

1 Introduced by Representative Baser of Bristol
2 Referred to Committee on
3 Date:
4 Subject: Commerce and trade; housing; housing finance
5 Statement of purpose of bill as introduced: This bill proposes to create the
6 Home Revitalization Revolving Loan Program.

7 An act relating to creating the Home Revitalization Revolving Loan
8 Program

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

10 Sec. 1. 10 V.S.A. chapter 29, subchapter 3 is amended to read:

11 Subchapter 3. ~~Vermont Economic Progress Council~~ Home Revitalization
12 Revolving Loan Program

13 § 699. HOME REVITALIZATION REVOLVING LOAN PROGRAM

14 (a) Program created; administration.

15 (1) There is created within the Department of Housing and Community
16 Development the Housing Revitalization Revolving Loan Program (Program),
17 the purpose of which is to establish criteria for eligible home revitalization
18 projects and a self-sustaining revolving loan fund that keeps pace with inflation
19 and provides funding for targeted home revitalization.

1 (2) The Department may designate through a written memorandum of
2 understanding the administration of the Program and the revolving loan fund
3 monies to another housing organization best able to operate the Program
4 efficiently and coordinate the Program with other existing housing tax credit,
5 loan, and grant opportunities.

6 (b) Repayment. The Department or designee shall execute a loan
7 agreement for a loan made through the Program that includes a requirement
8 that the borrower repay the loan pursuant to a repayment schedule specified by
9 the agreement, or upon sale or other transfer of title, whichever is sooner.

10 (c) Eligible participants. Subject to available funding, loans under the
11 Program are available to Vermonters with annual household income of not
12 more than 120 percent of the median household income for the county in
13 which the project is located.

14 (d) Project and loan criteria. To be eligible for a loan under the Program,
15 an eligible project shall be one of the following two project types, subject to
16 the related loan conditions, and shall include work on roofing; plumbing and
17 heating systems; insulation; electrical systems; bath and kitchen upgrades;
18 interior walls; exterior painting; foundation repair; flooring upgrade or repair;
19 heating unit replacement; or other work approved by the Department:

20 (1) revitalization of an existing, owner-occupied, one- to four-unit
21 residence, subject to the following:

1 (A) the maximum loan amount is \$50,000.00;

2 (B) not more than \$20,000.00 may be loaned at zero percent interest,
3 and payments may be deferred until repayment is due upon sale or other
4 transfer of title;

5 (C) the maximum interest rate on the loan is not more than one
6 percentage point above the U.S. Consumer Price Index for all Urban
7 Consumers, Housing Component, published by the U.S. Bureau of Labor
8 Statistics in the periodical “Monthly Labor Review and Handbook of Labor
9 Statistics” as established annually by the Department; or

10 (2) creation of one or more additional dwelling units in an existing,
11 owner-occupied, one- to three-unit residence, for which project the maximum
12 loan amount is \$75,000.00.

13 (e) Geographic criteria.

14 (1) The Department or designee shall not award loans for more than
15 eight projects in a single neighborhood.

16 (2) The Department shall adopt Program guidelines to ensure
17 geographic diversity in awarding loans.

18 (f) Priority for coordination with other programs. The Department shall
19 adopt Program guidelines:

1 (1) to ensure that loan applicants pursue funding from other funding
2 sources, including Efficiency Vermont, Neighborworks, and VHFA programs,
3 and exhaust those funds first; and

4 (2) to give preference to projects that use funding from other such
5 sources.

6 (g) Relationship to land use bylaws. With respect to any bylaw adopted by
7 a municipality under 24 V.S.A. chapter 117 (land use bylaw):

8 (1) Notwithstanding any contrary provision of an existing land use
9 bylaw, such a bylaw shall not be interpreted or applied to deny a municipal
10 land use permit to a home revitalization project awarded a loan under this
11 chapter.

12 (2) Municipal land use regulation of such a home revitalization project
13 shall be limited as set forth in 24 V.S.A. § 4413(a).

14 (3) An administrative officer or appropriate municipal panel as defined
15 in 24 V.S.A. § 4303 shall expedite the review of such a project under the land
16 use bylaws.

17 Sec. 2. 24 V.S.A. § 4413 is amended to read:

18 § 4413. LIMITATIONS ON MUNICIPAL BYLAWS

19 (a)(1) The following uses may be regulated only with respect to location,
20 size, height, building bulk, yards, courts, setbacks, density of buildings, off-
21 street parking, loading facilities, traffic, noise, lighting, landscaping, and

1 screening requirements, and only to the extent that regulations do not have the
2 effect of interfering with the intended functional use:

3 (A) State- or community-owned and operated institutions and
4 facilities;

5 (B) ~~Public~~ public and private schools and other educational
6 institutions certified by the Agency of Education;

7 (C) ~~Churches~~ churches and other places of worship, convents, and
8 parish houses;

9 (D) ~~Public~~ public and private hospitals;

10 (E) ~~Regional~~ regional solid waste management facilities certified
11 under 10 V.S.A. chapter 159;

12 (F) ~~Hazardous~~ hazardous waste management facilities for which a
13 notice of intent to construct has been received under 10 V.S.A. § 6606a;

14 (G) home revitalization projects that have been awarded a loan under
15 10 V.S.A. chapter 29, subchapter 3.

16 (2) Except for State-owned and -operated institutions and facilities, a
17 municipality may regulate each of the land uses listed in subdivision (1) of this
18 subsection for compliance with the National Flood Insurance Program and for
19 compliance with a municipal ordinance or bylaw regulating development in a
20 flood hazard area or river corridor, consistent with the requirements of

1 subdivision 2291(25) and section 4424 of this title. These regulations shall not
2 have the effect of interfering with the intended functional use.

3 * * *

4 Sec. 3. 8 V.S.A. § 3700 is amended to read:

5 § 3700. ~~STATUTORY PURPOSES~~

6 ~~The statutory purpose of the exemption for annuity considerations in section~~
7 ~~3718 of this title is to avoid reciprocity from other states. [Repealed.]~~

8 Sec. 4. 8 V.S.A. § 3718 is amended to read:

9 § 3718. ~~ANNUITY CONSIDERATIONS~~

10 ~~Insurers shall be subject to taxation according to the provisions of Title 32;~~
11 ~~provided, however, that no tax shall be due or payable as to considerations~~
12 ~~received for annuity contracts. Payment by an insurer of the tax as in Title 32~~
13 ~~required shall be in lieu of all taxes imposed by the State upon premiums or~~
14 ~~upon income, and of franchise, privilege or other taxes measured by income of~~
15 ~~the insurer. The provisions of this section shall not be modified or repealed by~~
16 ~~any law of general application hereafter enacted unless expressly referred to or~~
17 ~~expressly repealed therein. [Repealed.]~~

1 Sec. 5. 32 V.S.A. chapter 211, subchapter 7 is amended to read:

2 Subchapter 7. Insurance Companies

3 § 8551. IMPOSITION, RATE, AND BASIS OF TAX

4 (a) A domestic or foreign insurance company, association, or society, other
5 than a life insurance company, or a surety or guaranty company, doing
6 business in this State, shall pay a tax to the State, which is hereby assessed at
7 the rate of two percent per annum on the gross amount of premiums and
8 assessments written on its business in this State, but not including premiums
9 received for reinsurance.

10 (b) A domestic or foreign life insurance company, doing business in this
11 state, State shall pay a tax to the State, ~~which is hereby assessed:~~

12 (1) at the rate of two percent per annum on the gross amount of
13 premiums and assessments collected on its business in this State, but not
14 including premiums received for reinsurance; and

15 (2) at the rate of one percent per annum on the gross consideration
16 received for an annuity contract.

17 § 8552. RETURNS

18 (a) A domestic insurance company, association, or society, other than a life
19 insurance company, or a surety or guaranty company shall pay a tax to the
20 State on the gross amount of premiums and assessments written and not taxed
21 in other states and shall pay a tax to the State on the gross amount of premiums

1 and assessments collected and not taxed in other states and shall include such
2 business in its returns.

3 (b) A domestic life insurance company shall pay a tax to the State on the
4 gross amount of premiums and assessments collected and not taxed in other
5 states and on the gross consideration for annuity contracts received and not
6 taxed in other states and shall include such business in its returns.

7 (c) The term “taxed in other states” means:

8 (1)(A) ~~A~~ a tax imposed by another state on premiums or annuity
9 considerations and paid directly by the company, association, society, surety,
10 guaranty, or life insurance company to such other state under an insurance
11 premiums tax or a tax on annuity considerations of the same general kind as
12 found in subchapter 7 of chapter 211 of this title; or

13 (B) ~~A~~ a corporate income or franchise tax in which the premiums or
14 annuities considerations taxed under subdivision (A) of this subdivision (1) are
15 a factor in the computation thereof; or

16 (2) ~~A~~ a tax of the same general kind as found in 8 V.S.A. § 5035; that is
17 imposed by another state upon surplus lines premiums ~~which~~ and is paid
18 directly or indirectly to that state by agents or brokers of ~~the~~ a Vermont
19 domestic insurer ~~which~~ that is not itself authorized to do business in that state.

1 § 8553. TIME OF PAYMENT

2 (a) ~~Such~~ The tax imposed by this chapter shall be based upon the business
3 of ~~such a~~ company, association, or society during the year terminating with
4 December 31 preceding.

5 (b) ~~If~~ The tax shall be paid quarterly on or before the last day of the second
6 calendar month following the quarter ending on the last day of March, June,
7 September, and December of each calendar year and shall be computed either
8 upon the business of such company, association, or society during the quarter
9 for which the payment is made, or upon an ~~estimated basis~~ estimate predicated
10 upon prior ~~years~~ years' business, ~~upon~~ The computation shall be submitted on
11 forms to be prescribed by the Commissioner of Taxes.

12 (c)(1) ~~Where~~ If the aggregate tax imposed upon a company, association, or
13 society is reasonably expected to be less than \$500.00 for the calendar year, it
14 may be paid on an annual basis not later than the last day of February
15 following the close of the year.

16 (2) Such company, association, or society shall annually make a final
17 reconciliation return on or before the last day of February in the manner
18 provided in section 8123 of this title.

19 § 8554. DEDUCTIONS

20 (a) In determining the amount of taxes to be assessed under the provisions
21 of sections 8551 and 8552 of this title, there shall be deducted from the full

1 amount of ~~such~~ premiums and assessments all sums paid for return premiums
2 on cancelled policies upon risk located in this State and all dividends actually
3 paid or allowed to policyholders residing therein.

4 (b) Nothing in this section shall be construed to allow dividends in scrip, in
5 stock, mutual, or mixed companies, or in surrender values for life insurance
6 policies, to be considered return premiums.

7 § 8555. RECIPROCAL PROVISIONS

8 If another state or country imposes upon or requires of a domestic
9 insurance, surety, or guaranty company or its agents doing business therein,
10 taxes exceeding those ~~imposed by that~~ this State imposes upon or ~~required~~
11 requires of foreign insurance, surety, or guaranty companies doing business
12 herein, an insurance, surety, or guaranty company organized under the laws of
13 such other state or country and its agents doing business in this State, shall be
14 subject to taxes similar to those ~~so~~ imposed in ~~such~~ the other state or country;
15 and the same shall be imposed, required, and enforced as like taxes are under
16 the laws of this State.

17 * * *

18 Sec. 6. APPROPRIATION

19 In fiscal year 2019 an amount equal to the revenues collected from taxes
20 due and payable as to considerations received for annuity contracts, but not
21 more than \$4,000,000.00, shall be appropriated from the General Fund to the

- 1 Department of Housing and Community Development to implement the Home
- 2 Revitalization Revolving Loan Program pursuant to Sec. 1 of this act.
- 3 Sec. 7. EFFECTIVE DATE
- 4 This act shall take effect on July 1, 2018.