

Vermont Legislative Joint Fiscal Office

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FISCAL NOTE

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S.100 Promotion of Affordable and Sustainable Housing

As Passed by the Senate

Secs. 2 and 3: Affordable Housing Bond

These sections direct the Vermont Housing and Conservation Board (VHCB) to use the proceeds of bonds, notes, and other obligations issued by the Vermont Housing Finance Agency (VHFA) to fund the creation and improvement of affordable housing for low- to middle-income Vermonters. VHCB would be required to submit a report to the General Assembly each year regarding the housing development activities.

Sec. 4: Allocation of Property Transfer Tax Revenues (Statute)

Establishes in statute that, prior to any distribution of property transfer tax revenues, the first \$2.5 million will go to VHFA to pay down the affordable housing obligations. Establishes that the property transfer tax cannot be lowered beyond what is necessary to raise \$12 million annually in future years until the obligations are fully paid down.

Sec. 6: VHFA Bond Issuance

Establishes that VHFA may only issue financial obligations up to the maximum annual servicing cost of \$2.5 million.

Sec. 7: Allocation of Property Transfer Tax Revenues (Session Law)

Establishes in session law how property transfer tax revenues are to be distributed for the next two fiscal years. To finance the \$2.5 million obligation servicing, VHCB would pay \$1.5 million annually and the remaining \$1 million would come from the Clean Water surcharge.

Sections 8 – 10 Clean Water Surcharge

Section 8 would repeal the Clean Water Surcharge sunset from Act 64 of 2015. Section 9 would establish that the first \$1 million of Clean Water surcharge revenues would go to the Housing and Conservation Trust Fund before any revenues go to the Clean Water Fund for fiscal years 2018 and 2019. Section 10 would adjust the Clean Water Surcharge down from 0.2% to 0.04% on the value of the transfer of property starting in FY2020. This is 1/5th of the existing surcharge and would raise approximately \$1 million per year to pay off affordable housing obligations.

Section 11 Repeal of Affordable Housing Bond Provisions

This section would repeal all provisions relating to the affordable housing bond issuance and financing on July 1, 2039.