

1 TO THE HOUSE OF REPRESENTATIVES:

2 The Committee on General, Housing, and Military Affairs to which was
3 referred House Bill No. 739 entitled “An act relating to improving rental
4 housing health and safety” respectfully reports that it has considered the same
5 and recommends that the bill be amended by striking out all after the enacting
6 clause and inserting in lieu thereof the following:

7 Sec. 1. 20 V.S.A. chapter 173 is amended to read:

8 CHAPTER 173: PREVENTION AND INVESTIGATION OF FIRES;
9 PUBLIC BUILDINGS; HEALTH AND SAFETY; ENERGY STANDARDS

10 * * *

11 Subchapter 2: Fire Safety Division; Public Buildings; Building Codes; Rental
12 Housing Health and Safety; Building Energy Standards

13 * * *

14 § 2730. DEFINITIONS

15 (a) As used in this subchapter, “public building” means:

16 * * *

17 (D) a building in which people rent accommodations, whether
18 overnight or for a longer term;

19 * * *

20 (2) Use of any portion of a building in a manner described in this
21 subsection shall make the entire building a “public building” for purposes of

1 this subsection. For purposes of this subsection, a “person” does not include an
2 individual who is directly related to the employer and who resides in the
3 employment-related building.

4 (b) The term “public building” does not include:

5 (1) An owner-occupied single family residence, unless used for a
6 purpose described in subsection (a) of this section.

7 * * *

8 ~~(4) A single family residence with an accessory dwelling unit as~~
9 ~~permitted under 24 V.S.A. § 4406(4)(D).~~

10 * * *

11 § 2731. RULES; INSPECTIONS; VARIANCES

12 (a) Rules. The Commissioner is authorized to adopt rules regarding the
13 construction, health, safety, sanitation, and fitness for habitation of buildings,
14 maintenance and operation of premises, and prevention of fires and removal of
15 fire hazards, and to prescribe standards necessary to protect the public,
16 employees, and property against harm arising out of or likely to arise out of
17 fire.

18 (b) Inspections.

19 (1) The Commissioner shall conduct inspections of premises to assure
20 that the rules adopted under this subchapter are being observed and may
21 establish priorities for enforcing these rules and standards based on the relative

1 risks to persons and property from fire of particular types of premises. The
2 Commissioner may also conduct inspections to assure that buildings are
3 constructed in accordance with approved plans and drawings.

4 (2) When conducting an investigation of a building in which people rent
5 accommodations, the Commissioner shall

6 (A) issue a written inspection report on the building that:

7 (i) contains findings of fact that serve as the basis of one or more
8 violations;

9 (ii) specifies the requirements and timelines necessary to correct a
10 violation;

11 (iii) provides notice that the landlord is prohibited from renting the
12 affected unit to a new tenant until the violation is corrected; and

13 (iv) provides notice in plain language that the landlord and agents
14 of the landlord must have access to the rental unit to make repairs as ordered
15 by the Commissioner consistent with the access provisions in 9 V.S.A. § 4460;

16 (B) provide an electronic copy of the inspection report to the landlord,
17 to the person who requested the inspection, and to any tenants who are affected
18 by a violation for whom the Department has an electronic mailing address;

19 (C) provide a copy of the inspection report to any other person who
20 requests it by delivering the report electronically, in person, or by first class
21 mail,

1 (D) provide each tenant in the property affected by the deficiency
2 with a notice that the property was inspected, the date of the inspection, the
3 name of the inspector, and how to obtain a copy of the inspection report;

4 (E) if an entire property is affected by a violation, post a copy of the
5 notice of inspection required in subdivision (3)(D) of this subsection in a
6 common area of the property and include a command that the notice shall not
7 be removed until authorized by the Commissioner; and

8 (F) make the inspection report available as a public record.

9 * * *

10 § 2733. ORDERS TO REPAIR, REHABILITATE, OR REMOVE
11 STRUCTURE

12 * * *

13 (c) Orders issued under this section shall be served by certified mail with
14 return receipt requested or in the discretion of the ~~commissioner~~
15 Commissioner, shall be served in the same manner as summonses are served
16 under the Vermont Rules of Civil Procedure promulgated by the ~~supreme court~~
17 Supreme Court, to all persons who have a recorded interest in the property
18 recorded in the place where land records for the property are recorded, or will
19 be temporarily or permanently displaced by the order, including owners,
20 tenants, mortgagees, attaching creditors, lien holders, and public utilities or
21 water companies serving the premises.

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Sec. 2. 24 V.S.A. 2478 is added to read:

§ 2478. STATE RENTAL HOUSING REGISTRY

The Department of Housing and Community Development, in coordination with the Division of Fire Safety, the Department of Health, the Enhanced 911 Board, and the Department of Taxes, shall create and maintain a registry of the rental housing in this State.

Sec. 3. 24 V.S.A. § 2479 is added to read:

§ 2479. RENTAL HOUSING REGISTRATION

(a) Except as provided in subsection (b) of this section, an owner of rental housing shall:

(1) file with the Department of Taxes the landlord certificate required for the renters rebate program; and

(2) within 30 days of filing the certificate, shall register with and pay to the Department of Housing and Community Development an annual registration fee of \$35.00 per rental unit, unless the owner is required to register the unit with a municipal, district, or other local government entity that operates a rental housing health and safety program.

(b)(1) An owner of a mobile home lot within a mobile home park who has registered the lot with the Department of Housing and Community

1 Development and who does not own a mobile home on the lot is exempt from
2 registering the lot pursuant to this section.

3 (2) An owner of a mobile home lot within a mobile home park who has
4 registered the lot with the Department and who owns a mobile home on the lot
5 that is available for rent or rented shall register the property with the
6 Department and pay a fee equal to the fee required by subdivision (b)(2) of this
7 section less any fee paid within the previous twelve months pursuant to 10
8 VSA § 6254(c).

9 (3) An owner of a mobile home who rents the mobile home, whether or
10 not located in a mobile home park, shall register pursuant to this section.

11 (c) An owner of rental housing who fails to register in accordance with this
12 section shall pay a late registration fee of \$150.00 and may be subject to
13 administrative penalties not to exceed \$5,000.00 for each violation.

14 Sec. 4. DEPARTMENT OF PUBLIC SAFETY; POSITIONS

15 The Department of Public Safety is authorized to create five full-time,
16 classified Inspector positions in order to conduct rental housing health and
17 safety inspections and enforcement pursuant to 20 V.S.A. chapter 173,
18 subchapter 2.

19 Sec. 5. DEPARTMENT OF HOUSING AND COMMUNITY

20 DEVELOPMENT; POSITIONS

1 (a) The Department of Housing and Community Development is authorized
2 to create one full-time classified position to administer the registry created in
3 24 V.S.A. § 2478 and one full-time classified positions to enforce compliance
4 with registry requirements.

5 (b) It is the intent of the General Assembly to fund the implementation of
6 the provisions in this act from the registration fees collected by the Department
7 of Housing and Community Development pursuant to 24 V.S.A. § 2478.

8 * * * Conforming Changes to Current Law Governing the Department of
9 Health, State Board of Health, and Local Health Officials * * *

10 Sec. 6. 18 V.S.A. chapter 11 is amended to read:

11 CHAPTER 11. LOCAL HEALTH OFFICIALS

12 * * *

13 § 602a. DUTIES OF LOCAL HEALTH OFFICERS

14 (a) A local health officer, within his or her jurisdiction, shall:

15 (1) ~~upon request of a landlord or tenant, or upon receipt of information~~
16 regarding a condition that may be a public health hazard, conduct an
17 investigation;

18 (2) enforce the provisions of this title, the rules promulgated, and
19 permits issued thereunder;

20 (3) prevent, remove, or destroy any public health hazard, or mitigate any
21 significant public health risk in accordance with the provisions of this title;

1 (4) in consultation with the Department, take the steps necessary to
2 enforce all orders issued pursuant to chapter 3 of this title; and

3 (5) have the authority to assist the Division of Fire Safety in inspecting
4 rental housing pursuant to 20 V.S.A. chapter 173, subchapter 2.

5 ~~(b) Upon discovery of violation or a public health hazard or public health~~
6 ~~risk that involves a public water system, a food or lodging establishment, or~~
7 ~~any other matter regulated by Department rule, the local health officer shall~~
8 ~~immediately notify the Division of Environmental Health. Upon discovery of~~
9 ~~any other violation, public health hazard, or public health risk, the local health~~
10 ~~officer shall notify the Division of Environmental Health within 48 hours of~~
11 ~~discovery of such violation or hazard and of any action taken by the officer.~~

12 § 603. [Repealed.]

13 * * *

14 Sec. 7. DEPARTMENT OF PUBLIC SAFETY; TRANSITION
15 PROVISIONS

16 (a) Notwithstanding any provision of law to the contrary:

17 (1) Until the Commissioner of Public Safety adopts rules governing
18 rental housing health and safety pursuant to 20 V.S.A. § 2731, the Department
19 of Health and the Department of Public Safety have concurrent authority to
20 enforce the Vermont Rental Housing Health Code adopted by the Department

1 of Health pursuant to 18 V.S.A. § 102, 3 V.S.A. § 3003(a), and 3 V.S.A. §
2 801(b)(11).

3 (2) The Commissioner of Public Safety may immediately adopt a rule
4 incorporating the Rental Housing Health Code without following the
5 procedures otherwise required for general rulemaking in 3 V.S.A. chapter 25.

6 (3) Except as provided in subdivision (2) of this subsection (a), the
7 Commissioner of Public Safety shall comply with the requirements for general
8 rulemaking in 3 V.S.A. chapter 25 when adopting rules governing rental
9 housing health and safety.

10 (b) Upon the adoption of rules governing rental housing health and safety
11 pursuant to the authority in 20 V.S.A. § 2731:

12 (1) the Department of Public Safety is the State government entity with
13 primary authority to enforce State laws governing rental housing health and
14 safety;

15 (2) the Department of Public Safety and local officials have concurrent
16 authority to enforce State and local laws governing rental housing health and
17 safety pursuant to 18 V.S.A. chapter 11, 20 V.S.A. chapter 173, subchapter 2,
18 24 V.S.A. chapters 83 and 123, and applicable municipal law; and

19 (3) the Department of Health, the State Board of Health, and local health
20 officials have concurrent authority to enforce State and local laws governing

1 public health hazards and public health risks, as those terms are defined in
2 18 V.S.A. § 2, pursuant to 18 V.S.A. chapters 1, 3, and 11.

3 Sec. 8. PENALTIES FOR VACANT PROPERTY; STUDY

4 (a) On or before December 15, 2020, the Secretary of Commerce and
5 Community Development, in consultation with the Executive Director of the
6 Vermont League of Cities and Towns, shall study and write a report on
7 approaches to imposing penalties on property owners who leave property
8 vacant for one year or more. The report shall include recommendations for
9 any necessary legislative action.

10 (b) The Secretary shall submit a copy of the report described in
11 subsection (a) of this section to the House Committees on Commerce and
12 Economic Development and on General, Housing, and Military Affairs and the
13 Senate Committee on Economic Development, Housing and General Affairs.

14 **Sec. 9. 10 V.S.A. chapter 29, subchapter 3 is added to read:**

15 **Subchapter 3. Vermont Housing Incentive Program**

16 **§ 699. VERMONT HOUSING INCENTIVE PROGRAM**

17 **(a) Purpose. Recognizing that Vermont's rental housing stock is some of**
18 **the oldest in the country and that much of it needs updating to meet code**
19 **requirement and other standards, this section is intended to incentivize private**
20 **apartment owners to make significant improvements to both housing quality**

1 and weatherization by providing small grants that are matched by the private
2 apartment owner.

3 (b) Creation of Program. The Department of Housing and Community
4 Development shall design and implement a Vermont Housing Incentive
5 Program to provide funding to regional nonprofit housing partner organizations
6 to provide incentive grants to private landlords for the rehabilitation and
7 improvement, including weatherization, of existing rental housing stock.

8 (c) Administration. The Department shall require any nonprofit regional
9 housing partner organization that receives funding under this Program to
10 develop a standard application form for property owners that describes the
11 application process and includes clear instructions and examples to help
12 property owners apply, a selection process that ensures equitable selection of
13 property owners, and a grants management system that ensures accountability
14 for funds awarded to property owners.

15 (d) Grant Requirements. The Department shall ensure that each grant
16 complies with the following requirements:

17 (1) A property owner may apply for a grant for improvements to not
18 more than four rental units that are vacant, blighted, or otherwise do not
19 comply with applicable rental housing health and safety laws.

20 (2) A property owner shall:

1 (A) match the value of a grant at least two-to-one with his or her
2 own funds and not through in-kind services;

3 (B) include a weatherization component; and

4 (C) comply with applicable permit requirements and rental housing
5 health and safety laws.

6 (3) The Department and the property owner shall ensure that not fewer
7 than half of the rental units improved with grant funds have rents that are
8 affordable to households earning not more than 80 percent of area median
9 income and remain affordable for not less than seven years.

10 (4) If a property owner sells or transfers a property improved with grant
11 funds within seven years of receiving the grant, the property owner shall:

12 (A) repay the amount of the grant funds upon sale or transfer; or

13 (B) ensure that the property continues to remain affordable for the
14 remainder of the seven-year period required in subdivision (3) of this
15 subsection.

16 (e) As used in this section:

17 (1) “Blighted” means that a rental unit is not fit for human habitation
18 and does not comply with the requirements of applicable building, housing,
19 and health regulations.

1 (2) “Vacant” means that a rental unit has not been leased or occupied for
2 at least 90 days prior to the date a property owner submits a grant application
3 and remains unoccupied at the time the grant is awarded.

4 * * * Appropriations * * *

5 Sec. 10. APPROPRIATION

6 (a) The amount of \$1,000,000.00 is appropriated from the General Fund to
7 the Department of Housing and Community Development to provide funding
8 through the Vermont Housing Incentive Program created in 10 V.S.A. § 699.

9 (b) The amount of \$400,000.00 is appropriated from the General Fund to
10 the Department of Housing and Community Development to create the rental
11 housing registry as provided in 24 V.S.A. § 2478 and to fund the positions
12 authorized in Sec. 5 of this act.

13 Sec. 11. EFFECTIVE DATE

14 (a) This section and the following sections take effect on July 1, 2020:

- 15 (1) Sec. 2 (rental housing registry);
16 (2) Sec. 5 (DHCD positions; intent);
17 (3) Sec. 8 (vacant property study); and
18 (4) Secs. 9–10 (Vermont Housing Incentive Program; appropriation).

19 (b) Sec. 3 (rental housing registration) takes effect on January 1, 2021.

20 (c) The following sections take effect on April 1, 2021:

- 21 (1) Sec. 1 (DPS inspection authority);

1 (2) Sec. 4 (DPS; positions);

2 (3) Sec. 6 (conforming changes to Department of Health statutes); and

3 (4) Sec. 7 (DPS rulemaking authority and transition provisions).

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7 (Committee vote: _____)

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Representative _____

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FOR THE COMMITTEE