

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18

H.785

Introduced by Representatives Baser of Bristol, Beck of St. Johnsbury,
Christie of Hartford, Conlon of Cornwall, Cupoli of Rutland
City, Donovan of Burlington, Harrison of Chittenden, Joseph of
North Hero, Keefe of Manchester, Lucke of Hartford, Masland
of Thetford, McCoy of Poultney, O’Sullivan of Burlington,
Scheuermann of Stowe, Sibilias of Dover, Sullivan of Dorset,
and Willhoit of St. Johnsbury

Referred to Committee on

Date:

Subject: Commerce and trade; economic development; housing

Statement of purpose of bill as introduced: This bill proposes to (1) increase
the amounts available under the downtown and village tax credit program;
(2) create a homeowner rehabilitation tax credit; (3) increase the amounts
available under the first-time homebuyer down payment assistance program;
(4) adopt miscellaneous amendments to enable municipal electronic filing; and
(5) expand assistance for repairing failing or failed wastewater or water supply
systems.

19 An act relating to ~~housing and affordability~~ *Wastewater Systems and*
20 *Potable Water Supplies Lending*

1 It is hereby enacted by the General Assembly of the State of Vermont:

2 ~~*** Downtown Tax Credits ***~~

3 Sec. 1. 32 V.S.A. § 5930ee is amended to read:

4 § 5930ee. LIMITATIONS

5 Beginning in fiscal year 2010 and thereafter, the State Board may award tax
6 credits to all qualified applicants under this subchapter, provided that:

7 (1) the total amount of tax credits awarded annually, together with sales
8 tax reallocated under section 9819 of this title, does not exceed ~~\$2,400,000.00~~
9 \$2,650,000.00;

10 (2) a total annual allocation of ~~no~~ not more than 30 percent of these tax
11 credits in combination with sales tax reallocation may be awarded in
12 connection with all of the projects in a single municipality;

13 (3) no credit shall be allowed under this subchapter for the cost of
14 acquiring any building or interest in a building;

15 (4) credit under any one subsection of 5930cc of this subchapter may
16 not be allocated more often than once every two years with respect to the same
17 building; and

18 (5) credit awarded under section 5930cc of this subchapter that is
19 rescinded or recaptured by the State Board shall be available for the State
20 Board to award to applicants in any subsequent year, in addition to the total
21 ~~amount of tax credits authorized under this section.~~

~~*** Homeowner Rehabilitation Tax Credit ***~~

~~Sec. 2. HOMEOWNER REHABILITATION TAX CREDIT~~

~~(a) Definitions. As used in this section:~~

~~(1) “Qualified applicant” means an owner of a qualified building who is not delinquent on any State taxes.~~

~~(2) “Qualified building” means a property, including the main residence and accessory buildings, such as a barn or garage, that:~~

~~(A) the owner will occupy as his or her primary residence for not less than five consecutive years;~~

~~(B) is located within a neighborhood planning area, as defined in 24 V.S.A. § 2793e;~~

~~(C) is assessed at or below the State median home value; and~~

~~(D) is not subject to a lien.~~

~~(3) “Qualified project” means a construction project for which a qualified applicant makes qualified rehabilitation expenditures for the rehabilitation of a qualified building.~~

~~(4) “Qualified rehabilitation expenditure” means a construction-related expense for the rehabilitation of a qualified building, including design fees, labor, materials, capital improvements, and the rehabilitation or construction of an accessory housing unit.~~

~~(5) “State Board” means the Vermont Downtown Development Board~~

1 established pursuant to 24 V.S.A. chapter 76A.

2 (b) Application and eligibility.

3 (1) In fiscal year 2019, Vermont municipalities may apply to the State
4 Board to compete for the allocation of up to \$625,000.00 in homeowner
5 rehabilitation tax credit certificates in not more than three pilot communities.

6 (2) A municipality shall specify in its application:

7 (A) the benefit area, such as a neighborhood or smaller geographic
8 area, with demonstrated need for rehabilitation;

9 (B) the property owners and addresses for potential qualified
10 projects;

11 (C) one or more banks, insurance companies, or captive insurance
12 companies that have expressed willingness to purchase tax credit certificates, if
13 applicable; and

14 (D) municipal staff capacity to support implementation of qualified
15 projects, including for local permitting and building inspection.

16 (3) The State Board shall adopt application requirements and approval
17 criteria for municipal applications and for individual projects within selected
18 pilot communities.

19 (4) To be eligible for approval, a qualified building shall undergo an
20 energy audit to encourage participation in rebates and incentives that make the
21 building more energy efficient and affordable.

1 ~~(5) The State Board shall adopt design review standards for projects~~

2 (c) Homeowner rehabilitation tax credit. The qualified applicant of a
3 qualified project shall be entitled, upon the approval of the State Board:

4 (1) to claim against his or her income tax a credit of 30 percent of
5 qualified rehabilitation expenditures, not to exceed \$20,000.00 per qualified
6 project or \$25,000.00 per qualified project that creates one or more accessory
7 dwelling units; or

8 (2) to claim a tax credit certificate in the amount of 30 percent of
9 qualified rehabilitation expenditures, not to exceed \$20,000.00 per qualified
10 project or \$25,000.00 per qualified project that creates an accessory dwelling
11 unit, which certificate the applicant may transfer to a bank, an insurance
12 company, or a captive insurance company to apply against its bank franchise,
13 insurance premium, or captive insurance premium tax liability.

14 (d) Claims; availability.

15 (1) A taxpayer claiming credit under this section shall submit to the
16 Department of Taxes with the return on which a credit is claimed a copy of the
17 State Board's tax credit allocation.

18 (2) A credit under this subchapter shall be available for the first tax year
19 in which the qualified project is complete.

20 (3) If within five years after the date of the credit allocation to the
21 applicant no claim for tax credit has been filed, the tax credit allocation shall

1 ~~be rescinded.~~

2 ~~(4) Any unused credit under this section may be carried forward for not~~
3 ~~more than nine tax years following the first year for which the tax credit is~~
4 ~~claimed.~~

5 ~~(e) Recapture. A qualified applicant shall be subject to recapture of the~~
6 ~~value of a tax credit or credit certificate issued pursuant to this section if the~~
7 ~~applicant:~~

8 ~~(1) fails to complete the project within two years after approval;~~

9 ~~(2) completes rehabilitation work that is inconsistent with a local permit~~
10 ~~or approved State application; or~~

11 ~~(3) fails to supply accurate information.~~

12 * * * First Time Homebuyer Down Payment Assistance * * *

13 Sec. 3. 32 V.S.A. § 5930u is amended to read:

14 § 5930u. TAX CREDIT FOR AFFORDABLE HOUSING

15 (a) As used in this section:

16 (1) “Affordable housing project” or “project” means:

17 (A) a rental housing project identified in 26 U.S.C. § 42(g); or

18 (B) owner-occupied housing identified in 26 U.S.C. § 143(c)(1) or
19 that qualifies under Vermont Housing Finance Agency criteria governing
20 owner-occupied housing.

21 (2) “Affordable housing tax credits” means the tax credit provided by

22 ~~this subchapter.~~

1 (3) ~~“Allocating agency” or “Agency” means the Vermont Housing~~
2 Finance Agency.

3 (4) “Committee” means the Joint Committee on Tax Credits consisting
4 of five members: a representative from the Department of Housing and
5 Community Affairs Development, the Vermont Housing and Conservation
6 Board, the Vermont Housing Finance Agency, the Vermont State Housing
7 Authority, and the Office of the Governor.

8 (5) “Credit certificate” means a certificate issued by the allocating
9 agency to a taxpayer that specifies the amount of affordable housing tax credits
10 that can be applied against the taxpayer’s individual or corporate income tax,
11 or franchise, captive insurance premium, or insurance premium tax liability as
12 provided in this subchapter.

13 (6) “Eligible applicant” means any municipality, ~~private sector~~
14 ~~developer~~, State agency as defined in 10 V.S.A. § 6301a, the Vermont Housing
15 Finance Agency, ~~or a for-profit organization~~, a nonprofit organization
16 qualifying under 26 U.S.C. § 501(c)(3), or a cooperative housing organization,
17 ~~the purpose of which is to create and retain affordable housing for Vermonters~~
18 ~~with lower income and which has in its bylaws a requirement that the housing~~
19 ~~the organization creates be maintained as affordable housing for Vermonters~~
20 ~~with lower income on a perpetual basis~~ that meets the application requirements
21 of the allocation plan.

1 (7) “Eligible cash contribution” means an amount of cash:

2 (A) contributed to the owner, developer, or sponsor of an affordable
3 housing project and determined by the allocating agency as eligible for
4 affordable housing tax credits; or

5 (B) paid to the Agency in connection with the purchase of affordable
6 housing tax credits pursuant to subdivision (b)(2) or (3) of this section.

7 (8) “Section 42 credits” means tax credit provided by 26 U.S.C.
8 §§ 38 and 42.

9 (9) “Allocation plan” means the plan recommended by the Committee
10 and approved by the Vermont Housing Finance Agency, which sets forth the
11 eligibility requirements and process for selection of eligible multifamily rental
12 housing projects to receive affordable housing tax credits, and eligible owner-
13 occupied housing projects to receive loans, under this section. The allocation
14 plan shall include:

15 (A) requirements for creation and retention of affordable housing for
16 persons with low income; and

17 (B) requirements to ensure that eligible multifamily rental housing is
18 maintained as affordable by subsidy covenant, as defined in 27 V.S.A. § 610
19 on a perpetual basis, and that eligible owner-occupied housing or program
20 funds for owner-occupied housing remain as an affordable housing source for
21 future owners or buyers, and meets all other requirements of the Vermont

1 ~~Housing Finance Agency related to affordable housing~~

2 (10) "Taxpayer" means a taxpayer who makes an eligible cash
3 contribution or the assignee or transferee of, or successor to, the taxpayer as
4 determined by the Department of Taxes.

5 (b) Eligible tax credit allocations.

6 (1) Affordable housing credit allocation for multifamily rental housing.

7 (A) An eligible applicant may apply to the allocating agency for an
8 allocation of affordable housing tax credits under this section related to an
9 affordable multifamily rental housing project authorized by the allocating
10 agency under the allocation plan. In the case of a specific affordable
11 multifamily rental housing project, the eligible applicant shall also be the
12 owner or a person having the right to acquire ownership of the building and
13 shall apply prior to placement of the affordable housing project in service. ~~In~~
14 ~~the case of owner-occupied housing units, the applicant shall ensure that the~~
15 ~~allocated housing or program funds remain as an affordable housing resource~~
16 ~~for future owners.~~ The allocating agency shall issue a letter of approval if it
17 finds that the applicant meets the priorities, criteria, and other provisions of
18 subdivision (B) of this subdivision (b)(1). The burden of proof shall be on the
19 applicant.

20 (B) Upon receipt of a completed application, the allocating agency
21 ~~shall award an allocation of affordable housing tax credits with respect to a~~

1 ~~project to an applicant, provided the applicant demonstrates to the satisfaction~~
2 of the allocating agency all of the following:

3 (i) The owner of the project has received from the allocating
4 agency a binding commitment for, a reservation or allocation of, or an out-of-
5 cap determination letter for, Section 42 credits, or meets the requirements of
6 the allocation plan for development or financing of units to be owner-
7 occupied.

8 (ii) The project has received community support.

9 (2) Affordable housing credit allocation for loans or grants for owner-
10 occupied housing.

11 (A) The Vermont Housing Finance Agency shall have the authority
12 to allocate affordable housing tax credits to provide funds to make loans or
13 grants to eligible applicants for affordable owner-occupied housing. An
14 eligible applicant may apply to the allocating agency for a loan or grant under
15 this section related to an affordable owner-occupied housing project authorized
16 by the allocating agency under the allocation plan. In the case of a specific
17 affordable owner-occupied housing project, the eligible applicant shall also be
18 the owner or a person having the right to acquire ownership of the unit and
19 shall apply prior to the sale of the unit to the homeowner.

20 (B) The Agency shall require that the loan or grant recipient use such
21 funds to maintain the unit as an affordable owner-occupied unit or as an

1 ~~affordable housing source for future owners or buyers.~~

2 (C) The Agency shall use the proceeds of loans or grants made under
3 subdivision (A) of this subdivision (b)(2) for future loans or grants to eligible
4 applicants for affordable owner-occupied housing projects.

5 (D) The Agency may assign its rights under any loan or grant made
6 under subdivision (A) of this subdivision (b)(2) to the Vermont Housing and
7 Conservation Board or any nonprofit organization qualifying under 26 U.S.C.
8 § 501(c)(3) as long as such assignee acknowledges and agrees to comply with
9 the provisions of this subdivision (b)(2).

10 (3) Down Payment Assistance Program.

11 (A) The Vermont Housing Finance Agency shall have the authority
12 to allocate affordable housing tax credits to finance down payment assistance
13 loans that meet the following requirements:

14 (i) the loan is made in connection with a mortgage through an
15 Agency program;

16 (ii) the borrower is a first-time homebuyer of an owner-occupied
17 primary residence; and

18 (iii) the borrower uses the loan for the borrower's down payment
19 or closing costs, or both.

20 (B) The Agency shall require the borrower to repay the loan upon the
21 ~~transfer or refinancing of the residence.~~

1 ~~(C) The Agency shall use the proceeds of loans made under the~~
2 Program for future down payment assistance.

3 (c) Amount of credit. A taxpayer who makes an eligible cash contribution
4 shall be entitled to claim against the taxpayer's individual income, corporate,
5 franchise, captive insurance premium, or insurance premium tax liability a
6 credit in an amount specified on the taxpayer's credit certificate. The first-
7 year allocation of a credit amount to a taxpayer shall also be deemed an
8 allocation of the same amount in each of the following four years.

9 (d) Availability of credit. The amount of affordable housing tax credit
10 allocated with respect to a project provided on the taxpayer's credit certificate
11 shall be available to the taxpayer every year for five consecutive tax years,
12 beginning with the tax year in which the eligible cash contribution is made.
13 Total tax credits available to the taxpayer shall be the amount of the first-year
14 allocation plus the succeeding four years' deemed allocations.

15 (e) Claim for credit. A taxpayer claiming affordable housing tax credits
16 shall submit with each return on which such credit is claimed a copy of the
17 allocating agency's credit allocation to the affordable housing project and the
18 taxpayer's credit certificate, and for credits issued under subdivision (b)(1) of
19 this section, a copy of the allocating agency's credit allocation to the
20 affordable housing project. Any unused affordable housing tax credit may be
21 ~~carried forward to reduce the taxpayer's tax liability for no more than~~

1 ~~14 succeeding tax years, following the first year the affordable housing tax~~
2 credit is allowed.

3 (f) ~~[Repealed.]~~

4 (g)(1) In any fiscal year, the allocating agency may award up to:

5 (A) \$400,000.00 in total first-year credit allocations to all applicants
6 for rental housing projects, for an aggregate limit of \$2,000,000.00 over any
7 given five-year period that credits are available under this subdivision (A);

8 (B) \$300,000.00 in total first-year credit allocations for loans or
9 grants for owner-occupied unit financing or down payment loans as provided
10 in subdivision (b)(2) of this section, consistent with the allocation plan,
11 including for new construction and manufactured housing, for an aggregate
12 limit of \$1,500,000.00 over any given five-year period that credits are
13 available under this subdivision (B).

14 (2) In any fiscal year, total first-year credit allocations under subdivision
15 (1) of this subsection plus succeeding-year deemed allocations shall not exceed
16 \$3,500,000.00.

17 (h)(1)(A) In fiscal year 2016 through fiscal year ~~2022~~ 2018, the allocating
18 agency may award up to \$125,000.00 in total first-year credit allocations for
19 loans through the Down Payment Assistance Program created in subdivision
20 (b)(2)(3) of this section.

21 ~~(B) In fiscal year 2019 through fiscal year 2022, the allocating~~

1 ~~agency may award up to \$250,000.00 in total first-year credit allocations for~~
2 ~~loans through the Down Payment Assistance Program created in subdivision~~
3 ~~(b)(3) of this section.~~

4 ~~(C) In fiscal year 2023 through fiscal year 2025, the allocating~~
5 ~~agency may award up to \$125,000.00 in total first-year credit allocations for~~
6 ~~loans through the Down Payment Assistance Program created in subdivision~~
7 ~~(b)(3) of this section.~~

8 (2)(A) In any fiscal year 2016 through fiscal year 2018, total first-year
9 credit allocations under subdivision (1) of this subsection (h) plus succeeding-
10 year deemed allocations shall not exceed \$625,000.00.

11 (B) In fiscal year 2019 through fiscal year 2022, total first-year credit
12 allocations under subdivision (1) of this subsection (h) plus succeeding-year
13 deemed allocations shall not exceed \$1,250,000.00.

14 (C) In fiscal year 2023 through fiscal year 2025, total first-year credit
15 allocations under subdivision (1) of this subsection (h) plus succeeding-year
16 deemed allocations shall not exceed \$625,000.00.

17 * * * Municipalities; Village Center Designation; Electronic Filings * * *

18 Sec. 4. 24 V.S.A. § 2793a is amended to read:

19 § 2793a. DESIGNATION OF VILLAGE CENTERS BY STATE BOARD

20 * * *

21 ~~(d) The State Board shall review a village center designation every five~~

1 ~~eight years and may review compliance with the designation requirements at~~
2 more frequent intervals. On and after July 1, 2014, any community applying
3 for renewal shall explain how the designation under this section has furthered
4 the goals of the town plan and shall submit an approved town plan map that
5 depicts the boundary of the designated district. If at any time the State Board
6 determines that the village center no longer meets the standards for designation
7 established in subsection (a) of this section, it may take any of the following
8 actions:

9 * * *

10 Sec. 5. 24 V.S.A. § 4345b is amended to read:

11 § 4345b. INTERMUNICIPAL SERVICE AGREEMENTS

12 (a)(1) Prior to exercising the authority granted under this section, a
13 regional planning commission shall:

14 (A) draft bylaws specifying the process for entering into, method of
15 withdrawal from, and method of terminating service agreements with
16 municipalities; and

17 (B) hold one or more public hearings within the region to hear from
18 interested parties and citizens regarding the draft bylaws.

19 (2) At least 30 days prior to any hearing required under this subsection,
20 notice of the time and place and a copy of the draft bylaws, with a request for
21 ~~comments, shall be delivered to the chair of the legislative body of each~~

1 ~~municipality within the region, which may be done electronically, provided the~~
2 sender has proof of receipt. The regional planning commission shall make
3 copies available to any individual or organization requesting a copy.

4 * * *

5 Sec. 6. 24 V.S.A. § 4348 is amended to read:

6 § 4348. ADOPTION AND AMENDMENT OF REGIONAL PLAN

7 * * *

8 (c) At least 30 days prior to the first hearing, a copy of the proposed plan
9 or amendment, with a request for general comments and for specific comments
10 with respect to the extent to which the plan or amendment is consistent with
11 the goals established in section 4302 of this title, shall be delivered physically
12 or electronically with proof of receipt, or sent by certified mail, return receipt
13 requested, to each of the following:

14 (1) the chair of the legislative body of each municipality within the
15 region;

16 (2) the executive director of each abutting regional planning
17 commission;

18 (3) the Department of Housing and Community Development within the
19 Agency of Commerce and Community Development;

20 (4) business, conservation, low-income advocacy, and other community
21 or interest groups or organizations that have requested notice in writing prior

22 ~~to the date the hearing is warned, and~~

1 ~~(5) the Agency of Natural Resources and the Agency of Agriculture,~~

2 Food and Markets.

3 * * *

4 (e) The regional planning commission may make revisions to the proposed
5 plan or amendment at any time not less than 30 days prior to the final public
6 hearing held under this section. If the proposal is changed, a copy of the
7 proposed change shall be delivered, physically or electronically with proof of
8 receipt or by certified mail, return receipt requested, to the ~~chairperson~~ chair of
9 the legislative body of each municipality within the region, and to any
10 individual or organization requesting a copy, at least 30 days prior to the final
11 hearing.

12 * * *

13 Sec. 7. 24 V.S.A. § 4352 is amended to read:

14 § 4352. OPTIONAL DETERMINATION OF ENERGY COMPLIANCE;
15 ENHANCED ENERGY PLANNING

16 * * *

17 (e) Process for issuing determinations of energy compliance. Review of
18 whether to issue a determination of energy compliance under this section shall
19 include a public hearing noticed at least 15 days in advance by direct mail or
20 electronically with proof of receipt to the requesting regional planning
21 commission or municipal legislative body, posting on the website of the entity
22 ~~from which the determination is requested, and publication in a newspaper or~~

1 ~~general publication in the region or municipality affected. The Commissioner~~
2 or regional planning commission shall issue the determination in writing
3 within two months of after the receipt of a request for a determination. If the
4 determination is negative, the Commissioner or regional planning commission
5 shall state the reasons for denial in writing and, if appropriate, suggest
6 acceptable modifications. Submissions for a new determination that follow a
7 negative determination shall receive a new determination within 45 days.

8 * * *

9 Sec. 8. 24 V.S.A. § 4384 is amended to read:

10 § 4384. PREPARATION OF PLAN; HEARINGS BY PLANNING
11 COMMISSION

12 * * *

13 (e) At least 30 days prior to the first hearing, a copy of the proposed plan
14 or amendment and the written report shall be delivered physically or
15 electronically with proof of receipt, or mailed by certified mail, return receipt
16 requested to each of the following:

17 (1) the ~~chairperson~~ chair of the planning commission of each abutting
18 municipality, or in the absence of any planning commission in an abutting
19 municipality, to the clerk of that municipality;

20 (2) the executive director of the regional planning commission of the
21 ~~area in which the municipality is located,~~

1 ~~(3) the department of housing and community affairs Department~~
2 ~~of Housing and Community Development within the agency of commerce~~
3 ~~and community development Agency of Commerce and Community~~
4 ~~Development; and~~

5 (4) business, conservation, ~~low income~~ low-income advocacy, and other
6 community or interest groups or organizations that have requested notice in
7 writing prior to the date the hearing is warned.

8 * * *

9 Sec. 9. 24 V.S.A. § 4385 is amended to read:

10 § 4385. ADOPTION AND AMENDMENT OF PLANS; HEARING BY
11 LEGISLATIVE BODY

12 * * *

13 (c) A plan of a municipality or an amendment thereof shall be adopted by a
14 majority of the members of its legislative body at a meeting which is held after
15 the final public hearing. If, however, at a regular or special meeting of the
16 voters duly warned and held as provided in 17 V.S.A. chapter 55, a
17 municipality elects to adopt or amend municipal plans by Australian ballot,
18 that procedure shall then apply unless rescinded by the voters at a regular or
19 special meeting similarly warned and held. If the proposed plan or amendment
20 is not adopted so as to take effect within one year ~~of~~ after the date of the final
21 ~~hearing of the planning commission, it shall be considered rejected by the~~

1 ~~municipality. Plans and amendments shall be effective upon adoption, and~~
2 Copies of newly adopted plans and amendments shall be provided to the
3 regional planning commission and to the commissioner of housing and
4 community affairs Commissioner of Housing and Community Development
5 within 30 days of after adoption, which may be done electronically, provided
6 the sender has proof of receipt. If a municipality wishes its plan or plan
7 amendment to be eligible for approval under the provisions of section 4350 of
8 this title, it shall request approval. The request for approval may be before or
9 after adoption of the plan by the municipality, at the option of the municipality.

10 * * *

11 Sec. 10. 24 V.S.A. § 4424 is amended to read:

12 § 4424. SHORELANDS; RIVER CORRIDOR PROTECTION AREAS;
13 FLOOD OR HAZARD AREA; SPECIAL OR FREESTANDING
14 BYLAWS

15 (a) Bylaws; flood and other hazard areas; river corridor protection. Any
16 municipality may adopt freestanding bylaws under this chapter to address
17 particular hazard areas in conformance with the municipal plan or, for the
18 purpose of adoption of a flood hazard area bylaw, a local hazard mitigation
19 plan approved under 44 C.F.R. § 201.6. Such freestanding bylaws may
20 include the following, which may also be part of zoning or unified
21 ~~development bylaws.~~

1 ~~(1) Bylaws to regulate development and use along shorelands.~~

2 (2) Bylaws to regulate development and use in flood areas, river
3 corridor, protection areas, or other hazard areas. The following shall apply if
4 flood or other hazard area bylaws are enacted:

5 * * *

6 (D)(i) Mandatory provisions. Except as provided in subsection (c) of
7 this section, all flood and other hazard area bylaws shall provide that no permit
8 for new construction or substantial improvement shall be granted for a flood or
9 other hazard area until after both the following:

10 (I) A copy of the application is mailed or delivered by the
11 administrative officer or by the appropriate municipal panel to the Agency of
12 Natural Resources or its designee, which may be done electronically, provided
13 the sender has proof of receipt.

14 (II) Either 30 days have elapsed following the mailing or the
15 Agency or its designee delivers comments on the application.

16 (ii) The Agency of Natural Resources may delegate to a qualified
17 representative of a municipality with a flood hazard area bylaw or ordinance or
18 to a qualified representative for a regional planning commission the Agency's
19 authority under this subdivision (a)(2)(D) to review and provide technical
20 comments on a proposed permit for new construction or substantial
21 ~~improvement in a flood hazard area. Comments provided by a representative~~

1 ~~delegated under this subdivision (a)(2)(D) shall not be binding on a~~
2 ~~municipality.~~

3 * * *

4 Sec. 11. 24 V.S.A. § 4441 is amended to read:

5 § 4441. PREPARATION OF BYLAWS AND REGULATORY TOOLS;
6 AMENDMENT OR REPEAL

7 * * *

8 (e) At least 15 days prior to the first hearing, a copy of the proposed bylaw,
9 amendment, or repeal and the written report shall be delivered physically or
10 electronically with proof of receipt, or mailed by certified mail, return receipt
11 requested, to each of the following:

12 (1) ~~The chairperson~~ the chair of the planning commission of each
13 abutting municipality, or in the absence of any planning commission in a
14 municipality, the clerk of that abutting municipality;

15 (2) ~~The~~ the executive director of the regional planning commission of
16 the area in which the municipality is located; and

17 (3) ~~The department of housing and community affairs~~ the Department
18 of Housing and Community Development within the ~~agency of commerce and~~
19 ~~community development~~ Agency of Commerce and Community Development.

20 * * *

21 ~~Sec. 12. 24 V.S.A. § 4445 is amended to read.~~

1 ~~§ 4445. AVAILABILITY AND DISTRIBUTION OF DOCUMENTS~~
2 Current copies of plans, bylaws, and capital budgets and programs shall be
3 available to the public during normal business hours in the office of the clerk
4 of any municipality in which those plans, bylaws, or capital budgets or
5 programs have been adopted. The municipality shall provide all final adopted
6 bylaws, amendments, or repeals to the regional planning commission of the
7 area in which the municipality is located and to the ~~department of housing and~~
8 ~~community affairs~~ Department of Housing and Community Development,
9 which may be done electronically, provided the sender has proof of receipt.

10 * * * Wastewater and Potable Water Supply Systems; Funding * * *

11 Sec. 13. 24 V.S.A. § 4752 is amended to read:

12 § 4752. DEFINITIONS

13 As used in this chapter:

14 * * *

15 (13) ~~“Potable water supply facilities” means municipal water sources,~~
16 ~~water treatment plants, structures, pipe lines, storage facilities, pumps, and~~
17 ~~attendant facilities necessary to develop a source of water and to treat and~~
18 ~~convey it in proper quantity and quality for public use within a municipality~~
19 has the same meaning as in 10 V.S.A. § 1972.

20 * * *

21 (17) “Designer” means a person authorized to design wastewater
22 systems and potable water supplies as identified in 10 V.S.A. § 1975.

1 Sec. 14. 24 V.S.A. § 4753 is amended to read:

2 § 4753. REVOLVING LOAN FUNDS; AUTHORITY TO SPEND; REPORT

3 (a) There is hereby established a series of special funds to be known as:

4 * * *

5 (10) The Vermont Wastewater and Potable Water Revolving Loan Fund,
6 which shall be used to provide loans to individuals, in accordance with section
7 4763b of this title, ~~for the design and construction of repairs to or replacement~~
8 ~~of wastewater systems and potable water supplies when the wastewater system~~
9 ~~or potable water supply is a failed system or supply as defined in 10 V.S.A. §~~
10 ~~1972, or when a designer demonstrates that the wastewater system or potable~~
11 ~~water supply has a high probability of failing.~~ The amount of up to
12 \$275,000.00 from the fees collected pursuant to 3 V.S.A. § 2822(j)(4) shall be
13 deposited on an annual basis into this Fund at the beginning of each fiscal year
14 to ensure a minimum balance of available funds of \$275,000.00 exists for each
15 fiscal year.

16 * * *

17 Sec. 15. 24 V.S.A. § 4763b is amended to read:

18 § 4763b. LOANS TO INDIVIDUALS FOR FAILED WASTE WATER

19 SYSTEMS AND FAILED POTABLE WATER SUPPLIES

20 (a) Notwithstanding any other provision of law, when the wastewater
21 system or potable water supply serving only ~~one single-family residence or its~~

22 ~~own for single-family and multifamily residences either meets the definition of~~

1 ~~a failed supply or system in 10 V.S.A. § 1972 or is demonstrated by a designer~~
2 ~~to have a high probability of failing, the Secretary of Natural Resources may~~
3 ~~lend monies to the owner of the residence an owner of one or more of the~~
4 ~~residences from the Vermont Wastewater and Potable Water Revolving Loan~~
5 ~~Fund established in section 4753 of this title. In such cases, the following~~
6 ~~conditions shall apply:~~

7 (1) ~~loans a loan may only be made to households with an owner with a~~
8 ~~household income equal to or less than 200 percent of the State average~~
9 ~~median household income;~~

10 (2) ~~loans a loan may only be made to households where the recipient of~~
11 ~~the loan resides in the residence an owner who resides in one of the residences~~
12 ~~served by the failed supply or system on a year-round basis;~~

13 (3) ~~loans a loan may only be made if the owner of the residence to an~~
14 ~~owner who has been denied financing for the repair, replacement, or~~
15 ~~construction due to involuntary disconnection by at least one other financing~~
16 ~~entity;~~

17 (4) ~~when the failed supply or system also serves residences owned by~~
18 ~~persons other than the loan applicant, a loan may only be made for an~~
19 ~~equitable share of the cost to repair or replace the failed supply or system that~~
20 ~~is determined through agreement of all of the owners of residences served by~~
21 ~~the failed system or supply,~~

1 ~~(5) no construction loan shall be made to an individual under this~~
2 subsection, nor shall any part of any revolving loan made under this subsection
3 be expended, until all of the following take place:

4 (A) the Secretary of Natural Resources determines that if a
5 wastewater system and potable water supply permit is necessary for the design
6 and construction of the project to be financed by the loan, the permit has been
7 issued to the owner of the failed system or supply; and

8 (B) the individual applying for the loan certifies to the Secretary of
9 Natural Resources that the proposed project has secured all State and federal
10 permits, licenses, and approvals necessary to construct and operate the project
11 to be financed by the loan;

12 ~~(5)(6)~~ all funds from the repayment of loans made under this section
13 shall be deposited into the Vermont Wastewater and Potable Water Revolving
14 Loan Fund.

15 (b) The Secretary of Natural Resources shall establish standards, policies,
16 and procedures as necessary for the implementation of this section. The
17 Secretary may establish criteria to extend the payment period of a loan or to
18 waive all or a portion of the loan amount.

19 * * * Effective Date * * *

20 Sec. 16. EFFECTIVE DATE

21 ~~This act shall take effect on July 1, 2018.~~

Sec. 1. 24 V.S.A. § 4752 is amended to read:

§ 4752. DEFINITIONS

As used in this chapter:

** * **

(13) “Potable water supply facilities” means ~~municipal water sources, water treatment plants, structures, pipe lines, storage facilities, pumps, and attendant facilities necessary to develop a source of water and to treat and convey it in proper quantity and quality for public use within a municipality~~ has the same meaning as in 10 V.S.A. § 1972.

** * **

(17) “Designer” means a person authorized to design wastewater systems and potable water supplies as identified in 10 V.S.A. § 1975.

Sec. 2. 24 V.S.A. § 4753 is amended to read:

§ 4753. REVOLVING LOAN FUNDS; AUTHORITY TO SPEND; REPORT

(a) There is hereby established a series of special funds to be known as:

** * **

(10) The Vermont Wastewater and Potable Water Revolving Loan Fund, which shall be used to provide loans to individuals, in accordance with section 4763b of this title, for the design and construction of repairs to or replacement of wastewater systems and potable water supplies when the wastewater system or potable water supply is a failed system or supply as defined in 10 V.S.A. § 1972, or when a designer demonstrates that the wastewater system or potable

water supply has a high probability of failing. The amount of up to \$275,000.00 from the fees collected pursuant to 3 V.S.A. § 2822(j)(4) shall be deposited on an annual basis into this Fund at the beginning of each fiscal year to ensure a minimum balance of available funds of \$275,000.00 exists for each fiscal year.

* * *

Sec. 3. 24 V.S.A. § 4763b is amended to read:

§ 4763b. LOANS TO INDIVIDUALS FOR FAILED WASTEWATER

SYSTEMS AND FAILED POTABLE WATER SUPPLIES

(a) Notwithstanding any other provision of law, when the wastewater system or potable water supply serving only ~~one single-family residence on its own lot~~ single-family and multifamily residences either meets the definition of a failed supply or system in 10 V.S.A. § 1972 or is demonstrated by a designer to have a high probability of failing, the Secretary of Natural Resources may lend monies to ~~the owner of the residence~~ an owner of one or more of the residences from the Vermont Wastewater and Potable Water Revolving Loan Fund established in section 4753 of this title. In such cases, the following conditions shall apply:

(1) ~~loans~~ a loan may only be made to ~~households with an~~ owner with a household income equal to or less than 200 percent of the State average median household income;

(2) ~~loans a loan~~ may only be made to households where the recipient of the loan resides in the residence an owner who resides in one of the residences served by the failed supply or system on a year-round basis;

(3) ~~loans a loan~~ may only be made if ~~the owner of the residence~~ to an owner who has been denied financing for the repair, replacement, or construction due to involuntary disconnection by at least one other financing entity;

(4) when the failed supply or system also serves residences owned by persons other than the loan applicant, a loan may only be made for an equitable share of the cost to repair or replace the failed supply or system that is determined through agreement of all of the owners of residences served by the failed system or supply;

(5) no construction loan shall be made to an individual under this subsection, nor shall any part of any revolving loan made under this subsection be expended, until all of the following take place:

(A) the Secretary of Natural Resources determines that if a wastewater system and potable water supply permit is necessary for the design and construction of the project to be financed by the loan, the permit has been issued to the owner of the failed system or supply; and

(B) the individual applying for the loan certifies to the Secretary of Natural Resources that the proposed project has secured all State and federal

permits, licenses, and approvals necessary to construct and operate the project to be financed by the loan;

(5)(6) all funds from the repayment of loans made under this section shall be deposited into the Vermont Wastewater and Potable Water Revolving Loan Fund.

(b) The Secretary of Natural Resources shall establish standards, policies, and procedures as necessary for the implementation of this section. The Secretary may establish criteria to extend the payment period of a loan or to waive all or a portion of the loan amount.

Sec. 4. EFFECTIVE DATE

This act shall take effect upon passage.