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1	TO THE HOUSE OF REPRESENTATIVES:
2	The Committee on General, Housing, and Military Affairs to which was
3	referred Senate Bill No. 163 entitled "An act relating to housing safety and
4	rehabilitation" respectfully reports that it has considered the same and
5	recommends that the House propose to the Senate to amend the bill by striking
6	out all after the enacting clause and inserting in lieu thereof the following:
7	* * * Housing Health and Safety; Rental Housing
8	Health Code Enforcement * * *
9	Sec. 1. 18 V.S.A. § 5 is amended to read:
10	§ 5. DUTIES OF DEPARTMENT OF HEALTH
11	The Department of Health shall:
12	(1) Conduct studies, develop State plans, and administer programs and
13	State plans for hospital survey and construction, hospital operation and
14	maintenance, medical care, and treatment of substance abuse.
15	(2) Provide methods of administration and such other action as may be
16	necessary to comply with the requirements of federal acts and regulations as
17	relate to studies, development of plans and administration of programs in the
18	fields of health, public health, health education, hospital construction and
19	maintenance, and medical care.

(3) Appoint advisory councils, with the approval of the Governor.

1	(4) Cooperate with necessary federal agencies in securing federal funds
2	which that become available to the State for all prevention, public health,
3	wellness, and medical programs.
4	(5) Seek accreditation through the Public Health Accreditation Board.
5	(6) Create a State Health Improvement Plan and facilitate local health
6	improvement plans in order to encourage the design of healthy communities
7	and to promote policy initiatives that contribute to community, school, and
8	workplace wellness, which may include providing assistance to employers for
9	wellness program grants, encouraging employers to promote employee
10	engagement in healthy behaviors, and encouraging the appropriate use of the
11	health care system.
12	(7) Serve as the leader on State rental housing health laws.
13	(8) Provide policy assistance and technical support, and legal guidance
14	to municipalities concerning the interpretation, implementation and
15	enforcement of State rental housing health and safety laws.
16	Sec. 2. 18 V.S.A. § 603 is amended to read:
17	§ 603. RENTAL HOUSING SAFETY; INSPECTION REPORTS
18	(a)(1) When conducting an investigation of rental housing, a local health
19	officer shall issue a written inspection report on the rental property using the
20	protocols for implementing the Rental Housing Health Code of the Department

1	or the municipality, in the case of a municipality that has established a code
2	enforcement office.
3	(2) A written inspection report shall:
4	(A) contain findings of fact that serve as the basis of one or more
5	violations;
6	(B) specify the requirements and timelines necessary to correct a
7	violation;
8	(C) provide notice that the landlord is prohibited from renting the
9	affected unit to a new tenant until the violation is corrected; and
10	(D) provide notice in plain language that the landlord and agents of
11	the landlord must have access to the rental unit to make repairs as ordered by
12	the health officer consistent with the access provisions in 9 V.S.A. § 4460.
13	(3) A local health officer shall:
14	(A) provide a copy of the inspection report to the landlord and any
15	tenants affected by a violation by delivering the report electronically, in
16	person, by first class mail, or by leaving a copy at each unit affected by the
17	deficiency; and
18	(B)(i) if a municipality has established a code enforcement office,
19	provide information on each inspection according to a schedule and in a format
20	adopted by the Department in consultation with municipalities that have
21	established code enforcement offices; or

1	(ii) if a municipality has not established a code enforcement
2	office, provide information on each inspection to the Department within seven
3	days of issuing the report using an electronic system designed for that purpose.
4	(4) If an entire property is affected by a violation, the local health officer
5	shall post a copy of the inspection report in a common area of the property and
6	include a prominent notice that the report shall not be removed until authorized
7	by the local health officer.
8	(5) A municipality shall make an inspection report available as a public
9	record.
10	(b)(1) A local health officer may impose a fine civil penalty of not more
11	than $$100.00$ $$200.00$ per day for each violation that is not corrected by the
12	date provided in the written inspection report, or when a unit is re-rented to a
13	new tenant prior to the correction of a violation.
14	(2)(A) If the cumulative amount of penalties imposed pursuant to this
15	subsection is \$800.00 or less, the local health officer, Department of Health, or
16	State's Attorney may bring a civil enforcement action in the Judicial Bureau
17	pursuant to 4 V.S.A. chapter 29.
18	(B) The waiver penalty for a violation in an action brought pursuant
19	to this subsection is 50 percent of the full penalty amount.
20	(3) If the cumulative amount of penalties imposed pursuant to this
21	subsection is more than \$800.00, or if injunctive relief is sought, the local

1	health officer, Department of Health, or State's Attorney shall may commence
2	an action in the Civil Division of the Superior Court for the county in which a
3	violation occurred.
4	(c) If a local health officer fails to conduct an investigation pursuant to
5	section 602a of this title or fails to issue an inspection report pursuant to this
6	section, a landlord or tenant may request that the Department, at its discretion,
7	conduct an investigation or contact the local board of health to take action.
8	Sec. 3. 4 V.S.A. § 1102 is amended to read:
9	§ 1102. JUDICIAL BUREAU; JURISDICTION
10	(a) The Judicial Bureau is created within the Judicial Branch under the
11	supervision of the Supreme Court.
12	(b) The Judicial Bureau shall have jurisdiction of the following matters:
13	* * *
14	(21) Violations of State or municipal rental housing health and safety
15	laws when the amount of the cumulative penalties imposed pursuant to
16	18 V.S.A. § 603 is \$800.00 or less.
17	* * *
18	(c) The Judicial Bureau shall not have jurisdiction over municipal parking
19	violations.

1	(d) Three hearing officers appointed by the Court Administrator shall
2	determine waiver penalties to be imposed for violations within the Judicial
3	Bureau's jurisdiction, except:
4	(1) Municipalities municipalities shall adopt full and waiver penalties for
5	civil ordinance violations pursuant to 24 V.S.A. § 1979. For purposes of
6	municipal violations, the issuing law enforcement officer shall indicate the
7	appropriate full and waiver penalty on the complaint.
8	Sec. 4. DEPARTMENT OF HOUSING AND COMMUNITY
9	DEVELOPMENT; COLLECTION OF RENTAL HOUSING DATA
10	(a) On or before January 15, 2020, the Department of Housing and
11	Community Development shall design a comprehensive rental housing data
12	management system, through which the Department is able to collect,
13	organize, and make available to the public information concerning rental
14	housing in this State, including:
15	(1) location of building;
16	(2) age of building:
17	(3) number of units;
18	(4) type of units;
19	(5) School Property Account Number;
20	(6) owner name and contact information; and
21	(7) manager name and contact information.

1	(b) In performing its duties pursuant to this section, the Department shall
2	consult, and shall have the full cooperation and assistance of:
3	(1) the Department of Taxes and other agencies and departments as
4	necessary;
5	(2) the Vermont Assessors and Listers Association;
6	(3) the Vermont Center for Geographic Information;
7	(4) the Vermont Enhanced 911 Board;
8	(5) the Vermont Housing Finance Agency;
9	(6) the Vermont League of Cities and Towns;
10	(7) representatives of the Regional Planning Commissions;
11	(8) the Agency of Digital Services; and
12	(9) any other affected stakeholders.
13	Sec. 5. DEPARTMENT OF HEALTH; HEALTH INSPECTION REPORTS
14	The Department of Health shall create and manage an electronic system to
15	collect and maintain health inspection reports submitted by local health
16	officers pursuant to 18 V.S.A. § 603.
17	Sec. 6. RENTAL HOUSING HEALTH AND SAFETY ENFORCEMENT
18	SYSTEM; RECOMMENDATIONS; REPORT
19	(a) On or before January 15, 2020, in collaboration with the Rental
20	Housing Advisory Board, the Department of Health and the Department of
21	Public Safety shall develop recommendations for the design and

1	implementation of a comprehensive system for the professional enforcement of
2	State rental housing health and safety laws, which shall include:
3	(1) an outline of options, including an option for a State government-
4	run system, with a timeline and budget for each;
5	(2) a needs assessment outlining the demand for inspections based on
6	inspection information collected through the electronic system created
7	pursuant to Sec. 5 of this act, summary information for fiscal year 2019
8	inspection reports provided pursuant to 18 V.S.A. § 603(a)(3) and subsection
9	(c) of this section, summary information from municipalities with self-
10	governed rental housing health code programs, and other stakeholders and
11	relevant sources; and
12	(3) any additional recommendations from the Rental Housing Advisory
13	Board, the Department of Public Safety, the Department of Housing and
14	Community Development, or other executive branch agencies.
15	(b) On or before September 30, 2019, the Department of Health shall
16	provide an interim progress report to the Senate Committee on Economic
17	Development, Housing and General Affairs and the House Committee on
18	General, Housing, and Military Affairs.
19	(c) On or before August 1, 2019, each municipality in this State shall
20	provide to the Department of Health summary information on its inspection
21	activity from July 1, 2018 through June 30, 2019 in order to assist the

1	Department in completing the needs assessment pursuant to subdivision (a)(2)
2	of this section.
3	Sec. 7. DUTIES CONTINGENT UPON FUNDING
4	(a) The following duties imposed on the Department of Housing and
5	Community Development are contingent upon the appropriation of funds in
6	fiscal year 2020 for the purposes specified:
7	(1) to implement a rental housing data management system pursuant to
8	Sec. 4 of this act;
9	(2) to update and maintain the RentalCodes.org website, or a similar
10	resource, that provides easy access to information for consumers, landlords,
11	municipal officials, and the public concerning rental housing health and safety
12	laws; and
13	(3) to design and implement a Vermont Rental Housing Incentive
14	Program pursuant to Sec. 12 of this act.
15	(b) The following duties imposed on the Department of Health are
16	contingent upon the appropriation of funds in fiscal year 2020 for one
17	additional full-time equivalent position:
18	(1) to provide additional training to town health officers concerning best
19	practices, the health officer role and responsibilities, and rental housing health
20	and safety issues; and

1	(2) to provide additional guidance and support to municipalities
2	concerning difficult rental housing enforcement issues.
3	Sec. 8. 3 V.S.A. § 122 is amended to read:
4	§ 122. OFFICE OF PROFESSIONAL REGULATION
5	The Office of Professional Regulation is created within the Office of the
6	Secretary of State. The Office of Professional Regulation shall have a director
7	who shall be who is an exempt employee appointed by the Secretary of State
8	and shall be an exempt employee. The following boards or professions are
9	attached to the Office of Professional Regulation:
10	* * *
11	(48) Residential Contractors
12	Sec. 9. 26 V.S.A. chapter 105 is added to read:
13	CHAPTER 105. RESIDENTIAL CONTRACTORS
14	Subchapter 1. General Provisions
15	§ 5401. REGISTRATION REQUIRED
16	A person shall register with the Office of Professional Regulation prior to
17	offering or contracting with a homeowner to perform construction, remodeling.
18	or home improvement work on a residential dwelling unit or on a building or
19	premises with four or fewer residential dwelling units, in exchange for
20	consideration of more than \$2,000.00, including labor and materials.

1	§ 5402. EXEMPTIONS
2	This chapter does not apply to:
3	(1) an employee acting within the scope of his or her employment for a
4	business organization registered under this chapter;
5	(2) a professional engineer, licensed architect, or a tradesperson licensed
6	by the Department of Public Safety acting within the scope of his or her
7	license;
8	(3) delivery or installation of consumer appliances, audio-visual
9	equipment, telephone equipment, or computer network equipment;
10	(4) landscaping;
11	(5) work on a structure that is not attached to a residential building;
12	(6) work that would otherwise require registration that a person
13	performs in response to an emergency, provided the person applies for
14	registration within a reasonable time after performing the work.
15	§ 5403. MANDATORY REGISTRATION AND VOLUNTARY
16	CERTIFICATION DISTINGUISHED
17	(a)(1) The system of mandatory registration established by this chapter is
18	intended to protect against fraud, deception, breach of contract, and violations
19	of law, but is not intended to establish standards for professional qualifications
20	or workmanship that is otherwise lawful.

1	(2) The provisions of 3 V.S.A. § 129a, with respect to a registration,
2	shall be construed in a manner consistent with the limitations of this
3	subsection.
4	(b) The Director of Professional Regulation, in consultation with public
5	safety officials and recognized associations or boards of builders, remodelers,
6	architects, and engineers, may:
7	(1) adopt rules providing for the issuance of voluntary certifications, as
8	defined in subdivision 3101a(1) of this title, that signify demonstrated
9	competence in particular subfields and specialties related to residential
10	construction;
11	(2) establish minimum qualifications, and standards for performance and
12	conduct, necessary for certification; and
13	(3) discipline a certificant for violating adopted standards or other law,
14	with or without affecting the underlying registration.
15	Subchapter 2. Administration
16	§ 5405. DUTIES OF THE DIRECTOR
17	(a) The Director of Professional Regulation shall:
18	(1) provide information to the public concerning registration,
19	certification, appeal procedures, and complaint procedures;
20	(2) administer fees established under this chapter;

1	(3) receive applications for registration or certification, issue
2	registrations and certifications to applicants qualified under this chapter, deny
3	or renew registrations or certifications, and issue, revoke, suspend, condition,
4	and reinstate registrations and certifications as ordered by an administrative
5	law officer; and
6	(4) prepare and maintain a registry of registrants and certificants.
7	(b) The Director, after consultation with an advisor appointed pursuant to
8	section 5406 of this title, may adopt rules to implement this chapter.

1	§ 5406. ADVISORS
2	(a) The Secretary of State shall appoint two persons pursuant to 3 V.S.A.
3	§ 129b to serve as advisors in matters relating to residential contractors and
4	construction.
5	(b) To be eligible to serve, an advisor shall:
6	(1) register under this chapter;
7	(2) have at least three years' experience in residential construction
8	immediately preceding appointment; and
9	(3) remain active in the profession during his or her service.
10	(c) The Director of Professional Regulation shall seek the advice of the
11	advisors in implementing this chapter.
12	<u>§ 5407. FEES</u>
13	A person regulated under this chapter shall pay the following fees at initial
14	application and biennial renewal:
15	(1) Registration, individual: \$75.00.
16	(2) Registration, business organization: \$250.00.
17	(3) State certifications: \$75.00 for a first certification and \$25.00 for
18	each additional certification.

1	Subchapter 3. Registrations
2	§ 5408. ELIGIBILITY
3	To be eligible for registration, the Director of Professional Regulation shall
4	find that the applicant:
5	(1) is in compliance with the provisions of this chapter and rules
6	adopted pursuant to this chapter;
7	(2) is in compliance with State laws respecting child support, taxes,
8	judgment orders, and workers' compensation; and
9	(3) has satisfied any judgment order related to the provision of
10	professional services to a homeowner.
11	§ 5409. REQUIREMENTS OF REGISTRANTS
12	(a) Insurance. A person registered under this chapter shall maintain
13	professional liability insurance in the amount of \$300,000.00 per claim and
14	\$1,000,000.00 aggregate, evidence of which may be required as a precondition
15	to issuance or renewal of a registration.
16	(b) Writing.
17	(1) A person registered under this chapter shall execute a written
18	contract prior to receiving a deposit or commencing residential construction
19	work if the estimated value of the labor and materials exceeds \$1,000.00.
20	(2) A contract shall specify:

1	(A) Price. One of the following provisions for the price of the		
2	contract:		
3	(i) a maximum price for all work and materials;		
4	(ii) a statement that billing and payment will be made on a time		
5	and materials basis, not to exceed a maximum price; or		
6	(iii) a statement that billing and payment will be made on a time		
7	and materials basis and that there is no maximum price.		
8	(B) Work dates. Estimated start and completion dates.		
9	(C) Scope of work. A description of the services to be performed and		
10	a description of the materials to be used.		
11	(D) Change order provision. A description of how and when		
12	amendments to the contract may be approved and recorded.		
13	(3) The parties shall record an amendment to the contract in a signed		
14	writing.		
15	(c) Down payment. Unless a contract specifies that billing and payment		
16	will be made on a time and materials basis and that there is no maximum price,		
17	the contract may require a down payment of up to one-third of the contract		
18	price, or of the price of materials, whichever is greater.		
19	§ 5410. PROHIBITIONS AND REMEDIES		
20	(a) A person who does not register pursuant to this chapter when required		
21	engages in unauthorized practice pursuant to 3 V.S.A. § 127.		

1	(b) The Office of Professional Regulation may discipline a registrant or	
2	certificant for unprofessional conduct as provided in 3 V.S.A. § 129a, except	
3	that 3 V.S.A. § 129a(b) does not apply to a registrant.	
4	(c) The following conduct by a registrant, certificant, applicant, or person	
5	who later becomes an applicant constitutes unprofessional conduct:	
6	(1) failure to enter into a written contract when required by this chapter;	
7	(2) failure to maintain liability or workers' compensation insurance as	
8	required by law;	
9	(3) committing a deceptive act in commerce in violation of 9 V.S.A.	
10	<u>§ 2453;</u>	
11	(4) falsely claiming certification under this chapter, provided that this	
12	subdivision does not prevent accurate and nonmisleading advertising or	
13	statements related to credentials that are not offered by this State; and	
14	(5) selling or fraudulently obtaining or furnishing a certificate of	
15	registration, certification, license, or any other related document or record, or	
16	assisting another person in doing so, including by reincorporating or altering a	
17	trade name for the purpose or with the effect of evading or masking revocation	
18	suspension, or discipline against a registration issued under this chapter.	

1	Sec. 10. CREATION OF POSITIONS WITHIN THE OFFICE OF			
2	PROFESSIONAL REGULATION; LICENSING.			
3	(a) There are created within the Secretary of State's Office of Professional			
4	Regulation two new positions in the licensing division.			
5	(b) Any funding necessary to support the positions created in subsection (a)			
6	of this section and the implementation of 26 V.S.A. chapter 105 created in			
7	Sec. 9 of this act shall be derived from the Office's Professional Regulatory			
8	Fee Fund and not from the General Fund.			
9	Sec. 11. SECRETARY OF STATE; STATUS REPORT			
10	On or before January 15, 2021, the Office of Professional Regulation shall			
11	report to the House Committees on Commerce and Economic Development			
12	and on Government Operations and to the Senate Committees on Economic			
13	Development, Housing and General Affairs and on Government Operations			
14	concerning the implementation of 26 V.S.A. chapter 105, including:			
15	(1) the number of registrations and certifications;			
16	(2) the resources necessary to implement the chapter;			
17	(3) the number and nature of any complaints or enforcement actions;			
18	<u>and</u>			
19	(4) any other issues the Office deems appropriate.			

1	* * * Housing Rehabilitation and Weatherization; Vermont Rental		
2	Housing Incentive Program * * *		
3	Sec. 12. 10 V.S.A. chapter 29, subchapter 3 is amended to read:		
4	Subchapter 3. Vermont Economic Progress Council Housing Incentive		
5	<u>Program</u>		
6	§ 699. RENTAL HOUSING INCENTIVE PROGRAM		
7	(a) Purpose. Recognizing that Vermont's rental housing stock is some of		
8	the oldest in the country, and that much of it needs updating to meet code		
9	requirement and other standards, this section is intended to incentivize private		
10	apartment owners to make significant improvements to both housing quality		
11	and weatherization by providing small grants that would be matched by the		
12	private apartment owner.		
13	(b) Creation of Program. The Department of Housing and Community		
14	Development shall design and implement a Vermont Rental Housing Incentive		
15	Program to provide funding to regional nonprofit housing partner organizations		
16	to provide incentive grants to private landlords for the rehabilitation and		
17	improvement, including weatherization, of existing rental housing stock.		
18	(c) Administration. The Department shall require any nonprofit regional		
19	housing partner organization that receives funding under this program to		
20	develop a standard application form for property owners that describes the		
21	application process and includes clear instructions and examples to help		

1	property owners apply, a selection process that ensures equitable selection of
2	property owners, and a grants management system that ensures accountability
3	for funds awarded to property owners.
4	(d) Grant Guidelines. The Department shall ensure that all grants comply
5	with the following guidelines:
6	(1) Each grant shall be capped at a standard limit set by the
7	Department, which shall not exceed \$7,000.00 per rental unit.
8	(2) Each grant shall be matched by the property owner at least two-to-
9	one. The required match shall be met through dollars raised and not through
10	in-kind services.
11	(3) No property owner may receive a grant for more than four rental
12	units.
13	(4) Each project funded must include a weatherization component and
14	must result in all building codes being met and all permits received.
15	(5) Only existing properties that are vacant or blighted are eligible for
16	grants.
17	(6) At least 50 percent of the rental units assisted must have rents that
18	are affordable to households earning no more than 80 percent of area median
19	income.
20	(e) As used in this section:

1	(1) "Blighted" means that a rental unit is not fit for human habitation		
2	and does not comply with the requirements of applicable building, housing,		
3	and health regulations.		
4	(2) "Vacant" means that a rental unit has not been leased or occupied for		
5	at least 90 days prior to the date a property owner submits a grant application		
6	and remains unoccupied at the time the grant is awarded.		
7	* * * Affordable Housing * * *		
8	Sec. 13. STATE TREASURER RECOMMENDATION FOR FINANCING		
9	OF AFFORDABLE HOUSING INITIATIVE		
10	(a) Evaluation. On or before January 15, 2020, the State Treasurer shall		
11	evaluate options for funding and financing affordable housing in the State.		
12	The evaluation shall include:		
13	(1) a plan to build upon the success of the affordable housing bond,		
14	created in 10 V.S.A. § 315, formed in coordination with the Vermont		
15	Housing and Conservation Board, the Vermont Housing Finance Agency,		
16	the Vermont Department of Housing and Community Development, and the		
17	Vermont Affordable Housing Coalition, for the creation or preservation of		
18	1,000 housing units over five years for Vermonters with incomes up to		
19	120 percent of the area median income as determined by the U.S. Department		
20	of Housing and Urban Development. In creating the plan, the State Treasurer		
21	and the other entities listed in this subdivision (a)(1) shall also consult with the		

1	business community, public and private housing developers, and experts in			
2	housing finance and affordable housing initiatives both in Vermont and			
3	nationwide;			
4	(2) alternatives for financing the plan that take into consideration the use			
5	of appropriations, general obligation bonds, revenue bonds, investments, new			
6	revenues, and other financing mechanisms, including initiatives undertaken by			
7	other states;			
8	(3) the plan shall assume that the 1,000 units shall be in addition to what			
9	would otherwise have been created or preserved by State funding through the			
10	Vermont Housing and Conservation Board equal to its FY 2019 base			
11	appropriation and the other resources it typically leverages; and			
12	(4) provisions for meeting housing needs consistent with publicly			
13	developed plans such as Vermont's Consolidated Plan, the 2017 Vermont			
14	Roadmap to End Homelessness, and Vermont Housing Finance Agency's			
15	Qualified Action Plan in the following areas:			
16	(A) creating new multifamily and single-family homes;			
17	(B) addressing blighted properties and other existing housing stock			
18	requiring reinvestment, including in mobile home parks;			
19	(C) providing service-supported housing in coordination with the			
20	Agency of Human Services, including for those who are elderly, homeless, in			

1	recovery, experiencing severe mental illness or other disability, or leaving		
2	incarceration; and		
3	(D) providing for the housing needs of housholds with extremely		
4	low income.		
5	[(5) an analysis by the Joint Fiscal Office of the economic benefits,		
6	including increases in property values and grand lists, creation and		
7	preservation of jobs, increased spending in local economies, additional State		
8	and local tax revenue, avoided costs in human services program budgets, and		
9	the impact on the State's gross domestic product.]		
10	(b) Cooperation. In conducting the evaluation described in subsection (a)		
11	of this section, the State Treasurer shall have the cooperation of the Agency on		
12	Commerce and Community Development and the Department of Taxes.		
13	(c) Report. The State Treasurer shall submit a report with		
14	recommendations based on the evaluation described in subsection (a) of this		
15	section to the Senate Committees on Economic Development, Housing and		
16	General Affairs, on Appropriations, and on Finance and the House Committees		
17	on General, Housing, and Military Affairs, on Appropriations, and on Ways		
18	and Means. The report shall also include a legislative proposal to implement		
19	the recommendations proposed in the report.		
20	* * * Effective Date * * *		
21	Sec. 14. EFFECTIVE DATE		

1	This act shall take effect on July 1, 2019	<u>.</u>
2		
3		
4		
5		
6		
7		
8		
9	(Committee vote:)	
10		
11		Representative
12		FOR THE COMMITTEE