

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 a home
6 revitalization revolving loan program.

7 An act relating to creating a home revitalization revolving loan program

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

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

10 Subchapter 3. ~~Vermont Economic Progress Council~~ Home Revitalization

11 Revolving Loan Program

12 § 699. HOME REVITALIZATION REVOLVING LOAN PROGRAM

13 (a) Program created; administration.

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

19 (2) The Department may designate through a written memorandum of
20 understanding the administration of the Program and the revolving loan fund

1 monies to another housing organization best able to operate the program
2 efficiently and coordinate the Program with other existing housing tax credit,
3 loan, and grant opportunities.

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

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

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

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

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

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

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

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

12 (e) Geographic criteria.

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

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

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

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

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

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

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

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

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

14 Sec. 2. 8 V.S.A. § 3700 is amended to read:

15 § 3700. ~~STATUTORY PURPOSES~~

16 ~~The statutory purpose of the exemption for annuity considerations in section~~
17 ~~3718 of this title is to avoid reciprocity from other states. [Repealed.]~~

18 Sec. 3. 8 V.S.A. § 3718 is amended to read:

19 § 3718. ANNUITY CONSIDERATIONS

20 Insurers shall be subject to taxation according to the provisions of Title 32;
21 ~~provided, however, that no tax shall be due or payable as to considerations~~

1 ~~received for annuity contracts.~~ Payment by an insurer of the tax as in Title 32
2 required shall be in lieu of all taxes imposed by the State upon premiums or
3 upon income, and of franchise, privilege or other taxes measured by income of
4 the insurer. The provisions of this section shall not be modified or repealed by
5 any law of general application hereafter enacted unless expressly referred to or
6 expressly repealed therein.

7 Sec. 4. 10 V.S.A. § 1388 is amended to read:

8 § 1388. CLEAN WATER FUND

9 (a) There is created a special fund to be known as the “Clean Water Fund”
10 to be administered by the Secretary of Administration. The Fund shall
11 consist of:

12 (1) revenues dedicated for deposit into the Fund by the General
13 Assembly, including the Property Transfer Tax surcharge established under
14 32 V.S.A. § 9602a;

15 (2) an amount from the General Fund equal to the revenues generated
16 from taxes due and payable as to considerations received for annuity
17 contracts; and

18 ~~(2)~~(3) other gifts, donations, and impact fees received from any source,
19 public or private, dedicated for deposit into the Fund and approved by the
20 Secretary of Administration.

1 (b) Notwithstanding any contrary provisions of 32 V.S.A. chapter 7,
2 subchapter 5, unexpended balances and any earnings shall remain in the Fund
3 from year to year.

4 Sec. 5. 24 V.S.A. § 4413 is amended to read:

5 § 4413. LIMITATIONS ON MUNICIPAL BYLAWS

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~~ public and private schools and other educational
14 institutions certified by the Agency of Education;

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

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

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

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

1 (G) home revitalization projects that have been awarded a loan under
2 10 V.S.A. chapter 29, subchapter 3.

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

10 * * *

11 Sec. 6. APPROPRIATION

12 Notwithstanding 10 V.S.A. § 1388(a)(2) as amended by this act, in fiscal
13 year 2019 the first \$4,000,000.00 in revenue collected from taxes due and
14 payable as to considerations received for annuity contracts shall be
15 appropriated from the General Fund to the Department of Housing and
16 Community Development to implement the Home Revitalization Revolving
17 Loan Program pursuant to Sec. 1 of this act.

18 Sec. 7. EFFECTIVE DATE

19 This act shall take effect on July 1, 2018.