Introduced by Representative Christie of Hartford

Referred to Committee on

Date:

Subject: Public safety; building and fire safety codes; tiny houses; sale and transfer; tiny house parks; municipal zoning; taxation

Statement of purpose of bill as introduced: This bill proposes to provide that tiny houses shall be subject to the same requirements as other types of single-family dwellings for purposes of building codes, zoning, and taxation and shall be subject to the same requirements as mobile homes for purposes of tiny house parks and the sale and transfer of tiny houses.

An act relating to establishing uniform standards for tiny houses

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

** Building and Safety Codes **

Sec. 1. 20 V.S.A. § 2731 is amended to read:

§ 2731. RULES; INSPECTIONS; VARIANCES

* * *

(m) Tiny Houses.
(1) All codes and rules adopted by the Commissioner pursuant to this section that apply to owner-occupied single-family residences shall apply to tiny houses.

(2) As used in this section, “tiny house” means a structure intended for year-round occupancy that:

(A) contains facilities for sleeping, eating, cooking, and sanitation;

(B) is constructed on either a permanent foundation or on a trailer or semi-trailer as those terms are defined pursuant to 23 V.S.A. § 4(40); and

(C) has not more than 400 square feet of floor area, excluding any lofts.

(3) A tiny house that is built on a trailer or semi-trailer shall be subject to the requirements of 23 V.S.A. §§ 371, 512, and 1222 and shall be secured to the trailer or semi-trailer in a manner that is approved by the Traffic Committee as that term is defined pursuant to 19 V.S.A. § 1. The Traffic Committee may adopt rules to implement the provisions of this subdivision (m)(3) and any additional highway safety requirements that it determines are necessary for tiny houses that are built on trailers and semi-trailers.

Sec. 2. 26 V.S.A. § 891 is amended to read:

§ 891. RULES ADOPTED BY BOARD

(a) The Electricians’ Licensing Board created under section 901 of this title may adopt, amend, revise, and repeal rules providing reasonable standards and
requirements applicable to any electrical installation as defined in section 881 of this title, except as provided in sections 882 and 892 of this title. The Board, if it finds it practicable to do so, may adopt the provisions of a nationally recognized electrical code under authority of this section.

(b) Rules and code provisions adopted by the Board that apply to single family dwellings shall also apply to tiny houses. The term “tiny houses” has the same meaning as in 20 V.S.A. § 2731.

Sec. 3. 26 V.S.A. § 2173 is amended to read:

§ 2173. RULES ADOPTED BY THE BOARD

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(d) Rules and code provisions adopted by the Board that apply to single family dwellings shall also apply to tiny houses. The term “tiny houses” has the same meaning as in 20 V.S.A. § 2731.

*** Municipal Zoning ***

Sec. 4. 24 V.S.A. § 3101 is amended to read:

§ 3101. BYLAWS AND ORDINANCES; PENALTIES

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(g)(1) A code or regulation adopted pursuant to this section that applies to single family dwellings shall also apply to tiny houses.
(2) No code or regulation adopted pursuant to this section shall have the effect of excluding tiny houses from the municipality, except upon the same terms and conditions as conventional housing is excluded.

(3) The term “tiny houses” has the same meaning as in 20 V.S.A. §2731.

Sec. 5. 24 V.S.A. §4303 is amended to read:

§ 4303. DEFINITIONS

The following definitions shall apply throughout this chapter unless the context otherwise requires:

* * *

(38) “Tiny house” has the same meaning as in 20 V.S.A. §2731.

Sec. 6. 24 V.S.A. §4412 is amended to read:

§ 4412. REQUIRED PROVISIONS AND PROHIBITED EFFECTS

Notwithstanding any existing bylaw, the following land development provisions shall apply in every municipality:

(1) Equal treatment of housing and required provisions for affordable housing.

* * *

(B)(i) Except as provided in subdivisions 4414(1)(E) and (F) of this title, no bylaw shall have the effect of excluding mobile homes, modular
housing, or prefabricated housing, or tiny houses from the municipality, except
upon the same terms and conditions as conventional housing is excluded.

(ii) A municipality may establish specific site standards in the
bylaws to regulate individual sites within preexisting mobile home parks and
tiny house parks with regard to distances between structures and other
standards as necessary to ensure public health, safety, and welfare, provided
the standards do not have the effect of prohibiting the replacement of mobile
homes or tiny houses on existing lots.

(C) No bylaw shall have the effect of excluding mobile home parks
or tiny house parks, as defined in 10 V.S.A. chapter 153, from the
municipality.

* * *

(7) Nonconformities. All bylaws shall define how nonconformities will
be addressed, including standards for nonconforming uses, nonconforming
structures, and nonconforming lots.

* * *

(B) If a mobile home park or tiny house park, as defined in 10 V.S.A.
chapter 153, is a nonconformity pursuant to a municipality’s bylaws, the entire
mobile home park or tiny house park shall be treated as a nonconformity under
those bylaws, and individual lots within the mobile home park or tiny house
park shall in no event be considered nonconformities. Unless the bylaws
provide specific standards as described in subdivision (1)(B) of this section,
where a mobile home park or tiny house park is a nonconformity under 
bylaws, its status regarding conformance or nonconformance shall apply to the 
parcel as a whole, and not to any individual mobile home lot or tiny house lot 
within the park. An individual mobile home lot or tiny house lot that is 
vacated shall not be considered a discontinuance or abandonment of a 
nonconformity.

* * *

* * * Purchase and Sale of Tiny Houses * * *

Sec. 7. 9 V.S.A. § 2601 is amended to read:

§ 2601. DEFINITIONS

(a) As used in this chapter, unless the context requires otherwise, “mobile 
home” means:

(1) A mobile home as defined in 10 V.S.A. § 6201.

(2) An unmotorized vehicle, other than a travel or recreational trailer, 
designed to be towed and designed or equipped for use as sleeping, eating, or 
living quarters.

(3) A tiny house as defined in 20 V.S.A. § 2731.
Sec. 8. 10 V.S.A. § 6201 is amended to read:

§ 6201. DEFINITIONS

As used in this chapter, unless the context requires otherwise:

* * *

(5) “Leaseholder” means:

(A) a resident lawfully occupying a mobile home owned by the park owner or:

(B) the owner of a mobile home sited on a mobile home lot in a mobile home park regardless of whether the leaseholder has actual possession of a written lease; or

(C) the owner of a tiny house sited on a tiny house lot in a tiny house park regardless of whether the leaseholder has actual possession of a written lease.

* * *

(7) “Mobile home park owner” or “park owner” means the owners, operators, officers, or managing agents of a mobile home park as well as any person acting through any corporate or other device who has the practical authority to establish rules, policies, or other requirements for the operation of the mobile home park. The term shall not include a stockholder for a corporation owning stock in a mobile home park unless such stockholder has a
controlling interest in the corporation and has the practical authority to establish rules, policies, or other requirements for the operation of the mobile home park.

* * *

(13) “Park owner” means a mobile home park owner or a tiny house park owner.

(14) “Tiny house” has the same meaning as in 20 V.S.A. § 2731.

(15)(A) “Tiny house park” means any parcel of land under single or common ownership or control that contains, or is designed, laid out, or adapted to accommodate, four or more tiny houses.

(B) “Tiny house park” does not mean:

(i) premises used solely for storage or display of tiny houses; or

(ii) a parcel of land used solely on a seasonal basis for vacation or recreational mobile homes.

(16) “Tiny house park owner” means an owner, operator, officer, or managing agent of a mobile home park as well as a person acting through any corporate or other device that has the practical authority to establish rules, policies, or other requirements for the operation of the tiny house park. The term shall not include a stockholder for a corporation owning stock in a tiny house park unless the stockholder has a controlling interest in the corporation
and has the practical authority to establish rules, policies, or other requirements for the operation of the tiny house park.

(17) “Tiny house park resident” means an individual, individuals, or family who occupies a tiny house on a permanent or temporary basis in a tiny house park.

Sec. 9. 10 V.S.A. § 6206 is added to read:

§ 6206. TINY HOUSE PARKS

The provisions of this chapter shall apply to tiny house parks, tiny house park owners, tiny house park residents, and leaseholders in tiny house parks in the same manner that they do to mobile home parks, mobile home park owners, mobile home park residents, and leaseholders in mobile home parks.

* * * Taxation of Tiny Houses * * *

Sec. 10. 32 V.S.A. § 5079 is amended to read:

§ 5079. SALE OR TRANSFER OF MOBILE HOMES OR TINY HOUSES;

COLLECTION OF TAXES

(a) A transfer of ownership of a mobile home or a tiny house as defined in 20 V.S.A. § 2731 shall be made pursuant to the requirements set forth in 9 V.S.A. chapter 72.

* * *

(d) A mobile home or a tiny house removed from a town without a mobile home or a tiny house uniform bill of sale endorsed by the clerk of the
municipality where the mobile home or the tiny house was located as required
by 9 V.S.A. § 2602 may be taken into possession by any sheriff, deputy
sheriff, constable, or police officer, or by the treasurer or tax collector of the
town in which the mobile home or the tiny house was last listed if known, or
by the Commissioner of Taxes if that town is unknown. A mobile home or a
tiny house taken into possession under this section shall be in the constructive
custody of the official, who shall control the use and movement of the mobile
home or the tiny house. In taking possession, the authorized officer may
proceed without judicial process only in the event that the taking of possession
can be done without breach of the peace. Proceedings for collection of the
taxes assessed against and due with respect to the mobile home or the tiny
house shall then be conducted in accordance with subchapter 9 of chapter 133
of this title.

(e) Taxes assessed against a mobile home or a tiny house shall be
considered due for purposes of this section as of the date of removal of the
mobile home or the tiny house from the town in which the mobile home or the
tiny house was last listed, and the owner shall be liable for fees provided for in
section 1674 of this title from the date of removal.

(f) The treasurer or tax collector of any town from which a mobile home or
a tiny house is removed without an endorsed mobile home or tiny house
uniform bill of sale as required by 9 V.S.A. § 2602(b) may notify the Director
of Property Valuation and Review of the removal giving a description of the mobile home by serial or other number if known. If the Director is notified of the seizure of a mobile home or a tiny house as provided in subsection (d) of this section, he or she the Director shall immediately notify the treasurer or tax collector of the town, if known, in which the mobile home or the tiny house was last listed on the grand list.

(g) Taxes lawfully assessed upon a mobile home or a tiny house shall attach as a lien on the mobile home or the tiny house as provided in section 5061 of this title.

Sec. 11. 32 V.S.A. § 5259 is amended to read:

§ 5259. MUNICIPALITY MAY ACQUIRE LAND ON TAX SALE

By the act of its mayor or selectboard, when a tax warrant is extended on any land in this State, the city or town by which the tax is assessed may become the purchaser at the tax sale thereof, if a bid not equal to the tax and costs is made at such sale. When a tax warrant is extended on a mobile home or a tiny house located in a mobile home or a tiny house park in proceedings initiated after notice pursuant to 10 V.S.A. § 6248(c), the municipality may purchase the mobile home or the tiny house or may sell the mobile home or the tiny house to the highest bidder at the sale, although the bid is less than the taxes and costs due the municipality. If there is a release or a potential release of a hazardous substance, as defined in 10 V.S.A. § 6602(16), upon land that a
municipality purchases at tax sale, the municipality shall have the right, prior
to the expiration of the redemption period, to enter onto the land for the
purpose of assessing and remediation on the land.

Sec. 12. 32 V.S.A. § 5252(a) is amended to read:

(a) When the collector of taxes of a town or of a municipality within it has
for collection a tax assessed against real estate in the town and the taxpayer is
delinquent, the collector may extend a warrant on such land. If a collector
receives notice from a mobile home or tiny house park owner pursuant to
10 V.S.A. § 6248(c), the collector shall, within 15 days after the notice,
commence tax sale proceedings to hold a tax sale within 60 days after the
notice. If the collector fails to initiate such proceedings, the town may initiate
tax sale proceedings only after complying with 10 V.S.A. § 6249(f). If the tax
collector extends the warrant, the collector shall:

* * *

Sec. 13. 32 V.S.A. § 5401 is amended to read:

§ 5401. DEFINITIONS

As used in this chapter:

* * *

(7) “Homestead”:

* * *
(C) A homestead may consist of a part of a multi-dwelling or multi-purpose building, including cooperative property occupied as a permanent residence by a member of a cooperative housing corporation incorporated under 11 V.S.A. chapter 14. A mobile home or a tiny house as defined in 20 V.S.A. § 2731 may constitute a principal dwelling for purposes of this chapter.

* * *

Sec. 14. 32 V.S.A. § 5813(j) is amended to read:

(j) The statutory purpose of the Vermont qualified sale of a mobile home or a tiny house park credit in section 5828 of this title is to encourage sales of mobile home or tiny house parks to a group composed of a majority of the mobile home or the tiny house park leaseholders, or to a nonprofit organization that represents such a group, and, in doing so, to provide stability to the inhabitants of such mobile home or tiny house parks.

Sec. 15. 32 V.S.A. § 5828 is amended to read:

§ 5828. MOBILE HOME OR TINY HOUSE PARK SALE; CAPITAL GAIN CREDIT

A taxpayer of this State shall receive a credit against the tax imposed under section 5822 or 5832 of this title for a qualified sale of a mobile home or a tiny house park. The credit shall be in the amount of seven percent of the taxpayer’s gain subject to federal income tax for the taxable year. Credit in
excess of the taxpayer’s tax liability for the taxable year may be carried forward for credit in the next succeeding three taxable years. “Qualified sale of a mobile home or a tiny house park” means the land comprising a mobile home or a tiny house park that is transferred in a single purchase to a group composed of a majority of the mobile home or a tiny house park leaseholders as defined in 10 V.S.A. § 6242(a), or to a nonprofit organization that represents such a group.

Sec. 16. 32 V.S.A. § 6066 is amended to read:

§ 6066. COMPUTATION OF PROPERTY TAX CREDIT

* * *

(d) The owner of a mobile home or a tiny house as defined in 20 V.S.A. § 2731 that is sited on a lot not owned by the homeowner may include an amount determined under subdivision 6061(7) of this title as allocable rent paid on the lot with the amount of property taxes paid by the homeowner on the home for the purpose of computation of credits under subdivision (a)(3) of this section, unless the homeowner has included in the claim an amount of property tax on common land under the provisions of subsection (e) of this section.

(e) Property taxes paid by a cooperative, not including a mobile home or tiny house park cooperative, allocable to property used as a homestead, shall be attributable to the co-op member for the purpose of computing the property
tax liability credit of the co-op member under this section. Property owned by
a cooperative declared as a homestead may only include the homestead and a
pro rata share of any common land owned or leased by the cooperative, not to
exceed the two-acre housesite limitation. The share of the cooperative’s
assessed value attributable to the housesite shall be determined by the
cooperative and specified annually in a notice to the co-op member. Property
taxes paid by a mobile home or tiny house park cooperative, allocable to
property used as a housesite, shall be attributed to the owner of the housesite
for the purpose of computing the property tax liability credit of the housesite
owner under this section. Property owned by the mobile home or tiny house
park cooperative and declared as a housesite may only include common
property of the cooperative contiguous with at least one mobile home or tiny
house lot in the park, not to exceed the two-acre housesite limitation. The
share attributable to any mobile home or tiny house lot shall be determined by
the cooperative and specified in the cooperative agreement.

* * *

Sec. 17. 32 V.S.A. § 9741 is amended to read:

§ 9741. SALES NOT COVERED

Retail sales and use of the following shall be exempt from the tax on retail
sales imposed under section 9771 of this title and the use tax imposed under
section 9773 of this title.
(32) Forty percent of the receipts from sales of mobile homes, as defined in 9 V.S.A. § 2601, tiny houses as defined in 20 V.S.A. § 2731, and modular housing, when they are sold as tangible personal property.

Sec. 18. 32 V.S.A. § 10002(n) is amended to read:

(n) Also excluded from the definition of “land” is the land comprising a mobile home or tiny house park that is transferred in a single purchase to a group composed of a majority of the mobile home or tiny house park leaseholders, as defined in 10 V.S.A. § 6242(a), or to a nonprofit organization that represents such a group.

Sec. 19. CONFORMING REVISIONS

When preparing the Vermont Statutes Annotated for publication, the Office of Legislative Counsel shall make the following revisions throughout Title 32 as needed for consistency with Sec. 8 of this act:

(1) substitute “a mobile home or a tiny house as defined in 20 V.S.A. § 2731” for “a mobile home”; and

(2) revisions that are substantially similar to those described in subdivision (1) of this section.
*** Effective Date ***

Sec. 20. EFFECTIVE DATE

This act shall take effect on July 1, 2021.