1   H.161

2   Introduced by Representative Sullivan of Dorset

3   Referred to Committee on

4   Date:

5   Subject: Housing

6   Statement of purpose of bill as introduced: This bill proposes to create a

7   framework to stabilize rents and provide assistance for Vermont tenants

8   adversely affected by the COVID-19 public health emergency.

9   An act relating to rent stabilization and economic mobility

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

11   Sec. 1. FINDINGS

12   The General Assembly finds:

13   (1) The economic impact of the COVID-19 pandemic, including the loss

14   or interruption of employment and the potential contraction of the Vermont

15   economy, threatens the ability of Vermonters to provide basic necessities for

16   themselves and their families, including affordable housing.

17   (2) Property owners, landlords, and developers, in order to be

18   encouraged to continue to provide, improve, maintain, and increase the stock

1   of affordable housing in Vermont, need to be assured of the ultimate receipt of

2   rent payments.

3   (3) Due to both its natural attractiveness and its proactive response to

4   the current pandemic, and further due to the potential influx into Vermont

5   pursuant to a reinvigorated national immigration policy of persons eligible to

6   emigrate to the United States, Vermont stands uniquely to attract persons to re-

7   locate to Vermont.

8   (4) The provision of rent-stabilized housing will serve further to

9   encourage persons to migrate to Vermont.

10   (5) Population growth will serve to reverse the deleterious economic

11   effects of Vermont's aging and declining population.

12   Sec. 2. RENT STABILIZATION

13   (a) For all leases covering a tenancy for any period in calendar years 2021

14   and 2022, a landlord shall not charge rent that exceeds the rent charged to any

15   tenant at the same property on March 1, 2020, with the exception of any rent

16   negotiated and agreed in a lease previously entered into between March 1,

17   2010 and December 31, 2020.

18   (b) Between January 1, 2021 and December 31, 2022, a tenant may not be

19   evicted from their leasehold based exclusively on the nonpayment of rent,

20   provided that the tenant timely sends to the landlord before the 15th day of the

21   month subsequent to the tenant's failure to pay monthly rent:

1   (1) a certification of inability to pay the previous month's rent due to a

2 COVID-19-related adverse economic event, such as job loss or other reduction

3 of wages occasioned directly by the COVID-19 pandemic; and

4   (2) a promise signed by the tenant to pay the monthly or other periodic

5 rent owed, secured by the tenant's execution of a promissory note and security

6 interest in a form satisfactory to the Vermont Department of Labor obligating

7 the payment of the missed rent.

8 (c) Between January 1, 2023 and December 31, 2024, rents in Vermont

9 shall be stabilized by limiting annual rent increases to not more than five

10 percent of the rents charged in calendar years 2021 and 2022.

11 (d) Notwithstanding the protection against evictions provided in subsection

12 (b) of this section, and subject to all pre-existing requirements of Vermont law

13 relating to eviction proceedings, a landlord may initiate an eviction proceeding

14 based exclusively on the nonpayment of rent:

15   (1) if the tenant's COVID-19-related adverse economic event has abated

16 and the tenant fails to pay rents when due;

17   (2) if any certification provided by a tenant was knowingly false when

18 made; or

19   (3) after 12 months have elapsed since the tenant's last certification of a

20 COVID-19-related inability to pay the tenant has failed to satisfy one or more

21 of the promissory notes executed pursuant to subdivision (b)(2) of this section.

1   (e) As to any rents in any given year not received by a landlord under a

2   leasehold agreement pursuant to the certification and promissory note

3   procedure of subdivision (b)(2) of this section, the landlord may deduct from

4   the owner's Vermont income taxes the lost rent as a form of carrying cost,

5   which lost rent, when later collected, shall not be required to be reported as

6   income, provided the landlord can demonstrate an investment in new housing

7   units or improvement in existing units during that calendar year.

8   (f) Provided that the certification, promissory note, and security interest are

9   in writing and signed by the tenant, all such instruments will be deemed

10   supported by consideration, and to be self-authenticated and witnessed, such

11   that no such instrument will be considered ineffective based on a failure of the

12   instrument to be witnessed or otherwise notarized or sworn.

13   Sec. 3. 32 V.S.A. § 5830f is added to read:

14   § 5830f. TAX CREDIT; BROADBAND INVESTMENTS IN RENTAL

15   HOUSING

16   A taxpayer of this State shall be eligible for a rental housing broadband

17   credit against the tax imposed for the taxable year under sections 5822 and

18   5831 of this chapter. The credit allowed under this section shall be equal to the

19   taxpayer's investment costs during the taxable year in upgrading or installing

20   new broadband access in rental housing owned or rented by the taxpayer.

21   Investments in rental housing broadband made by the taxpayer during the 2020

1   taxable year shall be eligible investment costs under this section for the 2021

2   taxable year. As used in this section, "rental housing" includes short-term

3   rentals as defined in 18 V.S.A. § 4301.

4   Sec. 4. 32 V.S.A. § 5813(y) is added to read:

5   (y) The statutory purpose of the rental housing broadband credit in section

6   5830f of this title is to reduce the tax liability of landlords and renters who

7   invest in improving the access to broadband in Vermont's rental housing units.

8   Sec. 5. REPEALS

9   The following are repealed on January 1, 2024:

10   (1) 32 V.S.A. § 5830f; and

11   (2) 32 V.S.A. § 5813(y).

12   Sec. 6. EFFECTIVE DATES

13   This act shall take effect on passage except, notwithstanding 1 V.S.A.

14   § 214, Sec. 3 (income tax credit) shall take effect retroactively on January 1,

15   2021 and apply to taxable years beginning on and after January 1, 2021.