceed  
22 \$2,000,000.00, which may be secured by land and by buildings, or machinery  
23 and equipment, or both; such principal obligation does not exceed 40 percent

1 of the cost of the project; and the mortgagor is able to obtain financing for the  
2 balance of the cost of the project from other sources as provided in the  
3 following section; or

4 (B) a single loan for which the principal amount of the Authority's  
5 mortgage does not exceed \$3,000,000.00 for an eligible facility consisting of a  
6 municipal telecommunications plant, as defined in 24 V.S.A. § 1911(2); or

7 \* \* \*

8 Sec. 25. 10 V.S.A. § 263 is amended to read:

9 § 263. MORTGAGE LOAN; LIMITATIONS

10 \* \* \*

11 (b) Any loan of the ~~authority~~ Authority under this subchapter shall be for a  
12 period of time and shall bear interest at such rate as determined by the  
13 ~~authority~~ Authority and shall be secured by a mortgage on the eligible facility  
14 for which the loan was made or upon the assets of a municipal communications  
15 plant, including the net revenues derived from the operation thereof, or both.

16 The mortgage may be subordinate to one or more prior mortgages, including  
17 the mortgage securing the obligation issued to secure the commitment of funds  
18 from the independent and responsible sources and used in the financing of the  
19 economic development project. Monies loaned by the authority shall be  
20 withdrawn from the Vermont jobs fund fund and paid over to the mortgagor in  
21 such manner as provided and prescribed by the rules and regulations of the  
22 authority. All payments of principal and interest on the loans shall be  
23 deposited by the authority in the Vermont jobs fund.

1

\* \* \*

2

(h) All actions of a municipality taken under this subchapter for the financing of an eligible project described in subsection 212(b) shall be as authorized in section 245 of this title.

3

4

5

(i) The provisions of section 247 of this title shall apply to the financing of an eligible project described in subdivision 216(6) of this title.

6

7

8

9

Effective on passage.