

1 S.144

2 Introduced by Senators Perchlik and Ram

3 Referred to Committee on

4 Date:

5 Subject: Property; certain restrictive covenants; taxation and finance

6 Statement of purpose of bill as introduced: This bill proposes to establish a  
7 process for the removal of certain restrictive covenants from deeds.

8 An act relating to the removal of certain restrictive covenants from deeds

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

10 Sec. 1. 27 V.S.A. § 546 is added to read:

11 § 546. CERTAIN RESTRICTIVE COVENANTS IN DEEDS VOID;

12 PROCESS FOR REMOVAL

13 (a) Any restrictive covenant and any related reversionary interest that  
14 purports to restrict occupancy or ownership of property on the basis of race,  
15 ethnicity, or religion is declared to be void and contrary to the public policy of  
16 the State of Vermont. This subsection shall apply to any restrictive covenant  
17 executed at any time.

18 (b) Any person who is asked to accept a document affecting the title to real  
19 or leasehold property that violates subsection (a) of this section may decline to  
20 accept the document until the prohibited provisions have been removed.

1 Refusal to accept delivery of an instrument for this reason shall not be deemed  
2 a breach of a contract to purchase, lease, mortgage, or otherwise deal with such  
3 property.

4 (c) A restrictive covenant prohibited by subsection (a) of this section may  
5 be released by the owner of the real property interest subject to the covenant by  
6 recording a Certificate of Release of Certain Prohibited Covenants. The real  
7 property owner may record the certificate prior to recording a deed conveying  
8 the property at any other time that the owner discovers that the prohibited  
9 covenant exists. The certificate may be prepared without assistance of an  
10 attorney but shall conform substantially to the following Certificate of Release  
11 of Certain Prohibited Covenants form:

12 “CERTIFICATE OF RELEASE OF CERTAIN PROHIBITED COVENANTS

13 Place of Record: \_\_\_\_\_

14 Date of Instrument containing prohibited covenant(s): \_\_\_\_\_

15 Instrument Type: \_\_\_\_\_

16 Deed Book \_\_\_\_\_ Page \_\_\_\_\_ or Plat Book \_\_\_\_\_ Page \_\_\_\_\_

17 Name(s) of Current Owner(s): \_\_\_\_\_

18 Real Property Description: \_\_\_\_\_

19 Brief Description of Prohibited Covenant: \_\_\_\_\_

20 The covenant contained in the above mentioned instrument is released from the  
21 above-described real property to the extent that it contains terms purporting to

1 restrict the ownership or use of the property as prohibited by 27 V.S.A.

2 § 546(a).

3 The undersigned is/are the legal owner(s) of the property described herein.

4 Given under my/our hand(s) this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_.

5 \_\_\_\_\_

6 \_\_\_\_\_

7 (Current Owners)

8 State of Vermont,

9 County/City of \_\_\_\_\_:

10 Subscribed, sworn to, and acknowledged before me by \_\_\_\_\_ this \_\_\_\_\_ day

11 of \_\_\_\_\_, 20\_\_.

12 My Commission Expires: \_\_\_\_\_

13 \_\_\_\_\_

14 NOTARY PUBLIC

15 Notary Registration Number: \_\_\_\_\_

16 The clerk has satisfied the requirements of 32 V.S.A. § 1671.”

17 (d) No person shall solicit or accept compensation of any kind for the

18 release or removal of any covenant described in subsection (a) of this section.

1 Sec. 2. 32 V.S.A. § 1671 is amended to read:

2 § 1671. TOWN CLERK

3 (a) For the purposes of this section, a “page” is defined as a single side of a  
4 leaf of paper on which is printed, written, or otherwise placed information to  
5 be recorded or filed. The maximum covered area on a page shall be 7 1/2  
6 inches by 14 inches. All letters shall be at least one-sixteenth inch in height or  
7 in at least eight-point type. Unless otherwise provided by law, the fees to town  
8 clerks shall be as follows:

9 (1) For recording a trust mortgage deed as provided in 24 V.S.A.  
10 § 1155, \$15.00 per page;

11 \* \* \*

12 (g) When a fee applies under this section, no fee shall be required for the  
13 recordation of:

14 (1) a Certificate of Release of Certain Prohibited Covenants pursuant to  
15 27 V.S.A. § 546(c); or

16 (2) a deed correction subject to 27 V.S.A. § 546(a).

17 Sec. 3. EFFECTIVE DATE

18 This act shall take effect on passage.