

S.14

An act relating to deed restrictions and housing density

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

Sec. 1. 27 V.S.A. § 545 is amended to read:

§ 545. COVENANTS, CONDITIONS, AND RESTRICTIONS OF  
SUBSTANTIAL PUBLIC INTEREST

Deed restrictions, covenants, or similar binding agreements added after ~~January~~ March 1, 2021 that prohibit or have the effect of prohibiting land development allowed under ~~a municipality's bylaws~~ 24 V.S.A. § 4412(1)(E) and (2)(A) shall not be valid. This section shall not affect the enforceability of any property interest held in whole or in part by a qualified organization or State agency as defined in 10 V.S.A. § 6301a, including any restrictive easements, such as conservation easements and historic preservation rights and interests defined in 10 V.S.A. § 822. This section shall not affect the enforceability of any property interest that is restricted by a housing subsidy covenant as defined by section 610 of this title and held in whole or in part by an eligible applicant as defined in 10 V.S.A. § 303(4) or the Vermont Housing Finance Agency.

Sec. 2. EFFECTIVE DATE

Notwithstanding 1 V.S.A. § 214, this act shall take effect retroactively on January 1, 2021.