

1 Introduced by House Committee on Human Services

2 Referred to Committee on

3 Date:

4 Subject: Housing; human services; homelessness prevention

5 Statement of purpose of bill as introduced: This bill proposes to provide
6 protections to tenants against no-cause evictions. It also proposes to afford
7 residential tenants the right to receive notice of the landlord's intent to sell the
8 building and to negotiate in good faith and purchase the building. This bill
9 further proposes to establish an eviction diversion program and require the
10 Department Children and Families to develop and implement a crisis standard
11 for housing plan. It also makes miscellaneous amendments to municipal and
12 regional planning laws.

13 An act relating to housing supports

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

15 * * * Housing Supports * * *

16 Sec. 1. 9 V.S.A. chapter 137, subchapter 2 is amended to read:

17 Subchapter 2. Residential Rental Agreements

18 * * *

19 § 4461. SECURITY DEPOSITS; PREPAYMENT OF RENT

1 (a)(1) A security deposit is any advance, deposit, or prepaid rent, however
2 named, which is refundable to the tenant at the termination or expiration of the
3 tenancy.

4 (2) The function of a security deposit is to secure the performance of a
5 tenant's obligations to pay rent and to maintain a dwelling unit.

6 (3) The amount of a security deposit shall not exceed one month's rent.

7 (4) The maximum amount a landlord may require a tenant to prepay
8 prior to beginning a tenancy shall not exceed the value of a security deposit
9 and one month's prepaid rent.

10 (b) The landlord may retain all or a portion of the security deposit for:

11 (1) nonpayment of rent;

12 (2) damage to property of the landlord, unless the damage is the result of
13 normal wear and tear or the result of actions or events beyond the control of
14 the tenant;

15 (3) nonpayment of utility or other charges that the tenant was required to
16 pay directly to the landlord or to a utility; and

17 (4) expenses required to remove from the rental unit articles abandoned
18 by the tenant.

19 (c) A landlord shall return the security deposit along with a written
20 statement itemizing any deductions to a tenant within 14 days from the date on
21 which the landlord discovers that the tenant vacated or abandoned the dwelling

1 unit or the date the tenant vacated the dwelling unit, provided the landlord
2 received notice from the tenant of that date. In the case of the seasonal
3 occupancy and rental of a dwelling unit not intended as a primary residence,
4 the security deposit and written statement shall be returned within 60 days.

5 (d) The landlord shall comply with this section by hand-delivering or
6 mailing the statement and any payment required to the last known address of
7 the tenant.

8 (e) If a landlord fails to return the security deposit with a statement within
9 14 days, the landlord forfeits the right to withhold any portion of the security
10 deposit. If the failure is willful, the landlord shall be liable for double the
11 amount wrongfully withheld, plus reasonable attorney's fees and costs.

12 (f) Upon termination of the landlord's interest in the dwelling unit, the
13 security deposit shall be transferred to the new landlord. The new landlord
14 shall give the tenant actual notice of the new landlord's name and address with
15 a statement that the security deposit has been transferred to the new landlord.

16 (g) A town or municipality may adopt an ordinance governing security
17 deposits on dwellings. The ordinance shall be supplemental to and not
18 inconsistent with the minimum protections of the provisions of this section.
19 The ordinance may not limit how a security deposit is held. The ordinance may
20 authorize the payment of interest on a security deposit. The ordinance may
21 provide that a housing board of review constituted pursuant to 24 V.S.A. §

1 5005 may hear and decide disputes related to security deposits upon request for
2 a hearing by a landlord or tenant. The board’s actions shall be reviewable
3 under 24 V.S.A. § 5006.

4 * * *

5 § 4467. TERMINATION OF TENANCY; NOTICE

6 (a) Termination for nonpayment of rent. The landlord may terminate a
7 tenancy for nonpayment of rent by providing actual notice to the tenant of the
8 date on which the tenancy will terminate, which shall be at least 14 days after
9 the date of the actual notice. The rental agreement shall not terminate if the
10 tenant pays or tenders rent due through the end of the rental period in which
11 payment is made or tendered. Acceptance of partial payment of rent shall not
12 constitute a waiver of the landlord’s remedies for nonpayment of rent or an
13 accord and satisfaction for nonpayment of rent.

14 (b) Termination for breach of rental agreement.

15 (1) The landlord may terminate a tenancy for failure of the tenant to
16 comply with a material term of the rental agreement or with obligations
17 imposed under this chapter by actual notice given to the tenant at least 30 days
18 prior to the termination date specified in the notice.

19 (2) When termination is based on criminal activity, illegal drug activity,
20 or acts of violence, any of which threaten the health or safety of other
21 residents, the landlord may terminate the tenancy by providing actual notice to

1 the tenant of the date on which the tenancy will terminate, which shall be at
2 least 14 days from the date of the actual notice.

3 (c) Termination for no cause. In the absence of a written rental agreement,
4 subject to subdivision (3) of this subsection, the landlord may terminate a
5 tenancy for no cause as follows:

6 (1) If rent is payable on a monthly basis, by providing actual notice to
7 the tenant of the date on which the tenancy will terminate, which shall be:

8 (A) for tenants who have resided continuously in the same premises
9 for two years or less, at least 60 days after the date of the actual notice;

10 (B) for tenants who have resided continuously in the same premises
11 for more than two years, at least 90 days after the date of the actual notice.

12 (2) If rent is payable on a weekly basis, by providing actual notice to the
13 tenant of the date on which the tenancy will terminate, which shall be at least
14 21 days after the date of the actual notice.

15 (3) This subsection applies only in the following circumstances:

16 (A) The rental unit is one of a two-unit or three-unit owner-occupied
17 building.

18 (B) The rental unit requires renovations that exceed 50 percent of the
19 rental unit's value to become or remain habitable, provided that the tenant shall
20 have the right of first refusal to reoccupy the unit at market rate following
21 renovations.

1 (d) Termination of rental agreement when property is sold. In the absence
2 of a written rental agreement a landlord who has contracted to sell the building
3 may terminate a tenancy by providing actual notice to the tenant of the date on
4 which the tenancy will terminate, which shall be at least ~~30 days~~ three months
5 after the date of the actual notice.

6 (e) Termination for no cause under terms of written rental agreement.

7 Subject to subdivision (2) of this subsection:

8 (1) If there is a written rental agreement, the notice to terminate for no
9 cause shall be at least 30 days before the end or expiration of the stated term of
10 the rental agreement if the tenancy has continued for two years or less. The
11 notice to terminate for no cause shall be at least 60 days before the end or
12 expiration of the term of the rental agreement if the tenancy has continued for
13 more than two years. If there is a written week-to-week rental agreement, the
14 notice to terminate for no cause shall be at least seven days; however, a notice
15 to terminate for nonpayment of rent shall be as provided in subsection (a) of
16 this section.

17 (2) This subsection applies only in the following circumstances:

18 (A) The rental unit is one of a two-unit or three-unit owner-occupied
19 building.

20 (B) The rental unit requires renovations that exceed 50 percent of the
21 rental unit's value to become or remain habitable.

1 ~~(f) Termination date. In all cases, the termination date shall be specifically~~
2 ~~stated in the notice.~~

3 (f) Termination without just cause prohibited.

4 (1)(A) Except as otherwise provided in this section, a landlord shall not
5 terminate a tenancy without just cause.

6 (B) For purposes of this subsection, the expiration of a rental
7 agreement is not just cause for a landlord to terminate a tenancy.

8 (2) A landlord may terminate a tenancy without cause, if allowed by the
9 rental agreement, within the first three months of a new tenancy.

10 (3)(A) A landlord may terminate a tenancy without cause if the landlord
11 or a member of the landlord’s immediate family has a good faith intention to
12 occupy the premises.

13 (B) A landlord shall provide the tenant with actual notice of the date
14 on which the tenancy will terminate, which shall be at least six months after
15 the date of the actual notice.

16 (C) As used in this subdivision (F)(3), “immediate family” means:

17 (i) an adult person related by blood, adoption, marriage, or as
18 defined or described in similar law in another jurisdiction;

19 (ii) an unmarried parent of a joint child;

20 (iii) a child, grandchild, foster child, ward, or guardian; or

1 (iv) a child, grandchild, foster child, ward, or guardian of any
2 person listed in subdivisions (f)(3)(C)(i) or (ii) of this section.

3 (4) A landlord may terminate a tenancy without cause pursuant to
4 subsection (c) or (e) of this section.

5 (5) A landlord may terminate a tenancy of shared occupancy without
6 cause pursuant to subsection (h) of this section.

7 (g) Conversion to condominium. If the building is being converted to
8 condominiums; ~~notice shall be given~~

9 (1) the landlord shall provide notice to tenants in accordance with 27
10 V.S.A. chapter 15, subchapter 2; and

11 (2) a tenant shall have the right of first refusal to purchase a unit at
12 market rate.

13 (h) Termination of shared occupancy. A rental arrangement whereby a
14 person rents to another individual one or more rooms in ~~his or her~~ the person's
15 personal residence that includes the shared use of any of the common living
16 spaces, such as the living room, kitchen, or bathroom, may be terminated by
17 either party by providing actual notice to the other of the date the rental
18 agreement shall terminate, which shall be at least 15 days after the date of
19 actual notice if the rent is payable monthly and at least seven days after the
20 date of actual notice if the rent is payable weekly.

21 (i) Termination date; ~~Multiple~~ multiple notices.

1 (1) A landlord shall specifically state a termination date in a notice of
2 termination.

3 (2) All actual notices that are in compliance with this section shall not
4 invalidate any other actual notice and shall be a valid basis for commencing
5 and maintaining an action for possession pursuant to this chapter, 10 V.S.A.
6 chapter 153, 11 V.S.A. chapter 14, or 12 V.S.A. chapter 169, notwithstanding
7 that the notices may be based on different or unrelated grounds, dates of
8 termination, or that the notices are sent at different times prior to or during an
9 ejectment action. A landlord may maintain an ejectment action and rely on as
10 many grounds for ejectment as are allowed by law at any time during the
11 eviction process.

12 (j) Payment after termination; effect.

13 (1) A landlord's acceptance of full or partial rent payment by or on
14 behalf of a tenant after the termination of the tenancy for reasons other than
15 nonpayment of rent or at any time during the ejectment action shall not result
16 in the dismissal of an ejectment action or constitute a waiver of the landlord's
17 remedies to proceed with an eviction action based on any of the following:

18 (A) the tenant's breach of the terms of a rental agreement pursuant to
19 subsection (b) of this section;

20 (B) the tenant's breach of the tenant's obligations pursuant to
21 subsections 4456(a), (b), and (c) of this title; or

1 (C) for no cause pursuant to subsections (c), (d), (e), and (h) of this
2 section.

3 (2) This subsection shall apply to 10 V.S.A. chapter 153, 11 V.S.A.
4 chapter 14, and 12 V.S.A. chapter 169.

5 (k) Commencement of ejection action. A notice to terminate a tenancy
6 shall be insufficient to support a judgment of eviction unless the proceeding is
7 commenced not later than 60 days from the termination date set forth in the
8 notice.

9 § 4469. MAXIMUM INCREASE IN RENT

10 (a) A landlord shall not increase rent during any 12-month period in an
11 amount greater than five percent plus the Consumer Price Index above the
12 existing rent, as published by the Bureau of Labor Statistics of the United
13 States Department of Labor in September of the prior calendar year, or 10
14 percent, whichever is lower in any 12-month period.

15 (b) A landlord shall specify in a notice of increase of rent:

16 (1) the amount of the rent increase;

17 (2) the amount of the new rent; and

18 (3) the date on which the increase becomes effective.

19 (c) A landlord shall notify a tenant of an increase in rent not less than 90
20 days prior to the date the increase takes effect.

21 Sec. 2. 9 V.S.A. chapter 137 is amended to read:

1 CHAPTER 137. RESIDENTIAL RENTAL AGREEMENTS

2 * * *

3 Subchapter 5. Tenant Right of First Refusal to Purchase Building

4 § 4476. TENANT RIGHTS TO PURCHASE BUILDING

5 (a) Notice.

6 (1) An owner of a residential building shall give to each tenant and to
7 the Commissioner of Housing and Community Development notice by
8 certified mail, return receipt requested, of the owner’s intention to sell the
9 building.

10 (2) If a tenant refuses the notice, or it is otherwise undeliverable, the
11 owner shall send the notice by first-class mail to the tenant’s last known
12 mailing address.

13 (3) The notice shall state the following:

14 (A) the owner intends to sell the building;

15 (B) the price, terms, and conditions under which the owner offers the
16 building for sale;

17 (C) a list of the affected tenants;

18 (D) the status of compliance with applicable statutes, rules, and
19 permits, to the owner’s best knowledge, and the reasons for any
20 noncompliance; and

1 (E) that for 45 days following the notice, the owner shall not make a
2 final unconditional acceptance of an offer to purchase the building and that if
3 within the 45 days the owner receives notice pursuant to subsection (c) of this
4 section that a majority of the tenants intend to consider purchase of the
5 building, the owner shall not make a final unconditional acceptance of an offer
6 to purchase the building for an additional 120 days, starting from the 46th day
7 following notice, except one from a group representing a majority of the
8 tenants or from a nonprofit corporation approved by a majority of the tenants.

9 (b) Resident intent to negotiate; timetable.

10 (1) The tenants shall have 45 days following notice under subsection (a)
11 of this section to determine whether they intend to consider purchase of the
12 building through a group representing a two-thirds majority of the tenants or a
13 nonprofit corporation approved by a majority of the tenants.

14 (2) A majority of the tenants is determined by one vote per leasehold,
15 and no tenant shall have more than three votes or 30 percent of the aggregate
16 building vote, whichever is less.

17 (3) During this 45-day period, the owner shall not accept a final
18 unconditional offer to purchase the building.

19 (c) Response to notice; required action.

20 (1) If the owner does not receive notice from the tenants during the 45-
21 day period, or if the tenants notify the owner that they do not intend to consider

1 purchase of the building, the owner has no further restrictions regarding sale of
2 the building pursuant to this section.

3 (2) If, during the 45-day period, the owner receives notice in writing that
4 a majority of the tenants intend to consider purchase of the building, then the
5 owner shall:

6 (A) not accept a final unconditional offer to purchase from a party
7 other than leaseholders for 120 days following the 45-day period, a total of 165
8 days following the notice from the leaseholders;

9 (B) negotiate in good faith with the group representing a majority of
10 the tenants or a nonprofit corporation approved by a majority of the tenants
11 concerning purchase of the building;

12 (C) consider any offer to purchase from a group representing a
13 majority of the tenants or from a nonprofit corporation approved by a majority
14 of the tenants; and

15 (D) accept an offer from the tenants or nonprofit corporation if the
16 offer:

17 (i) equals or exceeds the appraised value of the property; or

18 (ii) is on substantially equivalent terms and conditions as the best
19 reasonable offer from another third party.

20 (d) Penalties.

21 (1) An owner who sells a building without complying with this section:

1 (A) is liable to the tenants in the aggregate amount of \$10,000.00 or
2 50 percent of the gain realized by the owner from the sale, whichever is
3 greater; and

4 (B) commits an unfair practice in trade and commerce in violation of
5 section 2453 of this title.

6 (2) The Department of Housing and Community Development may:

7 (A) impose an administrative penalty of not more than \$5,000.00 per
8 violation;

9 (B) bring a civil action for damages or injunctive relief, or both; and

10 (C) refer a violation to the Attorney General or State’s Attorney for
11 enforcement pursuant to subdivision (1)(B) of this subsection (d).

12 (e) Exceptions. The provisions of this section do not apply when the sale,
13 transfer, or conveyance of the building occurs through one or more of the
14 following:

15 (1) through a foreclosure sale;

16 (2) to a member of the owner’s family or to a trust for the sole benefit of
17 members of the owner’s family;

18 (3) among the partners who own the building;

19 (4) incidental to financing the building;

20 (5) between joint tenants or tenants in common;

21 (6) pursuant to eminent domain;

1 (7) pursuant to a municipal tax sale.

2 (f) Requirement for new notice of intent to sell.

3 (1) Subject to subdivision (2) of this subsection, a notice of intent to sell
4 issued pursuant to subsection (a) of this section is valid:

5 (A) for a period of one year from the expiration of the 45-day period
6 following the date of the notice; or

7 (B) if the owner has entered into a binding purchase and sale
8 agreement with a group representing a majority of the tenants or a nonprofit
9 corporation approved by a majority of the tenants within one year from the
10 expiration of the 45-day period following the date of the notice until the
11 completion of the sale of the building under the agreement or the expiration of
12 the agreement, whichever is sooner.

13 (2) During the period in which a notice of intent to sell is valid, an
14 owner shall provide a new notice of intent to sell, consistent with the
15 requirements of subsection (a) of this section, prior to making an offer to sell
16 the building or accepting an offer to purchase the building that is either more
17 than five percent below the price for which the building was initially offered
18 for sale or less than five percent above the final written offer from a group
19 representing a majority of the tenants or a nonprofit corporation approved by a
20 majority of the tenants.

1 (g) Good faith. A group representing a majority of the tenants or a
2 nonprofit corporation approved by a majority of the tenants shall negotiate in
3 good faith with the owner for purchase of the building.

4 Sec. 3. EVICTION DIVERSION PROGRAM

5 (a) Program created.

6 (1) The Vermont State Housing Authority, in consultation with Vermont
7 Legal Aid, shall create the Eviction Diversion Program consistent with the
8 provisions of this act.

9 (2) The objective of the Program is to prevent, when possible, the filing
10 of ejectment actions regarding residential tenancies, by incentivizing landlords
11 and tenants to explore alternatives to eviction prior to filing.

12 (b) Program funding; position authorized.

13 (1) In fiscal year 2024, the amount of \$1,600,000.00 is appropriated
14 from the General Fund to the Vermont State Housing Authority to provide
15 funding for the Eviction Diversion Program consistent with this act.

16 (2) The Authority is authorized to create and fund one full-time
17 equivalent position for an Eviction Diversion Coordinator whose duties shall
18 included the following:

19 (A) administer the Program;

20 (B) screen landlords and tenants for eligibility to participate in and
21 receive funds through the Program; and

1 (C) identify eligibility and refer landlords and tenants to other
2 available and appropriate sources of funding and support, including repair
3 funds, rent arrearage funds, housing opportunity grant funds, existing rent
4 support and subsidy programs, legal assistance programs, and mediation
5 services.

6 (c) Public outreach; notice to landlords and tenants.

7 (1) The Eviction Diversion Coordinator shall collaborate with the
8 Vermont Judiciary, Vermont Legal Aid, and the Vermont Landlord
9 Association to design a public awareness campaign and conduct outreach to
10 landlords and tenants concerning the eviction diversion services available
11 through the Program.

12 (2) The Coordinator shall make publicly available and to landlords a
13 standard document that summarizes the Program and provides contact
14 information for the Program, which document a landlord may provide to a
15 tenant with a notice of termination issued pursuant to 9 V.S.A. § 4467(a).

16 (d) Program eligibility.

17 (1) A tenant is eligible to participate in the Program if:

18 (A) the tenant is in arrears in an amount equivalent to three or fewer
19 months' rent;

20 (B) the tenant's household income is at or below 100 percent of area
21 median income; and

1 (i) the tenant’s housing expenses exceed less than 60 percent of
2 the household’s income;

3 (ii) the tenant’s rent as increased by 10 percent or more in the
4 previous 24 months; or

5 (iii) the tenant or a member of the tenant’s household has
6 experienced a medical emergency, incarceration, or job loss in the previous 12
7 months;

8 (C) the tenant has not applied to the Program in the previous 12
9 months; and

10 (D) the tenant consents to participate in mediation or other
11 appropriate method of dispute resolution, as determined by the Coordinator.

12 (2) A landlord is eligible to participate in the Program if:

13 (A) the landlord agrees to participate in mediation or other
14 appropriate method of dispute resolution, as determined by the Coordinator;
15 and

16 (B) as a condition of receiving payment, the landlord agrees to
17 rescind the termination of tenancy.

18 (e) Program procedure.

19 (1) Following notice of termination for nonpayment of rent pursuant to 9
20 V.S.A. § 4467(a), a landlord or a tenant may submit a request to the
21 Coordinator to evaluate eligibility to participate in the Program.

1 (2) The Coordinator shall determine eligibility and notify the landlord
2 and tenant not later than five days following receipt of a request.

3 (3) If the landlord and tenant who are determined to be eligible choose
4 to participate in the Program, the 14-day period specified in 9 V.S.A. § 4467(a)
5 and the 60-day period specified in 9 V.S.A. § 4467(k) shall be suspended until:

6 (A) the parties reach agreement and the landlord rescinds the
7 termination notice; or

8 (B) the parties do not reach agreement and formally withdraw from
9 the Program.

10 (4) A landlord and tenant who choose to participate in the Program shall
11 engage in mediation or other appropriate method of dispute resolution, as
12 determined by the Coordinator, with the purposes of:

13 (A) identifying the causes and appropriate responses for the tenant's
14 nonpayment of rent;

15 (B) identifying financial aid and other supports provided through the
16 Program and other services that can help prevent future violations of the
17 residential rental agreement;

18 (C) adopting a mediation agreement or similar action plan that
19 specifies the terms of resolving the dispute and any terms and conditions with
20 which the parties must comply to resolve the dispute and avoid future
21 violations of the residential rental agreement.

1 (5) Upon successful completion of mediation and resolution of the
2 dispute, as agreed by the parties, the Coordinator shall issue payment directly
3 to the landlord on behalf of the tenant in an amount not to exceed the lesser of:

4 (A) the actual amount of unpaid rent and the landlord’s reasonable
5 costs and fees arising from termination of the tenancy; or

6 (B) \$3,000.00.

7 **Sec. 4. HOMELESSNESS RESPONSE SYSTEMS ANALYSIS STUDY**

8 (a) On or before September 1, 2023, the Agency of Human Services shall
9 convene a working group including individuals with lived experience, the local
10 and statewide Continuums of Care, the Vermont Housing Finance Agency, and
11 the Vermont Housing and Conservation Board to review, develop, and provide
12 recommendations on the State’s homelessness response and prevention
13 programs, governance system, and any associated success measures that
14 incorporate recent assessments and statewide plans.

15 (b) On or before January 15, 2024, the Agency shall submit the working
16 group’s findings and recommendations to the House Committees on General
17 and Housing and on Human Services and to the Senate Committees on
18 Economic Development, Housing, and General Affairs and on Health and
19 Welfare. The recommendations shall specifically address how the State can
20 achieve the federal goal of reducing homelessness by 25 percent by 2025,
21 including strategies to:

- 1 (A) address racial and other disparities among individuals
2 experiencing homelessness;
- 3 (B) justify State and local action in research, quantitative and
4 qualitative data, and the perspectives of individuals who have or are currently
5 experiencing homelessness;
- 6 (C) eliminate silos between State and local governments and
7 organizations; the public, private, and philanthropic sectors; and individuals
8 who have or are experiencing homelessness;
- 9 (D) increase the supply of and access to safe, affordable, and
10 accessible housing and tailored supports for individuals at risk of or
11 experiencing homelessness;
- 12 (E) improve response systems to meet the urgent crisis of
13 homelessness, especially unsheltered homelessness; and
- 14 (F) reduce the risk of housing instability for households most likely
15 to experience homelessness.

16 * * * Municipal and Regional Planning Development * * *

17 Sec. 5. 24 V.S.A. § 4303 is amended to read:

18 § 4303. DEFINITIONS

19

20 The following definitions shall apply throughout this chapter unless the
21 context otherwise requires:

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(38) “Emergency shelter” means any facility, the primary purpose of which is to provide a temporary shelter for the homeless in general or for specific populations of the homeless and that does not require occupants to sign leases or occupancy agreements.

* * *

Sec. 6. 24 V.S.A. § 4471 is amended to read:

§ 4471. APPEAL TO ENVIRONMENTAL DIVISION

* * *

~~(e) Neighborhood development area~~ Designated areas.

Notwithstanding subsection (a) of this section, a determination by an appropriate municipal panel that a residential development will not result in an undue adverse effect on the character of the area affected shall not be subject to appeal if the ~~determination is that~~ a proposed residential development seeking conditional use approval under subdivision 4414(3) of this title is within a designated downtown development district, designated growth center, ~~designated Vermont neighborhood,~~ or designated neighborhood development area ~~seeking conditional use approval will not result in an undue adverse effect on the character of the area affected under subdivision 4414(3) of this title.~~

1 Other elements of the determination made by the appropriate municipal panel
2 may be appealed.

3 Sec. 7. 24 V.S.A. § 4413 is amended to read:

4 § 4413. LIMITATIONS ON MUNICIPAL BYLAWS

5
6 (a)(1) The following uses may be regulated only with respect to location,
7 size, height, building bulk, yards, courts, setbacks, density of buildings, off-
8 street parking, loading facilities, traffic, noise, lighting, landscaping, and
9 screening requirements, and only to the extent that regulations do not have the
10 effect of interfering with the intended functional use:

11 (A) State-or community-owned and -operated institutions and
12 facilities;

13 (B) public and private schools and other educational institutions
14 certified by the Agency of Education;

15 (C) churches and other places of worship, convents, and parish houses;

16 (D) public and private hospitals;

17 (E) regional solid waste management facilities certified under 10
18 V.S.A. chapter 159;

19 (F) hazardous waste management facilities for which a notice of intent
20 to construct has been received under 10 V.S.A. § 6606a; and

21 (G) emergency shelters.

1 (2) Except for State-owned and -operated institutions and facilities, a
2 municipality may regulate each of the land uses listed in subdivision (1) of this
3 subsection for compliance with the National Flood Insurance Program and for
4 compliance with a municipal ordinance or bylaw regulating development in a
5 flood hazard area or river corridor, consistent with the requirements of
6 subdivision 2291(25) and section 4424 of this title. These regulations shall not
7 have the effect of interfering with the intended functional use.

8 (3) For purposes of this subsection, regulating the daily or seasonal
9 hours of operation of an emergency shelter shall constitute interfering with the
10 intended functional use.

11 * * *

12 **Sec. 8. EFFECTIVE DATE**

13 This act shall take effect on July 1, 2023.