

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  
2 an 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 ensure 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  
17 landlord, to the person who requested the inspection, and to any tenants who  
18 are affected by a violation for whom the Department has an electronic mailing  
19 address;

1               (C) provide a copy of the inspection report to any other person who  
2 requests it by delivering the report electronically, in person, or by first-class  
3 mail;

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

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

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

12   \* \* \*

13       § 2733. ORDERS TO REPAIR, REHABILITATE, OR REMOVE  
14                       STRUCTURE

15   \* \* \*

16              (c) Orders issued under this section shall be served by certified mail with  
17 return receipt requested or in the discretion of the ~~commissioner~~  
18 Commissioner, shall be served in the same manner as summonses are served  
19 under the Vermont Rules of Civil Procedure promulgated by the ~~supreme court~~  
20 Supreme Court, to all persons who have a recorded interest in the property  
21 recorded in the place where land records for the property are recorded, or will

1 be temporarily or permanently displaced by the order, including owners,  
2 tenants, mortgagees, attaching creditors, lien holders, and public utilities or  
3 water companies serving the premises.

4 \* \* \*

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

6 § 2478. STATE RENTAL HOUSING REGISTRY

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

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

12 § 2479. RENTAL HOUSING REGISTRATION

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

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

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

1       (b)(1) An owner of a mobile home lot within a mobile home park who has  
2       registered the lot with the Department of Housing and Community  
3       Development and who does not own a mobile home on the lot is exempt from  
4       registering the lot pursuant to this section.

5       (2) An owner of a mobile home lot within a mobile home park who has  
6       registered the lot with the Department and who owns a mobile home on the lot  
7       that is available for rent or rented shall register the property with the  
8       Department and pay a fee equal to the fee required by subdivision (b)(2) of this  
9       section less any fee paid within the previous 12 months pursuant to 10 V.S.A.  
10       § 6254(c).

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

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

#### 16       Sec. 4. DEPARTMENT OF PUBLIC SAFETY; POSITIONS

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

1       Sec. 5. DEPARTMENT OF HOUSING AND COMMUNITY  
2               DEVELOPMENT; POSITIONS

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

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

10               \* \* \* Conforming Changes to Current Law Governing the Department of  
11               Health, State Board of Health, and Local Health Officials \* \* \*

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

13               CHAPTER 11. LOCAL HEALTH OFFICIALS

14               \* \* \*

15       § 602a. DUTIES OF LOCAL HEALTH OFFICERS

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

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

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

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

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

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

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

14 § 603. ~~RENTAL HOUSING SAFETY; INSPECTION REPORTS~~

15           ~~(a)(1) When conducting an investigation of rental housing, a local health~~  
16 ~~officer shall issue a written inspection report on the rental property using the~~  
17 ~~protocols for implementing the Rental Housing Health Code of the Department~~  
18 ~~or the municipality, in the case of a municipality that has established a code~~  
19 ~~enforcement office.~~

20           ~~(2) A written inspection report shall:~~



1           ~~(A) contain findings of fact that serve as the basis of one or more~~  
2           ~~violations;~~

3           ~~(B) specify the requirements and timelines necessary to correct a~~  
4           ~~violation;~~

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

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

10           ~~(3) A local health officer shall:~~

11           ~~(A) provide a copy of the inspection report to the landlord and any~~  
12           ~~tenants affected by a violation by delivering the report electronically, in~~  
13           ~~person, by first class mail, or by leaving a copy at each unit affected by the~~  
14           ~~deficiency; and~~

15           ~~(B)(i) if a municipality has established a code enforcement office,~~  
16           ~~provide information on each inspection according to a schedule and in a format~~  
17           ~~adopted by the Department in consultation with municipalities that have~~  
18           ~~established code enforcement offices; or~~

19           ~~(ii) if a municipality has not established a code enforcement office,~~  
20           ~~provide information on each inspection to the Department within seven days of~~  
21           ~~issuing the report using an electronic system designed for that purpose, or~~

1 ~~within 14 days by mail if the municipality is unable to utilize the electronic~~  
2 ~~system.~~

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

7 ~~(5) A municipality shall make an inspection report available as a public~~  
8 ~~record.~~

9 ~~(b)(1) A local health officer may impose a civil penalty of not more than~~  
10 ~~\$200.00 per day for each violation that is not corrected by the date provided in~~  
11 ~~the written inspection report, or when a unit is re-rented to a new tenant prior~~  
12 ~~to the correction of a violation.~~

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

17 ~~(B) The waiver penalty for a violation in an action brought pursuant~~  
18 ~~to this subsection is 50 percent of the full penalty amount.~~

19 ~~(3) If the cumulative amount of penalties imposed pursuant to this~~  
20 ~~subsection is more than \$800.00, or if injunctive relief is sought, the local~~  
21 ~~health officer, Department of Health, or State's Attorney may commence an~~

1 ~~action in the Civil Division of the Superior Court for the county in which a~~  
2 ~~violation occurred.~~

3 ~~(e) If a local health officer fails to conduct an investigation pursuant to~~  
4 ~~section 602a of this title or fails to issue an inspection report pursuant to this~~  
5 ~~section, a landlord or tenant may request that the Department, at its discretion,~~  
6 ~~conduct an investigation or contact the local board of health to take action.~~

7 **[Repealed.]**

8 \* \* \*

9 Sec. 7. DEPARTMENT OF PUBLIC SAFETY; TRANSITION

10 PROVISIONS

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

12 (1) Until the Commissioner of Public Safety adopts rules governing  
13 rental housing health and safety pursuant to 20 V.S.A. § 2731, the Department  
14 of Health and the Department of Public Safety have concurrent authority to  
15 enforce the Vermont Rental Housing Health Code adopted by the Department  
16 of Health pursuant to 18 V.S.A. § 102, 3 V.S.A. § 3003(a), and 3 V.S.A.  
17 § 801(b)(11).

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

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

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

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

10           (2) the Department of Public Safety and local officials have concurrent  
11           authority to enforce State and local laws governing rental housing health and  
12           safety pursuant to 18 V.S.A. chapter 11, 20 V.S.A. chapter 173, subchapter 2,  
13           24 V.S.A. chapters 83 and 123, and applicable municipal law; and

14           (3) the Department of Health, the State Board of Health, and local health  
15           officials have concurrent authority to enforce State and local laws governing  
16           public health hazards and public health risks, as those terms are defined in  
17           18 V.S.A. § 2, pursuant to 18 V.S.A. chapters 1, 3, and 11.

18           Sec. 8. PENALTIES FOR VACANT PROPERTY; STUDY

19           (a) On or before December 15, 2020, the Secretary of Commerce and  
20           Community Development, in consultation with the Executive Director of the  
21           Vermont League of Cities and Towns, shall study and write a report on

1 approaches to imposing penalties on property owners who leave property  
2 vacant for one year or more. The report shall include recommendations for  
3 any necessary legislative action.

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

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

9 Subchapter 3. Vermont Housing Incentive Program

10 § 699. VERMONT HOUSING INCENTIVE PROGRAM

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

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

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

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

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

13           (2) A property owner shall:

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

16           (B) include a weatherization component; and

17           (C) comply with applicable permit requirements and rental housing  
18           health and safety laws.

19           (3) The Department and the property owner shall ensure that not fewer  
20           than half of the rental units improved with grant funds have rents that are

1 affordable to households earning not more than 80 percent of area median  
2 income and remain affordable for not less than seven years.

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

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

6 (B) ensure that the property continues to remain affordable for the  
7 remainder of the seven-year period required in subdivision (3) of this  
8 subsection (d).

9 (e) As used in this section:

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

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

16 \* \* \* Appropriations \* \* \*

17 Sec. 10. APPROPRIATION

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





1

2 (Committee vote: \_\_\_\_\_)

3

\_\_\_\_\_

4

Representative \_\_\_\_\_

5

FOR THE COMMITTEE