

Section-by-Section Summary

S.210

“An act relating to improving rental housing health and safety”

As passed by Senate

Sec. 1 of the bill adds a new chapter, 20 V.S.A. chapter 172, that to gives the Division of Fire Safety within the Department of Public Safety the primary authority at the State level to regulate rental housing health and safety.

Chapter 172 – Rental Housing Health and Safety; Inspection; Registration

§ 2676 - Definitions

- The definition of “premises” comes from 9 VSA chapter 137, residential rental agreements
- The definition of “short-term rental” comes from 18 VSA chapter 85, which regulates STRs

§ 2677

- (a)(1) – adds to DPS authority to adopt rules governing the “health, safety, sanitation, and fitness for habitation” of rental housing
- (b) – specifies that once DPS adopts rules, it can implement a complaint-driven inspection system
- (c) – penalties – allows for an administrative penalty that “is reasonably related to the severity of the violation, not to exceed \$1,000 per violation”

§ 2678 of the bill creates a State Rental Housing Registry

- (a) – housed in DHCD; specifies the data a registrant must provide, including contact information for the owner, landlord, and property manager, as applicable
- (b) – specifies exclusions from registration requirement, including new exclusions in this bill relative to S.79:
 - (4) licensed lodging establishments
 - (5) units accessory to an owner-occupied residence
 - (6) nonwinterized, seasonal units
 - (7) units rented for fewer than 90 days
- (c) – administration
 - requires municipalities with their own program to provide data to DHCD at least annually
 - protects privacy of data on registry
 - data is exempt from public inspection and copying and DHCD shall not disclose the data except as allowed in (2)
 - DHCD may disclose data to protect public health and safety; cannot disclose data for a commercial purpose; and shall require a

recipient to protect the privacy of the data without further disclosure

Sec. 2 adds a future penalty for failure to register (takes effect in 2023)

Sec. 3 prospectively repeals the exclusion from registration for farm housing provided as a benefit of employment (exclusion expires in 2025)

Sec. 4 authorizes FTE Inspector positions within DPS

Sec. 5 authorizes 1.5 FTE positions in DHCD to administer and enforce the registry and 1 FTE to enforce compliance with the registry requirements

Sec. 6 makes technical and conforming changes in Title 18 concerning local health officers – repeals the inspection report requirement that is specific to local health officers and provides instead that if it is the local officer doing an inspection, the officer will issue a report consistent with DPS inspection reporting requirements in Title 20

Sec. 7 lays out the transition provisions for moving rental housing authority from the Department of Health to the Department of Public Safety

Sec. 8 (findings) and purpose

Sec. 9 creates the Vermont Rental Housing Investment Program in 10 V.S.A. § 699

- (a) – creates program in DHCD, working through housing partners
- (b) – eligible units: (1) non-code compliant; (2) newly created accessory dwelling
- (c) – administration provisions (application; awards process; management system)
- (d) – requirements for both grants and loans:
 - Maximum \$30,000 per unit
 - LL matching contribution of 20 percent
 - May include a weatherization component
 - Comply with codes
 - Applies to original owner and successors in interest
 - Identity of recipients and amounts of grants/loans are public record
- (e) – requirements for grants – 5 year covenant – must give first priority to household exiting homelessness; rent of 80% FMR; must accept subsidies
- (f) – requirements for forgivable loans – 10 year covenant – rent of 80% FMR; must accept subsidies; forgiveness of 1/10 per year for 10 years
- (g) – priority of liens (State lien subordinate to existing and first mortgages)

Sec. 10 – VRHIP Report due 2/15/2023

Sec. 11 (findings) and purpose

Sec. 12 – Vermont Homeownership Revolving Loan Fund

(a) - creation of program to provide funding through partner organizations to issue no-interest loans to first-time homebuyers

(b) – eligible housing units are (1) existing structures; (2) accessory dwelling units

(c) – (1) eligible applicants are (A) first-time Vermont homebuyer; (B) HH income at or below 120% of median; (C) occupy dwelling, or unit, as a full-time residence

(2) housing orgs may give priority to applicants with employer-provided assistance

(d) – administration (application; awards process; management system)

(e) – outreach – specifically to BIPOC communities to ensure equitable distribution

(f) – program requirements:

(1) loan max of \$50,000; 0% interest; payments suspended while occupied; repayment upon sale or transfer

(2) may include weatherization component; must meet applicable codes

(3) limit of 25% of loan for down payment, closing costs, fees

(g) – revolving loan fund; DHCD will use proceeds to make new loans

(h) – lien priority – subordinate to existing liens and first mortgages

Sec. 13 – VRHIP and Loan Fund duties are contingent on available funding

Sec. 14 - Loan Fund report due 2/15/2023

Sec. 15 – Appropriations

ARPA funds:

(1) - \$100k to DPS (rental housing health and safety)

(2) \$300k to DHCD (rental housing registry)

(3) \$20m to DCHD for VRHIP

Sec. 16 - Effective Dates

All on passage, except:

(b) Administrative penalty for failure to register rental housing – 7/1/2023

(c) Repeal of registration exemption for housing provided as a benefit of farm employment – 7/1/2025