

1 TO THE HOUSE OF REPRESENTATIVES:

2 The Committee on General, Housing, and Military Affairs to which was
3 referred Senate Bill No. 226 entitled “An act relating to expanding access to
4 safe and affordable housing” respectfully reports that it has considered the
5 same and recommends that the House propose to the Senate that the bill be
6 amended by striking out all after the enacting clause and inserting in lieu
7 thereof the following:

8 * * * First-Generation Homebuyers * * *

9 Sec. 1. 32 V.S.A. 5930u is amended to read:

10 § 5930u. TAX CREDIT FOR AFFORDABLE HOUSING

11 * * *

12 (b) Eligible tax credit allocations.

13 * * *

14 (3) Down Payment Assistance Program.

15 (A) The Vermont Housing Finance Agency shall have the authority
16 to allocate affordable housing tax credits to finance down payment assistance
17 loans that meet the following requirements:

18 (i) the loan is made in connection with a mortgage through an
19 Agency program;

20 (ii) the borrower is a first-time home buyer of an owner-occupied
21 primary residence; and

1 (iii) the borrower uses the loan for the borrower's down payment
2 or closing costs, or both.

3 (B) The Agency shall require the borrower to repay the loan upon the
4 transfer or refinance of the residence.

5 (C) The Agency shall use the proceeds of loans made under the
6 Program for future down payment assistance.

7 (D) The Agency may reserve funding and adopt guidelines to provide
8 grants to first-time homebuyers who are also first-generation homebuyers.

9 * * *

10 Sec. 2. FIRST-GENERATION HOMEBUYER; IMPLEMENTATION;

11 APPROPRIATION

12 (a) Guidelines. The Vermont Housing Finance Agency shall adopt
13 guidelines and procedures for the provision of grants to first-generation
14 homebuyers pursuant to 32 V.S.A. § 5930u(b)(3)(D) consistent with the
15 criteria of the Down Payment Assistance Program implemented pursuant to
16 32 V.S.A. § 5930u(b)(3) and with this section.

17 (b) As used in this section and 32 V.S.A. § 5930u(b)(3)(D), a "first-
18 generation homebuyer" means an applicant who self-attests that the applicant
19 is an individual:

20 (1)(A) whose parents or legal guardians do not have any present
21 residential ownership interest in any State; and

1 (B) whose spouse, or domestic partner, and each member of whose
2 household has not, during the three-year period ending upon acquisition of the
3 eligible home to be acquired, had any present ownership interest in a principal
4 residence in any State; or

5 (2) is an individual who has at any time been placed in foster care.

6 (c) Outreach. Recognizing that Black, Indigenous, and Persons of Color
7 have historically not had access to capital for homeownership purchases and
8 have been systemically discriminated against in the housing market, the
9 Agency shall work with Vermont chapters of the NAACP, AALV, and
10 USCRI; the Executive Director of Racial Equity; the Vermont Commission on
11 Native American Affairs; and local racial justice organizations to develop a
12 plan of active outreach and implementation to ensure that down payment
13 assistance opportunities are effectively communicated, and that funds are
14 equitably available, to communities of Vermonters who have historically
15 suffered housing discrimination.

16 (d) Of the amounts appropriated to the Department of Housing and
17 Community Development in 2021 Acts and Resolves No. 74, the Department
18 shall transfer \$1,000,000.00 to the Vermont Housing Finance Agency to
19 provide grants pursuant to 32 V.S.A. § 5930u(b)(3)(D) and for the costs of
20 administration and outreach pursuant to this section.

1 * * * Manufactured Home Relocation Incentives * * *

2 Sec. 3. MANUFACTURED HOME IMPROVEMENT AND
3 REPLACEMENT PROGRAM

4 Of the amounts available from federal COVID-19 relief funds, the
5 following amounts are appropriated to the Department of Housing and
6 Community Development for the purposes specified:

7 (1) \$3,000,000.00 for manufactured home community small-scale
8 capital grants, through which the Department may award not more than
9 \$20,000.00 for owners of manufactured housing communities to complete
10 small-scale capital needs to help infill vacant lots with homes, which may
11 include projects such as disposal of abandoned homes, lot grading/preparation,
12 site electrical box issues/upgrades, E911 safety issues, legal fees, transporting
13 homes out of flood zones, individual septic system, and marketing to help
14 make it easier for home-seekers to find vacant lots around the State.

15 (2) \$1,000,000.00 for manufactured home repair grants, through which
16 the Department may award funding for minor rehab or accessibility projects,
17 coordinated as possible with existing programs, for between 250 and 400
18 existing homes where the home is otherwise in good condition or in situations
19 where the owner is unable to replace the home and the repair will keep them
20 housed.

1 (3) \$1,000,000.00 for new manufactured home foundation grants,
2 through which the Department may award not more than \$15,000.00 per grant
3 for a homeowner to pay for a foundation or HUD-approved slab, site
4 preparation, skirting, tie-downs, and utility connections on vacant lots within
5 manufactured home communities.

6 * * * New Approaches to Creating Housing * * *

7 Sec. 4. VERMONT HOUSING CONSERVATION BOARD; NEW
8 APPROACHES TO CREATING HOUSING

9 (a) Authorization. Of the amounts appropriated to the Vermont Housing
10 and Conservation Board in fiscal year 2023, the Board is authorized to use up
11 to \$5,000,000.00 to explore new approaches for the State to support the
12 creation of housing through the following activities:

13 (1) the Community Partnership for Neighborhood Development created
14 in subsection (b) of this section;

15 (2) matching funds, which for each unit shall not exceed the lesser of
16 \$50,000.00 or 20 percent of the employer cost, for not fewer than two large
17 employers with 50 or more full time equivalent employees that create new
18 housing for their employees; and

19 (3) conversion of commercial properties to residential use by providing
20 supplemental grants up to \$50,000.00 or 20 percent of the development cost
21 per unit for costs not covered by other funding or financing sources.

1 (b) Community Partnership for Neighborhood Development.

2 (1) The Department of Housing and Community Development shall lead
3 a cross-agency program to encourage and support local partnerships between
4 municipalities, nonprofit and for-profit developers, employers, the Vermont
5 Housing and Conservation Board, and local planning officials by reducing or
6 eliminating the cost of land and infrastructure from housing development while
7 enhancing density, walkability, inclusiveness, and smart growth development
8 that reduces greenhouse gas emissions.

9 (2) The Department shall lead an effort involving the Vermont Housing
10 Finance Agency, the Agency of Natural Resources, the Agency of
11 Transportation, the Department of Public Service, and the Vermont Housing
12 Conservation Board to integrate resources for housing, land, and down
13 payment assistance that also makes available funding for critical infrastructure,
14 including funding from the American Rescue Plan Act and the Infrastructure
15 Investment and Jobs Act.

16 (3) Participating municipalities may bring resources to the table by
17 planning for and permitting dense housing development in smart growth
18 locations, thereby reducing permitting risk for developers.

19 (c) Program goals. The Program shall seek to achieve the following goals:

20 (1) development of new denser neighborhoods in five to ten
21 communities of mixed income and mixed tenure of homeownership and rental

1 opportunities, which, over time, will land bank and make available smart
2 growth sites for 500–1,000 energy efficient homes and apartments;

3 (2) financial and planning commitment and participation of
4 municipalities and cooperation in siting and permitting development;

5 (3) enhanced construction of modestly sized homes, at least half of
6 which should be single-family homes under 1,600 sq ft. on small lots;

7 (4) opportunities for site development and skill-building participation by
8 technical education centers, Youth Build, Vermont Works for Women, and
9 community volunteers such as Habitat for Humanity;

10 (5) reservation of 25 percent of single family lots for permanently
11 affordable homes, including Habitat for Humanity, Youth Build, or Tech
12 Center programs, at no cost for acquisition or infrastructure and only modest
13 fees for all small homes; and

14 (6) reservation of 35 percent of multifamily rentals for Vermonters with
15 income below 80 percent of the median income with no cost for publicly
16 funded infrastructure.

17 * * * Downtown and Village Center Tax Credit Program * * *

18 Sec. 5. 32 V.S.A. § 5930aa is amended to read:

19 § 5930aa. DEFINITIONS

20 As used in this subchapter:

1 (1) “Qualified applicant” means an owner or lessee of a qualified
2 building involving a qualified project, but does not include a State or federal
3 agency or a political subdivision of either; or an instrumentality of the United
4 States.

5 (2) “Qualified building” means a building built at least 30 years before
6 the date of application, located within a designated downtown ~~or~~ village
7 center, or neighborhood development area, which, upon completion of the
8 project supported by the tax credit, will be an income-producing building not
9 used solely as a single-family residence. Churches and other buildings owned
10 by religious organization may be qualified buildings, but in no event shall tax
11 credits be used for religious worship.

12 (3) “Qualified code improvement project” means a project:

13 (A) to install or improve platform lifts suitable for transporting
14 personal mobility devices, limited use or limited application elevators,
15 elevators, sprinkler systems, and capital improvements in a qualified building,
16 and the installations or improvements are required to bring the building into
17 compliance with the statutory requirements and rules regarding fire prevention,
18 life safety, and electrical, plumbing, and accessibility codes as determined by
19 the Department of Public Safety;

20 (B) to abate lead paint conditions or other substances hazardous to
21 human health or safety in a qualified building; or

1 (C) to redevelop a contaminated property in a designated downtown
2 ~~or~~ village center, or neighborhood development area under a plan approved by
3 the Secretary of Natural Resources pursuant to 10 V.S.A. § 6615a.

4 (4) “Qualified expenditures” means construction-related expenses of the
5 taxpayer directly related to the project for which the tax credit is sought but
6 excluding any expenses related to a private residence.

7 (5) “Qualified façade improvement project” means the rehabilitation of
8 the façade of a qualified building that contributes to the integrity of the
9 designated downtown ~~or~~ designated village center. Façade improvements to
10 qualified buildings listed, or eligible for listing, in the State or National
11 Register of Historic Places must be consistent with Secretary of the Interior
12 Standards, as determined by the Vermont Division for Historic Preservation.

13 (6) “Qualified Flood Mitigation Project” means any combination of
14 structural and nonstructural changes to a building located within the flood
15 hazard area as mapped by the Federal Emergency Management Agency that
16 reduces or eliminates flood damage to the building or its contents. The project
17 shall comply with the municipality’s adopted flood hazard bylaw, if applicable,
18 and a certificate of completion shall be submitted by a registered engineer,
19 architect, qualified contractor, or qualified local official to the State Board.
20 Improvements to qualified buildings listed, or eligible for listing, in the State
21 or National Register of Historic Places shall be consistent with Secretary of the

1 Interior’s Standards for Rehabilitation, as determined by the Vermont Division
2 for Historic Preservation.

3 (7) “Qualified historic rehabilitation project” means an historic
4 rehabilitation project that has received federal certification for the
5 rehabilitation project.

6 (~~7~~)(8) “Qualified project” means a qualified code improvement,
7 qualified façade improvement, or qualified historic rehabilitation project as
8 defined by this subchapter.

9 (~~8~~)(9) “State Board” means the Vermont Downtown Development
10 Board established pursuant to 24 V.S.A. chapter 76A.

11 Sec. 6. 32 V.S.A. § 5930bb is amended to read:

12 § 5930bb. ELIGIBILITY AND ADMINISTRATION

13 * * *

14 (e) Sunset of Neighborhood Development Area tax credits. Effective on
15 July 1, 2027, under this subchapter no new tax credit may be allocated by the
16 State Board to a qualified building in a neighborhood development area.

17 Sec. 7. 24 V.S.A. § 2793a is amended to read:

18 § 2793a. DESIGNATION OF VILLAGE CENTERS BY STATE BOARD

19 * * *

1 (c) A village center designated by the State Board pursuant to
2 subsection (a) of this section is eligible for the following development
3 incentives and benefits:

4 * * *

5 ~~(4) The following State tax credits for projects located in a designated~~
6 ~~village center:~~

7 ~~(A) A State historic rehabilitation tax credit of ten percent under~~
8 ~~32 V.S.A. § 5930cc(a) that meets the requirements for the federal rehabilitation~~
9 ~~tax credit.~~

10 ~~(B) A State façade improvement tax credit of 25 percent under~~
11 ~~32 V.S.A. § 5930cc(b).~~

12 ~~(C) A State code improvement tax credit of 50 percent under~~
13 ~~32 V.S.A. § 5930cc(e) The Downtown and Village Center Tax Credit Program~~
14 ~~described in 32 V.S.A. § 5930aa et seq.~~

15 * * *

16 Sec. 8. 24 V.S.A. § 2793e is amended to read:

17 § 2793e. NEIGHBORHOOD PLANNING AREAS; DESIGNATION OF
18 NEIGHBORHOOD DEVELOPMENT AREAS

19 * * *

20 (f) Neighborhood development area incentives for developers. Once a
21 municipality has a designated neighborhood development area or has a

1 Vermont neighborhood designation pursuant to section 2793d of this title, any
2 proposed development within that area shall be eligible for each of the benefits
3 listed in this subsection. These benefits shall accrue upon approval by the
4 district coordinator, who shall review the density requirements set forth in
5 subdivision (c)(7) of this section to determine benefit eligibility and issue a
6 jurisdictional opinion under 10 V.S.A. chapter 151 on whether the density
7 requirements are met. These benefits are:

8 (1) ~~The~~ the application fee limit for wastewater applications stated in
9 3 V.S.A. § 2822(j)(4)(D);

10 (2) ~~The~~ the application fee reduction for residential development stated
11 in 10 V.S.A. § 6083a(d);

12 (3) ~~The~~ the exclusion from the land gains tax provided by 32 V.S.A.
13 § 10002(p); and

14 (4) eligibility for the Downtown and Village Center Tax Credit Program
15 described in 32 V.S.A. § 5930aa et seq.

16 * * *

17 Sec. 9. 24 V.S.A. § 2794 is amended to read:

18 § 2794. INCENTIVES FOR PROGRAM DESIGNEES

19 (a) Upon designation by the Vermont Downtown Development Board
20 under section 2793 of this title, a downtown development district and projects
21 in a downtown development district shall be eligible for the following:

1 (1) Priority consideration by any agency of the State administering any
2 State or federal assistance program providing funding or other aid to a
3 municipal downtown area with consideration given to such factors as the costs
4 and benefits provided and the immediacy of those benefits, provided the
5 project is eligible for the assistance program.

6 (2) ~~The following State tax credits:~~

7 ~~(A) A State historic rehabilitation tax credit of 10 percent under~~
8 ~~32 V.S.A. § 5930cc(a) that meets the requirements for the federal rehabilitation~~
9 ~~tax credit.~~

10 ~~(B) A State façade improvement tax credit of 25 percent under~~
11 ~~32 V.S.A. § 5930cc(b).~~

12 ~~(C) A State code improvement tax credit of 50 percent under~~
13 ~~32 V.S.A. § 5930cc(e) The Downtown and Village Center Tax Credit Program~~
14 ~~described in 32 V.S.A. § 5930aa et seq.~~

15 * * *

16 Sec. 10. 32 V.S.A. § 5930cc is amended to read:

17 § 5930cc. DOWNTOWN AND VILLAGE CENTER PROGRAM TAX

18 CREDITS

19 * * *

20 (d) Flood Mitigation Tax Credit. The qualified applicant of a qualified
21 flood mitigation project shall be entitled, upon the approval of the State Board,

1 to claim against the taxpayer’s State individual income tax, State corporate
2 income tax, or bank franchise or insurance premiums tax liability a credit of
3 50 percent of qualified expenditures up to a maximum tax credit of \$75,000.00.

4 * * * Missing Middle Housing * * *

5 Sec. 11. MISSING MIDDLE-INCOME HOMEOWNERSHIP

6 DEVELOPMENT PILOT PROGRAM

7 (a) The following amounts are appropriated from the America Rescue Plan
8 Act (ARPA) – Coronavirus State Fiscal Recovery Funds to the Department of
9 Housing and Community Development to grant to the Vermont Housing
10 Finance Agency to establish the Missing Middle-Income Homeownership
11 Development Pilot Program:

12 (1) \$5,000,000.00 in fiscal year 2022; and

13 (2) \$10,000,000.00 in fiscal year 2023.

14 (b) As used in this section:

15 (1) “Affordable owner-occupied housing” means owner-occupied
16 housing identified in 26 U.S.C. § 143(c)(1) or that qualifies under Vermont
17 Housing Finance Agency criteria governing owner-occupied housing.

18 (2) “Income-eligible homebuyer” means a Vermont household with
19 annual income that does not exceed 120 percent of area median income.

20 (c) The Agency shall use the funds appropriated in this section to provide
21 subsidies for new construction or acquisition and substantial rehabilitation of

1 affordable owner-occupied housing for purchase by income-eligible
2 homebuyers.

3 (d) The total amount of subsidies for a project shall not exceed 35 percent
4 of eligible development costs, as determined by the Agency, which the Agency
5 may allocate consistent with the following:

6 (1) Developer subsidy. The Agency may provide a direct subsidy to the
7 developer, which shall not exceed the difference between the cost of
8 development and the market value of the home as completed.

9 (2) Affordability subsidy. Of any remaining amounts available for the
10 project after the developer subsidy, the Agency may provide a subsidy for the
11 benefit of the homebuyer to reduce the cost of purchasing the home, provided
12 that:

13 (A) the Agency includes conditions in the subsidy, or uses another
14 legal mechanism, to ensure that, to the extent the home value has risen, the
15 amount of the subsidy remains with the home to offset the cost to future
16 homebuyers; or

17 (B) the subsidy is subject to a housing subsidy covenant, as defined
18 in 27 V.S.A. § 610, that preserves the affordability of the home for a period of
19 99 years or longer.

1 (3) The Agency shall allocate not less than 33 percent of the funds
2 available through the Program to projects that include a housing subsidy
3 covenant consistent with subdivision (2)(B) of this subsection.

4 (e) The Agency shall adopt a Program plan that establishes application and
5 selection criteria, including:

6 (1) project location;

7 (2) geographic distribution;

8 (3) leveraging of other programs;

9 (4) housing market needs;

10 (5) project characteristics, including whether the project includes the use
11 of existing housing as part of a community revitalization plan;

12 (6) construction standards, including considerations for size;

13 (7) priority for plans with deeper affordability and longer duration of
14 affordability requirements;

15 (8) sponsor characteristics;

16 (9) energy efficiency of the development; and

17 (10) historic nature of the project.

18 (f) The Agency may assign its rights under any investment or subsidy made
19 under this section to the Vermont Housing and Conservation Board or any
20 State agency or nonprofit organization qualifying under 26 U.S.C. § 501(c)(3).

1 provided such assignee acknowledges and agrees to comply with the
2 provisions of this section.

3 (g) The Agency shall ensure that initial investments made under this
4 Program are obligated by December 31, 2024 and expended by December 31,
5 2026.

6 (h) The Department shall report to the House Committee on Housing,
7 General, and Military Affairs and Senate Committee on Economic
8 Development, Housing and General Affairs on the status of the Program
9 annually, on or before January 15, through 2027.

10 * * * Residential Construction Contractors * * *

11 Sec. 12. FINDINGS

12 The General Assembly finds that:

13 (1) There is currently no master list of residential construction
14 contractors operating in the State.

15 (2) There is no standard process for determining or adjudicating
16 construction contract fraud complaints either on the part of contractors or
17 consumers.

18 (3) Public authorities have no mechanism to contact all contractors
19 when necessary to provide updates to public health requirements, safe working
20 protocols, codes and standards, available trainings and certifications, or
21 building incentives or construction subsidies.

1 (4) Wide dissemination of information on codes, standards, and
2 trainings is vital to improving construction techniques throughout the State’s
3 construction industry. Since building thermal conditioning represents over
4 one-quarter of the State’s greenhouse gas emissions, improving energy
5 performance is a key strategy for meeting the requirements of the Global
6 Warming Solutions Act, 2020 Acts and Resolves No. 153.

7 (5) While registration is not licensure and confers no assurance of
8 competence, consumers have no way of knowing whether a contractor is
9 operating legally or has been subject to civil claims or disciplinary actions.

10 (6) A noncommercial, standardized public listing will provide
11 contractors an opportunity to include in their record optional third-party, State-
12 sanctioned certifications.

13 Sec. 13. 3 V.S.A. § 122 is amended to read:

14 § 122. OFFICE OF PROFESSIONAL REGULATION

15 The Office of Professional Regulation is created within the Office of the
16 Secretary of State. The Office shall have a director who shall be qualified by
17 education and professional experience to perform the duties of the position.
18 The Director of the Office of Professional Regulation shall be a classified
19 position with the Office of the Secretary of State. The following boards or
20 professions are attached to the Office of Professional Regulation:

21 * * *

1 (51) Residential Contractors.

2 Sec. 14. 26 V.S.A. chapter 106 is added to read:

3 CHAPTER 106. RESIDENTIAL CONTRACTORS

4 Subchapter 1. General Provisions

5 § 5501. REGISTRATION REQUIRED

6 (a) A person shall register with the Office of Professional Regulation prior
7 to contracting with a homeowner to perform residential construction in
8 exchange for consideration of more than \$10,000.00, including labor and
9 materials.

10 (b) Unless otherwise exempt under section 5502 of this title, as used in this
11 chapter, “residential construction” means to build, demolish, or alter a
12 residential dwelling unit, or a building or premises with four or fewer
13 residential dwelling units, in this State, and includes interior and exterior
14 construction, renovation, and repair; painting; paving; roofing; weatherization;
15 installation or repair of heating, plumbing, solar, electrical, water, or
16 wastewater systems; and other activities the Office specifies by rule consistent
17 with this chapter.

18 § 5502. EXEMPTIONS

19 This chapter does not apply to:

20 (1) an employee acting within the scope of his or her employment for a
21 business organization registered under this chapter;

1 (2)(A) a professional engineer, licensed architect, or a tradesperson
2 licensed, registered, or certified by the Department of Public Safety acting
3 within the scope of his or her license, registration, or certification; or

4 (B) a business that performs residential construction if the work is
5 performed primarily by or under the direct supervision of one or more
6 employees who are individually exempt from registration under subdivision

7 (2)(A) of this section;

8 (3) delivery or installation of consumer appliances, audio-visual
9 equipment, telephone equipment, or computer network equipment;

10 (4) landscaping;

11 (5) work on a structure that is not attached to a residential building; or

12 (6) work that would otherwise require registration that a person
13 performs in response to an emergency, provided the person applies for
14 registration within a reasonable time after performing the work.

15 § 5503. MANDATORY REGISTRATION AND VOLUNTARY

16 CERTIFICATION DISTINGUISHED

17 (a)(1) The system of mandatory registration established by this chapter is
18 intended to protect against fraud, deception, breach of contract, and violations
19 of law, but is not intended to establish standards for professional qualifications
20 or workmanship that is otherwise lawful.

1 (2) The provisions of 3 V.S.A. § 129a, with respect to a registration,
2 shall be construed in a manner consistent with the limitations of this
3 subsection.

4 (b) The system of voluntary certification established in this chapter is
5 intended to provide consumers and contractors with a publicly available,
6 noncommercial venue for contractors to list optional approved certifications.
7 The Director of Professional Regulation, in consultation with public safety
8 officials and recognized associations or boards of builders, remodelers,
9 architects, and engineers, may:

10 (1) adopt rules providing for the issuance of voluntary certifications, as
11 defined in subdivision 3101a(1) of this title, that signify demonstrated
12 competence in particular subfields and specialties related to residential
13 construction;

14 (2) establish minimum qualifications, and standards for performance and
15 conduct, necessary for certification; and

16 (3) discipline a certificant for violating adopted standards or other law,
17 with or without affecting the underlying registration.

18 Subchapter 2. Administration

19 § 5505. DUTIES OF THE DIRECTOR

20 (a) The Director of Professional Regulation shall:

- 1 (1) provide information to the public concerning registration,
2 certification, appeal procedures, and complaint procedures;
3 (2) administer fees established under this chapter;
4 (3) receive applications for registration or certification, issue
5 registrations and certifications to applicants qualified under this chapter, deny
6 or renew registrations or certifications, and issue, revoke, suspend, condition,
7 and reinstate registrations and certifications as ordered by an administrative
8 law officer;
9 (4) prepare and maintain a registry of registrants and certificants; and
10 (5) use the registry to timely communicate with registrants and
11 certificants concerning issues of health and safety, building codes,
12 environmental and energy issues, and State and federal incentive programs.
13 (b) The Director, after consultation with an advisor appointed pursuant to
14 section 5506 of this title, may adopt rules to implement this chapter.

15 § 5506. ADVISORS

- 16 (a) The Secretary of State shall appoint two persons pursuant to 3 V.S.A.
17 § 129b to serve as advisors in matters relating to residential contractors and
18 construction.
19 (b) To be eligible to serve, an advisor shall:
20 (1) register under this chapter;

1 (2) have at least three years' experience in residential construction
2 immediately preceding appointment; and

3 (3) remain active in the profession during his or her service.

4 (c) The Director of Professional Regulation shall seek the advice of the
5 advisors in implementing this chapter.

6 § 5507. FEES

7 A person regulated under this chapter shall pay the following fees at initial
8 application and biennial renewal:

9 (1) Registration, individual: \$75.00.

10 (2) Registration, business organization: \$250.00.

11 (3) State certifications: \$75.00 for a first certification and \$25.00 for
12 each additional certification.

13 Subchapter 3. Registrations

14 § 5508. ELIGIBILITY

15 To be eligible for registration, the Director of Professional Regulation shall
16 find that the applicant is in compliance with the provisions of this chapter and
17 applicable State law and has satisfied any judgment order related to the
18 provision of professional services to a homeowner.

19 § 5509. REQUIREMENTS OF REGISTRANTS

20 (a) Insurance. A person registered under this chapter shall maintain
21 minimum liability insurance coverage in the amount of \$1,000,000.00 per

1 occurrence and \$2,000,000.00 aggregate, evidence of which may be required
2 as a precondition to issuance or renewal of a registration.

3 (b) Writing.

4 (1) A person registered under this chapter shall execute a written
5 contract prior to receiving a deposit or commencing residential construction
6 work if the estimated value of the labor and materials exceeds \$10,000.00.

7 (2) A contract shall specify:

8 (A) Price. One of the following provisions for the price of the
9 contract:

10 (i) a maximum price for all work and materials;

11 (ii) a statement that billing and payment will be made on a time
12 and materials basis, not to exceed a maximum price; or

13 (iii) a statement that billing and payment will be made on a time
14 and materials basis and that there is no maximum price.

15 (B) Work dates. Estimated start and completion dates.

16 (C) Scope of work. A description of the services to be performed and
17 a description of the materials to be used.

18 (D) Change order provision. A description of how and when
19 amendments to the contract may be approved and documented, as agreed by
20 the parties.

1 (3) The parties shall document an amendment to the contract in a signed
2 writing.

3 (c) Down payment.

4 (1) If a contract specifies a maximum price for all work and materials or
5 a statement that billing and payment will be made on a time and materials
6 basis, not to exceed a maximum price, the contract may require a down
7 payment of up to one-half of the cost of labor to the consumer, or one-half of
8 the price of materials, whichever is greater.

9 (2) If a contract specifies that billing and payment will be made on a
10 time and materials basis and that there is no maximum price, the contract may
11 require a down payment as negotiated by the parties.

12 § 5510. PROHIBITIONS AND REMEDIES

13 (a) A person who does not register as required pursuant to this chapter may
14 be subject to an injunction or a civil penalty, or both, for unauthorized practice
15 as provided in 3 V.S.A. § 127(b).

16 (b) The Office of Professional Regulation may discipline a registrant or
17 certificant for unprofessional conduct as provided in 3 V.S.A. § 129a, except
18 that 3 V.S.A. § 129a(b) does not apply to a registrant.

19 (c) The following conduct by a registrant, certificant, applicant, or person
20 who later becomes an applicant constitutes unprofessional conduct:

21 (1) failure to enter into a written contract when required by this chapter;

1 (2) failure to maintain liability or workers’ compensation insurance as
2 required by law;

3 (3) committing a deceptive act in commerce in violation of 9 V.S.A.
4 § 2453;

5 (4) falsely claiming certification under this chapter, provided that this
6 subdivision does not prevent accurate and nonmisleading advertising or
7 statements related to credentials that are not offered by this State; and

8 (5) selling or fraudulently obtaining or furnishing a certificate of
9 registration, certification, license, or any other related document or record, or
10 assisting another person in doing so, including by reincorporating or altering a
11 trade name for the purpose or with the effect of evading or masking revocation,
12 suspension, or discipline against a registration issued under this chapter.

13 Sec. 15. IMPLEMENTATION

14 (a) Notwithstanding any contrary provision of 26 V.S.A. chapter 106:

15 (1) The initial biennial registration term for residential contractors
16 pursuant to 26 V.S.A. chapter 106 shall begin on April 1, 2023.

17 (2) The Secretary of State may begin receiving applications for the
18 initial registration term on December 1, 2022.

19 (3)(A) The registration fee for individuals who submit complete
20 registration requests between December 1, 2022 and March 31, 2023 is \$25.00
21 and between April 1, 2023 and March 31, 2024, the fee is \$50.00.

1 (B) The registration fee for business organizations that submit
2 complete registration requests between December 1, 2022 and March 31, 2023
3 is \$175.00 and between April 1, 2023 and March 31, 2024, the fee is \$200.00.

4 (4) Prior to April 1, 2024, the Office of Professional Regulation shall
5 not take any enforcement action for unauthorized practice under 26 V.S.A.
6 § 5510(a) against a residential contractor who fails to register as required by
7 this act.

8 (b) On or before July 1, 2023, the Director of Professional Regulation shall
9 establish an initial set of voluntary certifications, to include at minimum
10 OSHA standards on construction projects and components of energy-efficient
11 “green” building for insulators, carpenters, and heating and ventilation
12 installers.

13 Sec. 16. CREATION OF POSITIONS WITHIN THE OFFICE OF
14 PROFESSIONAL REGULATION; LICENSING

15 (a) There are created within the Secretary of State’s Office of Professional
16 Regulation one new position in licensing and one new position in enforcement.

17 (b) In fiscal year 2023, the amount of \$200,000.00 in Office of Professional
18 Regulation special funds is appropriated to the Secretary of State to fund the
19 positions created in subsection (a) of this section.

1 Sec. 17. ATTORNEY GENERAL; CONSUMER ASSISTANCE

2 PROGRAM; POSITION; APPROPRIATION

3 (a) The Office of the Attorney General is authorized to create one
4 classified, two-year full-time limited-service position within the Consumer
5 Assistance Program, whose duties shall include:

6 (1) assisting with consumer complaints concerning residential
7 construction projects with a value of less than \$10,000.00;

8 (2) providing education, outreach, and mediation to contractors and
9 consumers; and

10 (3) coordinating and facilitating information sharing concerning
11 complaints with the Office of Professional Regulation.

12 (b) In fiscal year 2023, the amount of \$200,000.00 is appropriated from the
13 General Fund to the Office of the Attorney General to create the position and
14 perform the duties provided in this section.

15 Sec. 18. SECRETARY OF STATE; STATUS REPORT

16 On or before January 15, 2024, the Office of Professional Regulation shall
17 report to the House Committees on General, Housing, and Military Affairs and
18 on Government Operations and to the Senate Committees on Economic
19 Development, Housing and General Affairs and on Government Operations
20 concerning the implementation of 26 V.S.A. chapter 106, including:

21 (1) the number of registrations and certifications;

- 1 (2) the resources necessary to implement the chapter;
- 2 (3) the number and nature of any complaints or enforcement actions;
- 3 (4) the potential design and implementation of a one-stop portal for
- 4 contractors and consumers; and
- 5 (5) any other issues the Office deems appropriate.

6 Sec. 19. 9 V.S.A. § 4500 is amended to read:

7 § 4500. LEGISLATIVE INTENT

8 (a) The provisions of this chapter establishing legal standards, duties, and

9 requirements with respect to persons with disabilities in places of public

10 accommodation as defined in this chapter, except those provisions relating to

11 remedies, are intended to implement and to be construed so as to be consistent

12 with the Americans with Disabilities Act, 42 U.S.C. § 12101 et seq. and

13 regulations promulgated under that ~~act~~ Act, and are not intended to impose

14 additional or higher standards, duties, or requirements than that ~~act~~ Act.

15 (b) Subsections 4502(b) and (c) of this title shall not be construed to create

16 or impose on governmental entities additional or higher standards, duties, or

17 requirements than that imposed by Title II of the Americans with Disabilities

18 Act.

19 (c) The provisions of this chapter shall be construed liberally to accomplish

20 its remedial purposes and any exceptions and exemptions to the provisions of

1 this chapter shall be construed narrowly in order to maximize the deterrence of
2 discriminatory behavior.

3 Sec. 20. 9 V.S.A. § 4503 is amended to read:

4 § 4503. UNFAIR HOUSING PRACTICES

5 (a) It shall be unlawful for any person:

6 * * *

7 (2) To discriminate against, or to harass, any person in the terms,
8 conditions, privileges, and protections of the sale or rental of a dwelling or
9 other real estate, or in the provision of services or facilities in connection
10 ~~therewith~~ with a dwelling or other real estate, because of the race, sex, sexual
11 orientation, gender identity, age, marital status, religious creed, color, national
12 origin, or disability of a person, or because a person intends to occupy a
13 dwelling with one or more minor children, or because a person is a recipient of
14 public assistance, or because a person is a victim of abuse, sexual assault, or
15 stalking.

16 * * *

17 (d)(1) As used in this section, “harass” means to engage in unwelcome
18 conduct that detracts from, undermines, or interferes with the person’s terms,
19 conditions, privileges, or protections in the sale or rental of a dwelling or other
20 real estate, or in the provision of services or facilities in connection with a
21 dwelling or other real estate, because of the person’s race, sex, sexual

1 orientation, gender identity, age, marital status, religious creed, color, national
2 origin, or disability, or because the person intends to occupy a dwelling with
3 one or more minor children, or because the person is a recipient of public
4 assistance, or because the person is a victim of abuse, sexual assault, or
5 stalking.

6 (2) Notwithstanding any judicial precedent to the contrary, harassing
7 conduct need not be severe or pervasive to be unlawful pursuant to the
8 provisions of this section. In determining whether conduct constitutes
9 unlawful harassment:

10 (A) The determination shall be made on the basis of the record as a
11 whole, according to the totality of the circumstances, and a single incident may
12 constitute unlawful harassment.

13 (B) Incidents that may be harassment shall be considered in the
14 aggregate with varying types of conduct and conduct based on multiple
15 characteristics viewed in totality, rather than in isolation.

16 (C) Conduct may constitute unlawful harassment, regardless of
17 whether:

18 (i) the complaining person is the person being harassed;

19 (ii) the complaining person acquiesced or otherwise submitted to
20 or participated in the conduct;

1 (iii) the conduct is also experienced by others outside the
2 protected class involved in the conduct;

3 (iv) the complaining person was able to enjoy the benefit of
4 applicable terms, conditions, privileges, or protections in the sale or rental of
5 the dwelling or other real estate, or to obtain services or facilities in connection
6 with the dwelling or other real estate, despite the conduct;

7 (v) the conduct resulted in a physical or psychological injury; or

8 (vi) the conduct occurred outside the dwelling or other real estate.

9 (3) behavior that a reasonable person with the same protected
10 characteristic would consider to be a petty slight or trivial inconvenience shall
11 not constitute unlawful harassment or discrimination pursuant to this section.

12 Sec. 21. PROHIBITION OF TAX SALE WHILE VHAP APPLICATION

13 PENDING

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

18 “If this property is your primary residence, you may be able to get help with
19 delinquent property tax and utility payments through the Vermont Homeowner
20 Assistance Program (VHAP). VHAP can help you avoid tax sale and transfer

1 of your property by paying delinquent property taxes, water and sewer charges,
2 interest, and penalties.

3 You can apply for VHAP online at vermonthap.vhfa.org. For advice about the
4 program and help completing the application, call Vermont Legal Aid at 1-
5 800-889-2047.

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

8 (b) A notice of sale to a delinquent taxpayer pursuant to 32 V.S.A.
9 § 5252(a)(3) shall include the notice in subsection (a) of this section.

10 (c) If a town or municipality has sold a delinquent taxpayer’s property
11 pursuant to 32 V.S.A. § 5254 prior to the effective date of this section, but the
12 deed conveying title to the purchaser has not yet been executed pursuant to
13 32 V.S.A. § 5261, not later than 30 days from the effective date of this section,
14 the town or municipality shall mail to the delinquent taxpayer’s last known
15 address the notice in subsection (a) of this section.

16 (d)(1) A homeowner who has applied for VHAP may request a stay of the
17 tax sale process or extension of the redemption period while the VHAP
18 application is pending by attesting to the municipality that the homeowner has
19 made a good faith application for VHAP funds in connection with the
20 homeowner’s primary residence.

1 (2) Upon notification that a VHAP application is pending, a
2 municipality shall not conduct a tax sale of the property until one of the
3 following occurs:

4 (A) the applicant is deemed ineligible for VHAP;

5 (B) the VHAP application is closed due to inaction by the applicant;

6 or

7 (C) payment is issued to the municipality on a qualifying application.

8 (3) If a payment is issued that satisfies the delinquency, the sale shall
9 not proceed.

10 (e)(1) If a tax sale occurred prior to the delinquent taxpayer's application
11 for VHAP, the redemption period established in 32 V.S.A. § 5260 shall be
12 extended by operation of law until one of the following occurs:

13 (A) the applicant is deemed ineligible for VHAP;

14 (B) the VHAP application is closed due to inaction by the applicant;

15 or

16 (C) payment is issued to the municipality on a qualifying application.

17 (2) If payment is issued for the redemption amount, the deed shall not be
18 made to the purchaser, but the sums shall be paid to the purchaser pursuant to
19 32 V.S.A. § 5260.

20 (f)(1) This section is repealed on September 30, 2025.

1 (2) The notice obligations in subsections (a)–(c) of this section shall
2 cease when the Vermont Housing Finance Agency stops accepting VHAP
3 applications because funding is exhausted.

4 Sec. 22. 10 V.S.A. § 12 is added to read:

5 § 12. VERMONT LAND ACCESS AND OPPORTUNITY BOARD

6 (a) Creation. There is created the Vermont Land Access and Opportunity
7 Board, which for administrative purposes shall be attached to the Vermont
8 Housing and Conservation Board.

9 (b) Powers and duties. The Board shall promote racial and social equity in
10 property ownership for Vermonters who have historically suffered from
11 discrimination and who have not had equal access to public or private
12 economic benefits.

13 Sec. 23. EFFECTIVE DATES

14 This act shall take effect on July 1, 2022, except that Sec. 11 (Missing
15 Middle Pilot Program) and Sec. 21 (tax sales) shall take effect on passage.

16
17
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1

2 (Committee vote: _____)

3

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Representative _____

5

FOR THE COMMITTEE