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H.625

Introduced by Representatives Bluemle of Burlington, Troiano of Stannard,
Walz of Barre City, Anthony of Barre City, Burrows of West
Windsor, Mulvaney-Stanak of Burlington, Rachelson of
Burlington, and Stebbins of Burlington

Referred to Committee on

Date:

Subject: Housing; consumer protection

Statement of purpose of bill as introduced: This bill proposes to provide
temporary protections to tenants and homeowners against no-cause evictions,
foreclosure actions, and tax sales.

An act relating to providing protections against eviction, foreclosure, and
tax sales

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

Sec. 1. FINDINGS

The General Assembly finds:

(1) Vermont's vacancy rates are among the lowest in the nation and
have dropped from seven percent in 2010 to 3.4 percent by 2019. Burlington's
vacancy rate dropped to 1.1 percent as of December 2020. A rental market is
considered healthy if the vacancy rate is four to six percent.

1 (2) Vermont renters are subject to eviction at approximately the same
2 rate as prepandemic, but now nearly 50 percent of cases included a claim for
3 no cause leaving the tenant no defense to the eviction. In the past, only
4 18 percent of evictions were for no cause; 70 percent were for nonpayment of
5 rent only.

6 (3) Millions of dollars in federal relief is available for eligible renters
7 and homeowners to pay their rent, mortgages, property taxes, and utilities. But
8 it takes time to access those dollars from the agencies administering those
9 programs.

10 (4) The impact of insecure housing has been well-documented and is
11 considered to be a key determinant of health. A review of 25 studies that
12 examined the impact of foreclosure on mental health and health behaviors,
13 including substance abuse, found that all of the studies reported that
14 foreclosure was associated with worsened outcomes, including depression,
15 anxiety, increased alcohol use, psychological distress, and suicide. At the
16 onset of the pandemic, the State has recognized housing’s particular role in
17 safeguarding public health.

18 Sec. 2. TEMPORARY EVICTION MORATORIUM FOR NO-CAUSE
19 EVICTIONS; LIMITATION ON RENT INCREASE

20 (a) As used in this section, “temporary period” means the period beginning
21 on the effective date of this section and ending on June 30, 2023.

1 (b) During the temporary period:

2 (1) Except as provided in subdivision (2)(A) of this subsection, a
3 landlord shall not terminate a tenancy for no cause pursuant to 9 V.S.A.
4 § 4467(c) or (e).

5 (2) A landlord may terminate a tenancy:

6 (A) pursuant to 9 V.S.A. § 4467(c) or (e) because the landlord or a
7 member of the landlord's immediate family has a good faith intention to
8 occupy the premises;

9 (B) pursuant to 9 V.S.A. § 4467(a), because the tenant failed to pay
10 rent;

11 (C) pursuant to 9 V.S.A. § 4467(b)(1), because the tenant failed to
12 comply with a material term of the rental agreement or with obligations
13 imposed under 9 V.S.A. chapter 137;

14 (D) pursuant to 9 V.S.A. § 4467(b)(2), because the tenant engaged in
15 criminal activity, illegal drug activity, or acts of violence, any of which
16 threaten the health or safety of other residents; or

17 (E) pursuant to 9 V.S.A. § 4467(d), because in the absence of a
18 written rental agreement the landlord has contracted to sell the building.

19 (3) A landlord shall not increase the amount of rent charged to a tenant
20 who is eligible for the Vermont Emergency Rental Assistance Program
21 (VERAP), or a successor program, without a reasonable basis as approved by

1 VERAP or its successor. Upon approval, the landlord shall provide the tenant
2 with 60 days' actual notice of the increase as required by 9 V.S.A. § 4467(d).

3 Sec. 3. EVICTION ACTIONS SEEKING MONETARY DAMAGES

4 (a) In a complaint to eject a residential tenant, a plaintiff shall either certify
5 that the plaintiff has applied for the Vermont Emergency Rental Assistance
6 Program (VERAP) at least 45 days prior to commencing the action or that the
7 plaintiff waives the right to seek relief in the form of monetary damages.

8 (b) In a pending action to eject a residential tenant in which the plaintiff
9 requests relief in the form of monetary damages, the plaintiff shall certify that
10 the plaintiff has applied for VERAP at least 45 days prior to filing a motion to
11 require the defendant to pay rent into court.

12 (c) For a residential ejectment action in which the plaintiff requests relief in
13 the form of monetary damages filed on or after the effective date of this
14 section, the action shall immediately be stayed upon filing for 30 days to allow
15 the defendant to submit an application for VERAP. All other residential
16 ejectment actions in which the plaintiff requests relief in the form of monetary
17 damages pending on the effective date of this section shall be stayed for
18 30 days to allow the defendant to submit an application for VERAP.

19 (d) In an ejectment action in which the plaintiff requests relief in the form
20 of monetary damages, notice must be provided by the court or, if the action is
21 filed on or after the effective date of this section, by the plaintiff with the

1 summons and complaint served on the defendant, in the following, or
2 substantially similar, form:
3 “You may be eligible to receive help paying rent you owe through the
4 Vermont Emergency Rental Assistance Program (VERAP). VERAP can help
5 you avoid eviction by providing up to 15 months of rent, including past-due
6 rent balances.
7 If you wish to apply for VERAP, you can do so online at erap.vsha.org. For
8 assistance completing the application, you can contact a community partner
9 organization, listed at erap.vsha.org/application-assistance or call Vermont
10 Legal Aid at 1-800-889-2047.
11 This eviction action will automatically be put on hold (stayed) for 30 days to
12 allow you time to apply for VERAP. If you apply for VERAP, you must
13 notify the court, and this eviction action will be further stayed until a decision
14 is made regarding your VERAP eligibility.”

15 (e) In an action for ejectment in which the plaintiff requests relief in the
16 form of monetary damages, if the defendant attests to having submitted a
17 VERAP application, the court shall stay the action pending a decision from
18 VERAP on the application and shall not order a defendant to pay rent into
19 court or enter judgment while the VERAP application is pending.

1 (f) Upon notice of a final decision concerning a defendant’s VERAP
2 application, the court may lift a stay imposed pursuant to subsection (e) of this
3 section.

4 (g) This section is repealed on June 30, 2023.

5 Sec. 4. FORECLOSURE ACTIONS; NOTICE OF VHAP; PROHIBITION
6 OF SALE WHILE VHAP APPLICATION PENDING

7 (a) In a residential foreclosure action filed pursuant to 12 V.S.A. § 4945 or
8 replevin of a mobile home pursuant to 12 V.S.A. § 5331, notice of the
9 availability of the Vermont Homeowner Assistance Program (VHAP) shall be
10 provided to the defendant by the court if the action is pending, or if the action
11 is commenced on or after the effective date of this section, by the plaintiff by
12 servicing notice on the defendant with the summons and complaint, in the
13 following, or substantially similar, form:

14 “You may be able to get help with past-due mortgage payments through the
15 Vermont Homeowner Assistance Program (VHAP). VHAP can help you
16 avoid losing your home by paying past due mortgage or mobile home loan
17 payments, escrow charges, and other fees.

18 You can apply for VHAP online at vermonthap.vhfa.org. For advice about the
19 program and help completing the application, call Vermont Legal Aid at 1-
20 800-889-2047.

1 If you apply for VHAP, you must notify the court in writing, and the case
2 against you will be put on hold (stayed) for 60 days while your VHAP
3 application is processed.”

4 (b) Where a plaintiff or its agent in a residential foreclosure action or
5 replevin of a mobile home knows that a defendant in the action has applied for
6 VHAP, the plaintiff shall timely inform the court of the pending VHAP
7 application and is prohibited from taking any action in furtherance of a
8 judgment, certificate of nonredemption, or judicial sale until the court is
9 notified that the VHAP application has been processed.

10 (c) In a residential foreclosure action or replevin of a mobile home where a
11 party notifies the court that a defendant has submitted a VHAP application, the
12 action shall be stayed for 60 days, during which time entry of judgment, notice
13 of sale, and sale of the property shall be prohibited. If a party notifies the court
14 of a decision on the VHAP application prior to the end of the 60-day stay
15 period, the court may dismiss the action, lift the stay, or take any other
16 appropriate action. If neither party notifies the court of a decision on the
17 VHAP application prior to the end of the 60-day stay, the court shall promptly
18 set a status conference to discuss the status of the application and shall take
19 any action it deems appropriate based on the information provided by the
20 parties.

1 (d) Nothing in this section shall prohibit the court from referring a
2 residential foreclosure action to, or the parties from participating in,
3 foreclosure mediation pursuant to 12 V.S.A. § 4632 while an action is
4 otherwise stayed pursuant to subsection (c) of this section.

5 (e) This section is repealed on the earlier of September 30, 2025, or when
6 the Vermont Housing Finance Agency stops accepting VHAP applications
7 because funding is exhausted.

8 Sec. 5. PROHIBITION OF TAX SALE WHILE VHAP APPLICATION
9 PENDING

10 (a) Not less than 60 days prior to serving a notice of sale on a delinquent
11 taxpayer pursuant to 32 V.S.A. § 5252(a)(3), a town or municipality shall mail
12 to the delinquent taxpayer's last known address notice in the following, or
13 substantially similar, form:

14 "You may be able to get help with delinquent property tax and utility payments
15 through the Vermont Homeowner Assistance Program (VHAP). VHAP can
16 help you avoid tax sale and transfer of your property by paying delinquent
17 property taxes, water and sewer charges, interest, and penalties.

18 You can apply for VHAP online at vermonthap.vhfa.org. For advice about the
19 program and help completing the application, call Vermont Legal Aid at 1-
20 800-889-2047.

1 If you apply for VHAP, you must notify your town in writing, and your
2 property will not be sold or transferred while your application is pending.”

3 (b) A notice of sale to a delinquent taxpayer pursuant to 32 V.S.A.
4 § 5252(a)(3) shall include the notice in subsection (a) above.

5 (c) If a town or municipality has sold a delinquent taxpayer’s property
6 pursuant to 32 V.S.A. § 5254 prior to the effective date of this section, but the
7 deed conveying title to the purchaser has not yet been executed pursuant to
8 32 V.S.A. § 5261, not later than 30 days from the effective date of this section,
9 the town or municipality shall mail to the delinquent taxpayer’s last known
10 address the notice in subsection (a) of this section.

11 (d) Upon notification that a delinquent taxpayer has applied for VHAP, a
12 town or municipality shall not conduct a tax sale of the property until a final
13 decision on the VHAP application. If a tax sale occurred prior to the
14 delinquent taxpayer’s application for VHAP, the redemption period pursuant to
15 32 V.S.A. § 5260 shall be extended by operation of law until a final decision is
16 made on the VHAP application.

17 (e) This section is repealed on the earlier of September 30, 2025, or when
18 the Vermont Housing Finance Agency stops accepting VHAP applications
19 because funding is exhausted.

20 Sec. 6. EFFECTIVE DATE

21 This act shall take effect on passage.