

The Vermont Statutes Online

Title 24 : Municipal And County Government

Chapter 119 : Municipal Bond Bank

Subchapter 001 : General Provisions

- § 4555. Duties of state treasurer

(a) The state treasurer may receive from the United States of America or any department or agency thereof any amounts of money as and when appropriated, allocated, granted, turned over or in any way provided for the purposes of the bank or this chapter, and the amounts shall be credited to and deposited in the reserve fund or revenue bond reserve funds, as appropriate, and be available to the bank.

(b) Any moneys in the custody of the state treasurer whether made available by reason of any grant, allocation or appropriation by the United States of America or the state or agencies thereof to assist any governmental unit in payment of its municipal bonds or revenue bonds owned or held by the bank, or required by the terms of any other law to be paid to holders or owners of municipal bonds or revenue bonds of a governmental unit upon failure or default of a governmental unit to pay the principal of or interest on its municipal bonds or revenue bonds when due and payable, shall, to the extent that those funds or moneys are applicable to municipal bonds or revenue bonds of a particular governmental unit and which are then owned or held by the bank and as to which that governmental unit has defaulted on payment of principal or interest when due, be paid and deposited by the state treasurer in the applicable reserve fund or funds and made available to the bank.

(c) ~~To the extent that~~ Upon receipt by the state treasurer ~~is the custodian of any moneys payable to a governmental unit at any time subsequent to~~ of written notice ~~to him or her from the bank that the~~ from the bank or the corporate trustee exercising rights ~~on behalf of the holders of bonds issued by the bank that a governmental unit is in default on the payment of principal or interest on any its municipal bonds bond or revenue bonds of the governmental unit then bond acquired or held or owned~~ by the bank, the state treasurer ~~must withhold the payment of that money from that governmental unit until the amount of the principal or interest then due and unpaid has been paid to the bank, or until the state treasurer has been advised that arrangements, satisfactory to the bank, have been made for the payment of the principal and interest.~~ shall immediately withhold all further payment to the governmental unit of all funds, or any part of them, appropriated and payable by the state to the governmental unit for any

and all purposes, until the default is cured. The state treasurer shall, while the default continues, direct payment of all sums withheld by the state treasurer, or as much of them as is necessary, to the bank, or at the bank's direction, to the trustee or paying agent for the bonds, so as to cure, or cure insofar as possible, the default as to the bonds or interest on them.

(d) To the extent payments are made by the state treasurer to or for the benefit of the bank or the bank's trustee or paying agent as provided in part (c) above, then in that event, any payments so made by the state treasurer to the bank or the bank's trustee or paying agent for the bonds, shall be credited as if made directly by the governmental unit and shall be charged by the state treasurer against the first appropriations otherwise payable to the governmental unit as if paid to the governmental unit by the state. The bank, or the trustee or paying agent, at the time of payment or at the time of each payment shall acknowledge in writing to the governmental unit receipt for the payment delivered pursuant to the provisions of this section.

(e) The state hereby covenants with the purchasers and holders and owners from time to time of bonds and notes issued by the bank and the governmental units that it will not repeal, revoke or rescind the provisions of this section or amend or modify the same so as to limit, impair or impede the rights and remedies granted hereby; provided, however, that nothing herein contained shall be deemed or construed as requiring the state to continue the payment of state aid or assistance to any governmental unit or as limiting or prohibiting the state from repealing or amending any law heretofore or hereafter enacted relating to state aid or assistance, the manner and time of payment or apportionment thereof, or the amount thereof.

(f) Nothing in this section shall be construed to create any obligation on the part of the state treasurer or the state to make any payment on behalf of the defaulting governmental unit other than from funds appropriated and payable to the defaulting governmental unit by the state.