

CONFIDENTIAL
LEGISLATIVE BILL REVIEW FORM: 2014

Bill Number: H.578 Name of Bill: An act relating to administering State funds for loans to individuals for replacement of failed wastewater systems and potable water supplies

Agency/ Dept: ANR / DEC Author of Bill Review: Jason Aronowitz, F&M

Date of Bill Review: 5/16/2014

Status of Bill: (check one):

☐ Upon Introduction ☐ As passed by 1st body ☒ As passed by both bodies

Recommended Position:

☒ Support ☐ Oppose ☐ Remain Neutral ☐ Support with modifications identified in #8 below

Analysis of Bill

1. Summary of bill and issue it addresses. *Describe what the bill is intended to accomplish and why.*

This bill allows DEC to use a third party community development financial institution to administer the loan fund and allows the admin expenses to be paid from the Vermont Wastewater and Potable Water Revolving Loan Fund. See the DEC bill review for details.

2. Is there a need for this bill? *Please explain why or why not.*

3. What are likely to be the fiscal and programmatic implications of this bill for this Department?

This bill allows DEC to pay admin expenses for a third party out of the fund. Interest on the fund should generally be sufficient to pay the admin expenses. There may be losses from bad loans; however, this risk exists in the original language from the 2012 session and is not increased by this bill. DEC believes that working with a qualified third party will improve loan performance.

4. What might be the fiscal and programmatic implications of this bill for other departments in state government, and what is likely to be their perspective on it?

Finance and Management will include activity in this fund in VISION.

5. What might be the fiscal and programmatic implications of this bill for others, and what is likely to be their perspective on it? *(for example, public, municipalities, organizations, business, regulated entities, etc)*

6. Other Stakeholders:

6.1 Who else is likely to support the proposal and why?

6.2 Who else is likely to oppose the proposal and why?

Please return this bill review as a Microsoft Word document to laura.gray@state.vt.us and jessica.mishaan@state.vt.us

7. Rationale for recommendation: *Justify recommendation stated above.*

DEC does not have the expertise to administer a residential loan program. This bill allows DEC to utilize a knowledgeable financial institution for this purpose, and pay the administrative expenses out of the appropriate fund.

8. Specific modifications that would be needed to recommend support of this bill:

Not meant to rewrite bill, but rather, an opportunity to identify simple modifications that would change recommended position.

Secretary/Commissioner has reviewed this document: _____ **Date:** _____