

1 H.450

2 Introduced by Representatives Toof of St. Albans Town, Batchelor of Derby,

3 Brennan of Colchester, Goslant of Northfield, Gregoire of

4 Fairfield, Harrison of Chittenden, and Leffler of Enosburgh

5 Referred to Committee on

6 Date:

7 Subject: Economic development; housing; rental housing; Vermont Housing

8 Incentive Program

9 Statement of purpose of bill as introduced: This bill proposes to create the  
10 Vermont Housing Incentive Program.

11 An act relating to the creation of the Vermont Housing Incentive Program

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

13 \* \* \* Housing Incentive Program \* \* \*

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

15 Subchapter 3. ~~Vermont Economic Progress Council~~ Housing Incentive  
16 Program

17 § 699. HOUSING INCENTIVE PROGRAM

18 (a) Purpose. Recognizing that Vermont's rental housing stock is some of  
19 the oldest in the country, and that much of it needs updating to meet code  
20 requirements and other standards, this section is intended to incentivize private

1 apartment owners to make significant improvements to both housing quality  
2 and weatherization by providing small grants that would be matched by the  
3 private apartment owner.

4 (b) Creation of Program. The Department of Housing and Community  
5 Development shall design and implement the Vermont Rental Housing  
6 Incentive Program to provide funding to regional nonprofit housing partner  
7 organizations to provide incentive grants to private landlords for the  
8 rehabilitation and improvement, including weatherization, of existing rental  
9 housing stock. Each grant shall be capped at a standard limit set by the  
10 Department per rental unit and shall be matched by the private landlord at least  
11 two-to-one.

12 \* \* \* Land Gains Tax \* \* \*

13 Sec. 2. 32 V.S.A. § 10001 is amended to read:

14 § 10001. TAX IMPOSED

15 There is imposed, in addition to all other taxes imposed by this title, a tax  
16 on the gains from the sale or exchange of land in Vermont occurring before  
17 July 1, 2019.

18 Sec. 3. 32 V.S.A. § 9601 is amended to read:

19 § 9601. DEFINITIONS

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

1 \* \* \*

2 (11)(A) “Principal residence” means ~~principal residence as defined in 32~~  
3 ~~V.S.A. § 10002a, together with land that is beneath or directly contiguous to~~  
4 ~~the dwelling and that is transferred with the dwelling~~ a dwelling that, within  
5 one year prior to sale, was occupied as the domicile of the seller or that, within  
6 one year from the date of sale, will be occupied as the domicile of the  
7 purchaser, together with land that is beneath or directly contiguous to the  
8 dwelling and that is transferred with the dwelling. As used in this section, a  
9 domicile is the principal dwelling of a person domiciled in the State of  
10 Vermont.

11 (B) “Principal residence” includes any multifamily dwelling, not  
12 exceeding four units, if:

13 (i) the seller used at the time of sale at least one unit within such  
14 dwelling as his or her principal residence; or

15 (ii) the purchaser will use at least one unit within such dwelling as  
16 his or her principal residence under the conditions of subdivision (A) of this  
17 subdivision (11).

18 (C) “Principal residence” also means any dwelling used as the  
19 seller’s principal residence, or which will be used by the purchaser as his or  
20 her principal residence under the conditions of subdivision (A) of this  
21 subdivision (11), even though the resident also carries on or will carry on

1 commercial activity in that dwelling. Commercial activity includes an office  
2 for the resident's business or profession or a retail store.

3 Sec. 4. 32 V.S.A. § 435(b) is amended to read:

4 (b) The General Fund shall be composed of revenues from the following  
5 sources:

6 (1) Alcoholic beverage tax levied pursuant to 7 V.S.A. chapter 15;

7 \* \* \*

8 (10) 33 percent of the revenue from the property transfer taxes levied  
9 pursuant to chapter 231 of this title ~~and the revenue from the gains taxes levied~~  
10 ~~each year pursuant to chapter 236 of this title;~~

11 \* \* \*

12 \* \* \* Repeals \* \* \*

13 Sec. 5. REPEALS

14 (a) 24 V.S.A. § 2793e(f)(3) (neighborhood development area incentives for  
15 developers) shall be repealed on July 1, 2019.

16 (b) 32 V.S.A. chapter 236 (land gains tax) shall be repealed on July 1,  
17 2025.

18 \* \* \* Effective Dates \* \* \*

19 Sec. 6. EFFECTIVE DATES

20 (a) This section and Secs. 1, 2, 3, and 5 shall take effect on July 1, 2019.

21 (b) Sec. 4 shall take effect on July 1, 2025.