

1 Introduced by Committee on Economic Development and Housing and  
2 General Affairs

3 Date:

4 Subject: Housing; health and safety; rehabilitation; weatherization

5 Statement of purpose of bill as introduced: This bill proposes to adopt  
6 miscellaneous housing proposals relating to health and safety, rehabilitation,  
7 and weatherization, including by ensuring compliance with rental housing  
8 codes, requiring residential contractors to register with the Secretary of State,  
9 and the expansion of rehabilitation and weatherization programs.

10 An act relating to housing safety, rehabilitation, and weatherization  
11 initiatives

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

13 \* \* \* Housing Health and Safety;

14 Rental Housing Health Code Enforcement \* \* \*

15 Sec. 1. 18 V.S.A. § 5 is amended to read:

16 § 5. DUTIES OF DEPARTMENT OF HEALTH

17 The Department of Health shall:

18 (1) Conduct studies, develop State plans, and administer programs and  
19 State plans for hospital survey and construction, hospital operation and  
20 maintenance, medical care, and treatment of substance abuse.

1           (2) Provide methods of administration and such other action as may be  
2 necessary to comply with the requirements of federal acts and regulations as  
3 relate to studies, development of plans and administration of programs in the  
4 fields of health, public health, health education, hospital construction and  
5 maintenance, and medical care.

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

7           (4) Cooperate with necessary federal agencies in securing federal funds  
8 ~~which~~ that become available to the State for all prevention, public health,  
9 wellness, and medical programs.

10          (5) Seek accreditation through the Public Health Accreditation Board.

11          (6) Create a State Health Improvement Plan and facilitate local health  
12 improvement plans in order to encourage the design of healthy communities  
13 and to promote policy initiatives that contribute to community, school, and  
14 workplace wellness, which may include providing assistance to employers for  
15 wellness program grants, encouraging employers to promote employee  
16 engagement in healthy behaviors, and encouraging the appropriate use of the  
17 health care system.

18          (7) Serve as the leader and primary State authority for the  
19 implementation and enforcement of on State rental housing health and safety  
20 laws.

1           (8) Provide policy assistance, technical support, ~~financial resources,~~ and  
2           legal guidance to municipalities concerning the interpretation, implementation,  
3           and enforcement of State rental housing health and safety laws.

4           Sec. 2. 18 V.S.A. § 603 is amended to read:

5           § 603. RENTAL HOUSING SAFETY; INSPECTION REPORTS

6           (a)(1) When conducting an investigation of rental housing, a local health  
7           officer shall issue a written inspection report on the rental property using the  
8           protocols for implementing the Rental Housing Health Code of the Department  
9           or the municipality, in the case of a municipality that has established a code  
10          enforcement office.

11          (2) A written inspection report shall:

12                (A) contain findings of fact that serve as the basis of one or more  
13          violations;

14                (B) specify the requirements and timelines necessary to correct a  
15          violation;

16                (C) provide notice that the landlord is prohibited from renting the  
17          affected unit to a new tenant until the violation is corrected; and

18                (D) provide notice in plain language that the landlord and agents of  
19          the landlord must have access to the rental unit to make repairs as ordered by  
20          the health officer consistent with the access provisions in 9 V.S.A. § 4460.

21          (3) A local health officer shall:

1           (A) provide a copy of the inspection report to the landlord and any  
2 tenants affected by a violation by delivering the report electronically, in  
3 person, by first class mail, or by leaving a copy at each unit affected by the  
4 deficiency; and

5           (B) provide information on each inspection to the Department within  
6 seven days of issuing the report using an electronic system designed for that  
7 purpose.

8           (4) If an entire property is affected by a violation, the local health officer  
9 shall post a copy of the inspection report in a common area of the property and  
10 include a prominent notice that the report shall not be removed until authorized  
11 by the local health officer.

12           (5) A municipality shall make an inspection report available as a public  
13 record.

14           (b)(1) A local health officer may impose a ~~fine~~ civil penalty of not more  
15 than ~~\$100.00~~ \$200.00 per day for each violation that is not corrected by the  
16 date provided in the written inspection report, or when a unit is re-rented to a  
17 new tenant prior to the correction of a violation.

18           (2)(A) If the cumulative amount of penalties imposed pursuant to this  
19 subsection is \$800.00 or less, the local health officer, Department of Health, or  
20 State’s Attorney may bring a civil enforcement action in the Judicial Bureau  
21 pursuant to 4 V.S.A. chapter 29.



1 (c) The Judicial Bureau shall not have jurisdiction over municipal parking  
2 violations.

3 (d) Three hearing officers appointed by the Court Administrator shall  
4 determine waiver penalties to be imposed for violations within the Judicial  
5 Bureau’s jurisdiction, except:

6 ~~(1) Municipalities~~ municipalities shall adopt full and waiver penalties  
7 for civil ordinance violations pursuant to 24 V.S.A. § 1979. For purposes of  
8 municipal violations, the issuing law enforcement officer shall indicate the  
9 appropriate full and waiver penalty on the complaint.

10 Sec. 4. DEPARTMENT OF HOUSING AND COMMUNITY

11 DEVELOPMENT; COLLECTION OF RENTAL HOUSING DATA

12 (a) On or before January 15, 2020, the Department of Housing and  
13 Community Development shall design and implement a comprehensive rental  
14 housing data management system, through which the Department is able to  
15 collect, organize, and make available to the public information concerning  
16 rental housing in this State, including:

17 (1) location of building;

18 (2) age of building;

19 (3) number of units;

20 (4) type of units;

21 (5) School Property Account Number;

1           (6) owner name and contact information; and

2           (7) manager name and contact information.

3           (b) In performing its duties pursuant to this section, the Department shall  
4 consult, and shall have the full cooperation and assistance of:

5           (1) the Department of Taxes and other agencies and departments as  
6 necessary;

7           (2) the Vermont Assessors and Listers Association;

8           (3) the Vermont Center for Geographic Information;

9           (4) the emergency communications centers of the Vermont State Police  
10 the Vermont Enhanced 9-1-1 Board;

11           (5) the Vermont Housing Finance Agency;

12           (6) the Vermont League of Cities and Towns;

13           (7) representatives of the Regional Planning Commissions;

14           (8) the Agency of Digital Services; and

15           (9) any other affected stakeholders.

16       Sec. 5. DEPARTMENT OF HEALTH; HEALTH INSPECTION REPORTS

17           The Department of Health shall create and manage an electronic system to  
18 collect and maintain health inspection reports submitted by local health  
19 officers pursuant to 18 V.S.A. § 603.

20       Sec. 6. DEPARTMENT OF HEALTH; RENTAL HOUSING HEALTH

21           AND SAFETY ENFORCEMENT SYSTEM;

1           RECOMMENDATIONS; REPORT

2           (a) On or before January 15, 2020, in collaboration with the Rental  
3           Housing Advisory Board, the Department of Health and the Department of  
4           Public Safety shall develop recommendations for the design and  
5           implementation of a comprehensive system for the professional enforcement of  
6           State rental housing health and safety laws, which shall include:

7                   (1) an outline of options, including an option for a State government-run  
8                   system, with a timeline and budget for each;

9                   (2) a needs assessment outlining the demand for inspections based on  
10                  inspection information collected through the electronic system created  
11                  pursuant to Sec. 5 of this act, summary information for fiscal year 2019  
12                  inspection reports provided pursuant to subsection (c) of this section, summary  
13                  information from municipalities with self-governed rental housing health code  
14                  programs, and other stakeholders and relevant sources; and

15                  (3) any additional recommendations from the Rental Housing Advisory  
16                  Board, the Department of Public Safety, the Department of Housing and  
17                  Community Development, or other executive branch agencies.

18           (b) On or before September 30, 2019, the Department of Health shall  
19           provide an interim progress report to the Senate Committee on Economic  
20           Development, Housing and General Affairs and the House Committee on  
21           General, Housing, and Military Affairs.

1           (c) On or before July 15, 2019, each municipality in this State shall provide  
2           to the Department of Health summary information on its inspection activity in  
3           fiscal year 2019 in order to assist the Department in completing the needs  
4           assessment pursuant to subdivision (a)(2) of this section.

5           Sec. 7. DEPARTMENT OF HEALTH; APPROPRIATIONS; POSITIONS

6           (a) In fiscal year 2020 the amount of \$XXX,000.00 is appropriated from  
7           the General Fund to the Department of Health as follows:

8           (1) the amount of \$XXX,000.00 for [X position(s)], whose duties shall  
9           include:

10           (A) collecting and maintaining data concerning inspection reports;

11           (B) providing additional training to town health officers concerning  
12           best practices, the health officer role and responsibilities, and rental housing  
13           health and safety issues;

14           (C) providing additional guidance and support to municipalities  
15           concerning difficult rental housing enforcement issues; and

16           (D) other duties related to developing and planning for a more  
17           professionalized health and safety code enforcement system;

18           (2) the amount of \$XX,000.00 to provide legal assistance, subgrants,  
19           and related support to municipalities; and

20           (3) the amount of \$XX,000.00 for information technology, data  
21           collection, and support to the Department of Housing and Community

1 Development and the Agency of Digital Services to update and maintain the  
2 RentalCodes.org website, or a similar resource, that provides easy access to  
3 information for consumers, landlords, municipal officials, and the public  
4 concerning rental housing health and safety laws.

5 \* \* \* Housing Consumer Protection; Registration of Contractors \* \* \*

6 Sec. 8. 3 V.S.A. § 122 is amended to read:

7 § 122. OFFICE OF PROFESSIONAL REGULATION

8 The Office of Professional Regulation is created within the Office of the  
9 Secretary of State. The Office of Professional Regulation shall have a director  
10 ~~who shall be~~ who is an exempt employee appointed by the Secretary of State  
11 ~~and shall be an exempt employee.~~ The following boards or professions are  
12 attached to the Office of Professional Regulation:

13 \* \* \*

14 (48) Residential Contractors

15 Sec. 9. 26 V.S.A. chapter 105 is added to read:

16 CHAPTER 105. RESIDENTIAL CONTRACTORS

17 Subchapter 1. General Provisions

18 § 5401. REGISTRATION REQUIRED

19 A person shall register with the Office of Professional Regulation prior to  
20 offering or contracting with a homeowner to perform residential construction

1 work in exchange for consideration of more than \$1,000.00, including labor  
2 and materials.

3 § 5402. EXEMPTIONS

4 This chapter does not apply to:

5 (1) an employee acting within the scope of his or her employment for a  
6 business organization registered under this chapter;

7 (2) a professional engineer, licensed architect, or a tradesperson licensed  
8 by the Department of Public Safety acting within the scope of his or her  
9 license;

10 (3) delivery or installation of consumer appliances, audio-visual  
11 equipment, telephone equipment, or computer network equipment;

12 (4) landscaping;

13 (5) construction work on a structure that is not attached to a residential  
14 building; or

15 (6) work that would otherwise require registration that a person  
16 performs in response to an emergency, provided the person applies for  
17 registration within a reasonable time after performing the work.

18 § 5403. MANDATORY REGISTRATION AND VOLUNTARY

19 CERTIFICATION DISTINGUISHED

20 (a)(1) The system of mandatory registration established by this chapter is  
21 intended to protect against fraud, deception, breach of contract, and violations

1 of law, but is not intended to establish standards for professional qualifications  
2 or workmanship that is otherwise lawful.

3 (2) The provisions of 3 V.S.A. § 129a, with respect to a registration,  
4 shall be construed in a manner consistent with the limitations of this  
5 subsection.

6 (b) The Director of Professional Regulation, in consultation with public  
7 safety officials and recognized associations or boards of builders, remodelers,  
8 architects, and engineers, may:

9 (1) adopt rules providing for the issuance of voluntary certifications, as  
10 defined in subdivision 3101a(1) of this title, that signify demonstrated  
11 competence in particular subfields and specialties related to residential  
12 construction;

13 (2) establish minimum qualifications, and standards for performance and  
14 conduct, necessary for certification; and

15 (3) discipline a certificant for violating adopted standards or other law,  
16 with or without affecting the underlying registration.

17 Subchapter 2. Administration

18 § 5405. DUTIES OF THE DIRECTOR

19 (a) The Director of Professional Regulation shall:

20 (1) provide information to the public concerning registration,  
21 certification, appeal procedures, and complaint procedures;

1           (2) administer fees established under this chapter;

2           (3) receive applications for registration or certification, issue

3 registrations and certifications to applicants qualified under this chapter, deny

4 or renew registrations or certifications, and issue, revoke, suspend, condition,

5 and reinstate registrations and certifications as ordered by an administrative

6 law officer; and

7           (4) prepare and maintain a registry of registrants and certificants.

8           (b) The Director, after consultation with an advisor appointed pursuant to

9 section 5406 of this title, may adopt rules to implement this chapter.

10 § 5406. ADVISORS

11           (a) The Secretary of State shall appoint two persons pursuant to 3 V.S.A.

12 § 129b to serve as advisors in matters relating to residential contractors and

13 construction.

14           (b) To be eligible to serve, an advisor shall:

15           (1) register under this chapter;

16           (2) have at least three years' experience in residential construction

17 immediately preceding appointment; and

18           (3) remain active in the profession during his or her service.

19           (c) The Director of Professional Regulation shall seek the advice of the

20 advisors in implementing this chapter.

1     § 5407. FEES

2             A person regulated under this chapter shall pay the following fees at initial  
3     application and biennial renewal:

4             (1) Registration, individual: \$75.00.

5             (2) Registration, business organization: \$250.00.

6             (3) Certification: \$150.00.

7                             Subchapter 3. Registrations

8     § 5408. ELIGIBILITY

9             To be eligible for registration, the Director of Professional Regulation shall  
10     find that the applicant:

11             (1) is in compliance with the provisions of this chapter and rules  
12     adopted pursuant to this chapter;

13             (2) is in compliance with State laws respecting child support, taxes,  
14     judgment orders, and workers' compensation; and

15             (3) has satisfied any judgment order related to the provision of  
16     professional services to a homeowner.

17     § 5409. REQUIREMENTS OF REGISTRANTS

18             (a) Insurance. A person registered under this chapter shall maintain  
19     professional liability insurance in the amount of \$300,000.00 per claim and  
20     \$1,000,000.00 aggregate, evidence of which may be required as a precondition  
21     to issuance or renewal of a registration.

1           **(b) Writing.**

2                   **(1) A person registered under this chapter shall execute a written**  
3                   **contract prior to receiving a deposit or commencing residential construction**  
4                   **work if the estimated value of the labor and materials exceeds \$1,000.00.**

5                   **(2) A contract shall specify:**

6                           **(A) Price. One of the following provisions for the price of the**  
7                   **contract:**

8                                   **(i) a maximum price for all work and materials;**

9                                   **(ii) a statement that billing and payment will be made on a time**  
10                   **and materials basis, not to exceed a maximum price; or**

11                                   **(iii) a statement that billing and payment will be made on a time**  
12                   **and materials basis and that there is no maximum price.**

13                           **(B) Work dates. A start date and a completion date.**

14                           **(C) Scope of work. A description of the services to be performed and**  
15                   **a description of the materials to be used.**

16                           **(D) Change order provision. A description of how and when**  
17                   **amendments to the contract may be approved and recorded.**

18                           **(3) The parties shall record an amendment to the contract in a signed**  
19                   **writing.**

20                           **(c) Down payment. Unless a contract specifies that billing and payment**  
21                   **will be made on a time and materials basis and that there is no maximum price,**

1 the contract may require a down payment of up to one-third of the contract  
2 price, or of the price of materials, whichever is greater.

3 § 5410. PROHIBITIONS AND REMEDIES

4 (a) A person who does not register pursuant to this chapter when required  
5 engages in unauthorized practice pursuant to 3 V.S.A. § 127.

6 (b) The Office of Professional Regulation may discipline a registrant or  
7 certificant for unprofessional conduct as provided in 3 V.S.A. § 129a, except  
8 that 3 V.S.A. § 129a(b) does not apply to a registrant.

9 (c) The following conduct by a registrant, certificant, applicant, or person  
10 who later becomes an applicant constitutes unprofessional conduct:

11 (1) failure to enter into a written contract when required by this chapter;

12 (2) failure to maintain liability or workers' compensation insurance;

13 (3) committing a deceptive act in commerce in violation of 9 V.S.A.

14 § 2453; and

15 (4) to sell or fraudulently obtain or furnish a certificate of registration,  
16 certification, license, or any other related document or record, or to assist  
17 another person in doing so, including by reincorporating or altering a trade  
18 name for the purpose or with the effect of evading revocation, suspension, or  
19 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 shall be derived from the Office’s Professional Regulatory Fee  
7           Fund and not from the General Fund.

8           \* \* \* Housing Rehabilitation and Weatherization; Vermont Rental Housing  
9   Incentive Program \* \* \*

10       Sec. 11. 10 V.S.A. chapter 29, subchapter 3 is amended to read:

11           Subchapter 3. ~~Vermont Economic Progress Council~~ Housing Incentive  
12   Program

13       § 699. RENTAL HOUSING INCENTIVE PROGRAM

14           (a) Purpose. Recognizing that Vermont’s rental housing stock is some of  
15           the oldest in the country, and that much of it needs updating to meet code  
16           requirement and other standards, this section is intended to incentivize private  
17           apartment owners to make significant improvements to both housing quality  
18           and weatherization by providing small grants that would be matched by the  
19           private apartment owner.

20           (b) Creation of Program. The Department of Housing and Community  
21           Development shall design and implement a Vermont Rental Housing Incentive

1 Program to provide funding to regional nonprofit housing partner organizations  
2 to provide incentive grants to private landlords for the rehabilitation and  
3 improvement, including weatherization, of existing rental housing stock.

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

11 (d) Grant Guidelines. The Department shall ensure that all grants comply  
12 with the following guidelines:

13 (1) Each grant shall be capped at a standard limit set by the  
14 Department, which shall not exceed \$7,000.00 per rental unit.

15 (2) Each grant shall be matched by the property owner at least two-to-  
16 one. The required match shall be met through dollars raised and not through  
17 in-kind services.

18 (3) No property owner may receive a grant for more than four rental  
19 units.

20 (4) Each project funded must include a weatherization component and  
21 must result in all building codes being met and all permits received.

1           (5) Only existing properties that are vacant or blighted are eligible for  
2           grants.

3           (6) At least 50 percent of the rental units assisted must have rents that  
4           are affordable to households earning no more than 80 percent of area median  
5           income.

6           (e) As used in this section:

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

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

13           Sec. 12. RENTAL HOUSING INCENTIVE PROGRAM; APPROPRIATION

14           In fiscal year 2020, the amount of \$XXX,000.00 is appropriated from the  
15           General Fund to the Agency of Commerce and Community Development to  
16           support the Rental Housing Incentive Program.

17           Sec. 13. EFFECTIVE DATE

18           This act shall take effect on July 1, 2019.