

1 TO THE HOUSE OF REPRESENTATIVES:

2 The Committee on General, Housing, and Military Affairs to which was
3 referred Senate Bill No. 79 entitled “An act relating to improving rental
4 housing health and safety” respectfully reports that it has considered the same
5 and recommends that the House propose to the Senate that the bill be amended
6 by striking out all after the enacting clause and inserting in lieu thereof the
7 following:

8 * * * Department of Public Safety; Authority for Rental Housing
9 Health and Safety * * *

10 Sec. 1. 20 V.S.A. chapter 173 is amended to read:

11 CHAPTER 173. PREVENTION AND INVESTIGATION OF FIRES;
12 PUBLIC BUILDINGS; HEALTH AND SAFETY; ENERGY STANDARDS

13 * * *

14 Subchapter 2. Division of Fire Safety; Public Buildings; Building Codes;
15 Rental Housing Health and Safety; Building Energy Standards

16 * * *

17 § 2729. GENERAL PROVISIONS; FIRE SAFETY; CARBON MONOXIDE

18 (a) A person shall not build or cause to be built any structure that is unsafe
19 or likely to be unsafe to other persons or property in case of fire or generation
20 and leakage of carbon monoxide.

1 (b) A person shall not maintain, keep or operate any premises or any part
2 thereof, or cause or permit to be maintained, kept, or operated, any premises or
3 part thereof, under his or her control or ownership in a manner that causes or is
4 likely to cause harm to other persons or property in case of fire or generation
5 and leakage of carbon monoxide.

6 (c) On premises under a person’s control, excluding single family owner-
7 occupied houses and premises, that person shall observe rules adopted under
8 this subchapter for the prevention of fires and carbon monoxide leakage that
9 may cause harm to other persons or property.

10 (d) Any condominium or multiple unit dwelling using a common roof, or
11 row houses so-called, or other residential buildings in which people sleep,
12 including hotels, motels, and tourist homes, excluding single family owner-
13 occupied houses and premises, whether the units are owned or leased or rented,
14 shall be subject to the rules adopted under this subchapter and shall be
15 provided with one or more carbon monoxide detectors, as defined in 9 V.S.A.
16 § 2881(3), properly installed according to the manufacturer’s requirements.

17 § 2730. DEFINITIONS

18 (a) As used in this subchapter, “public building” means:

19 * * *

1 (D) a building in which people rent accommodations, whether
2 overnight or for a longer term, including “rental housing” as defined in
3 subsection (f) of this section;

4 * * *

5 (2) Use of any portion of a building in a manner described in this
6 subsection shall make the entire building a “public building” for purposes of
7 this subsection. For purposes of this subsection, a “person” does not include
8 an individual who is directly related to the employer and who resides in the
9 employment-related building.

10 (b) The term “public building” does not include:

11 (1) An owner-occupied single family residence, unless used for a
12 purpose described in subsection (a) of this section.

13 * * *

14 (4) ~~A single family residence with an accessory dwelling unit as~~
15 ~~permitted under 24 V.S.A. § 4406(4)(D).~~ [Repealed.]

16 * * *

17 (f) “Rental housing” means housing that is leased or offered for lease and
18 includes a “dwelling unit” as defined in 9 V.S.A. § 4451 and a “short-term
19 rental” as defined in 18 V.S.A. § 4301.

20 § 2731. RULES; INSPECTIONS; VARIANCES

21 (a) Rules.

1 (1) The Commissioner is authorized to adopt rules regarding the
2 construction, health, safety, sanitation, and fitness for habitation of buildings,
3 maintenance and operation of premises, and prevention of fires and removal of
4 fire hazards, and to prescribe standards necessary to protect the public,
5 employees, and property against harm arising out of or likely to arise out of
6 fire.

7 * * *

8 (b) Inspections.

9 (1) The Commissioner shall conduct inspections of premises to ensure
10 that the rules adopted under this subchapter are being observed and may
11 establish priorities for enforcing these rules and standards based on the relative
12 risks to persons and property ~~from fire~~ of particular types of premises.

13 (2) The Commissioner may also conduct inspections to ensure that
14 buildings are constructed in accordance with approved plans and drawings.

15 (3) When conducting an inspection of rental housing, the Commissioner
16 shall:

17 (A) issue a written inspection report on the unit or building that:

18 (i) contains findings of fact that serve as the basis of one or more
19 violations;

20 (ii) specifies the requirements and timelines necessary to correct a
21 violation;

1 (iii) provides notice that the landlord is prohibited from renting the
2 affected unit to a new tenant until the violation is corrected; and

3 (iv) provides notice in plain language that the landlord or agents of
4 the landlord must have access to the rental unit to make repairs as ordered by
5 the Commissioner consistent with the access provisions in 9 V.S.A. § 4460;

6 (B) provide a copy of the inspection report to the landlord, to the
7 person who requested the inspection, and to any tenants who are affected by a
8 violation:

9 (i) electronically, if the Department has an electronic mailing
10 address for the person; or

11 (ii) by first-class mail, if the Department does not have an
12 electronic mailing address for the person;

13 (C) if an entire building is affected by a violation, provide a notice of
14 inspection directly to the individual tenants, and may also post the notice in a
15 common area, that specifies:

16 (i) the date of the inspection;

17 (ii) that violations were found and must be corrected by a certain
18 date;

19 (iii) how to obtain a copy of the inspection electronically or by
20 first-class mail; and

1 (iv) if the notice is posted in a common area, that the notice shall
2 not be removed until authorized by the Commissioner;

3 (D) make the inspection report available as a public record.

4 * * *

5 § 2733. ORDERS TO REPAIR, REHABILITATE, OR REMOVE
6 STRUCTURE

7 (a)(1) Whenever the ~~commissioner~~ Commissioner finds that premises or
8 any part of them does not meet the standards adopted under this subchapter,
9 the ~~commissioner~~ Commissioner may order it repaired or rehabilitated.

10 (2) If ~~it~~ the premises is not repaired or rehabilitated within a reasonable
11 time as specified by the ~~commissioner~~ Commissioner in his or her order, the
12 ~~commissioner~~ Commissioner may order the premises or part of them closed, if
13 by doing so the public safety will not be imperiled; otherwise he or she shall
14 order demolition and removal of the structure, or fencing of the premises.

15 (3) Whenever a violation of the rules is deemed to be imminently
16 hazardous to persons or property, the ~~commissioner~~ Commissioner shall order
17 the violation corrected immediately.

18 (4) If the violation is not corrected, the ~~commissioner~~ Commissioner
19 may ~~then~~ order the premises or part of them immediately closed and to remain
20 closed until the violation is corrected.

1 (b) Whenever a structure, by reason of age, neglect, want of repair, action
2 of the elements, destruction, either partial or total by fire or other casualty or
3 other cause, is so dilapidated, ruinous, decayed, filthy, unstable, or dangerous
4 as to constitute a material menace or damage in any way to adjacent property,
5 or to the public, and has so remained for a period of not less than one week, the
6 ~~commissioner~~ Commissioner may order such structure demolished and
7 removed.

8 (c) Orders issued under this section shall be served by certified mail with
9 return receipt requested or in the discretion of the ~~commissioner~~
10 Commissioner, shall be served in the same manner as summonses are served
11 under the Vermont Rules of Civil Procedure promulgated by the ~~supreme court~~
12 Supreme Court, to all persons who have a recorded interest in the property
13 recorded in the place where land records for the property are recorded, and to
14 all persons who will be temporarily or permanently displaced by the order,
15 including owners, tenants, mortgagees, attaching creditors, lien holders, and
16 public utilities or water companies serving the premises.

17 § 2734. PENALTIES

18 (a)(1) A person who violates any provision of this subchapter or any order
19 or rule issued pursuant thereto shall be fined not more than \$10,000.00.

20 (2) The ~~state's attorney~~ State's Attorney of the county in which such
21 violation occurs shall prosecute the violation and may commence a proceeding

1 in the ~~superior court~~ Superior Court to compel compliance with such order or
2 rule, and such court may make orders and decrees therein by way of writ of
3 injunction or otherwise.

4 (b)(1) A person who fails to comply with a lawful order issued under
5 authority of this subchapter in case of sudden emergency shall be fined not
6 more than \$20,000.00.

7 (2) A person who fails to comply with an order requiring notice shall be
8 fined \$200.00 for each day's neglect commencing with the effective date of
9 such order or the date such order is finally determined if an appeal has been
10 filed.

11 (c)(1) The ~~commissioner~~ Commissioner may, after notice and opportunity
12 for hearing, assess an administrative penalty of not more than \$1,000.00 for
13 each violation of this subchapter or any rule adopted under this subchapter.

14 (2) Penalties assessed pursuant to this subsection shall be based on the
15 severity of the violation.

16 (3) An election by the ~~commissioner~~ Commissioner to proceed under
17 this subsection shall not limit or restrict the ~~commissioner's~~ Commissioner's
18 authority under subsection (a) of this section.

1 (d) Violation of any rule adopted under this subchapter shall be prima facie
2 evidence of negligence in any civil action for damage or injury ~~which~~ that is
3 the result of the violation.

4 * * *

5 § 2736. MUNICIPAL ENFORCEMENT

6 (a)(1) The legislative body of a municipality may appoint one or more
7 trained and qualified officials and may establish procedures to enforce rules
8 and standards adopted under subsection 2731(a) of this title.

9 (2) After considering the type of buildings within the municipality, if the
10 ~~commissioner~~ Commissioner determines that the training, qualifications, and
11 procedures are sufficient, he or she may assign responsibility to the
12 municipality for enforcement of some or all of these rules and standards.

13 (3) The ~~commissioner~~ Commissioner may also assign responsibility for
14 enforcement of the rules of the access board adopted under section 2902 of this
15 title.

16 (4) The ~~commissioner~~ Commissioner shall provide continuing review,
17 consultation, and assistance as may be necessary.

18 (5) The assignment of responsibility may be revoked by the
19 ~~commissioner~~ Commissioner after notice and an opportunity for hearing if the
20 ~~commissioner~~ Commissioner determines that the training, qualifications, or
21 procedures are insufficient.

1 (6) The assignment of responsibility shall not affect the ~~commissioner's~~
2 Commissioner's authority under this subchapter.

3 (b) If a municipality assumes responsibility under subsection (a) of this
4 section for performing any functions that would be subject to a fee established
5 under subsection 2731(a) of this title, the municipality may establish and
6 collect reasonable fees for its own use, and no fee shall be charged for the
7 benefit of the ~~state~~ State.

8 (c)(1) Subject to rules adopted under section 2731 of this title, municipal
9 officials appointed under this section may enter any premises in order to carry
10 out the responsibilities of this section.

11 (2) The officials may order the repair, rehabilitation, closing,
12 demolition, or removal of any premises to the same extent as the ~~commissioner~~
13 Commissioner may under section 2732 of this title.

14 (d) Upon a determination by the ~~commissioner~~ Commissioner that a
15 municipality has established sufficient procedures for granting variances and
16 exemptions, such variances and exemptions may be granted to the same extent
17 authorized under subsection 2731(b) of this title.

18 (e) The results of all activities conducted by municipal officials under this
19 section shall be reported to the ~~commissioner~~ Commissioner periodically upon
20 request.

1 (f) Nothing in this section shall be interpreted to decrease the authority of
2 municipal officials under other laws, including laws concerning building codes
3 and laws concerning housing codes.

4 * * *

5 § 2738. FIRE PREVENTION AND BUILDING INSPECTION SPECIAL
6 FUND

7 (a) The fire prevention and building inspection special fund revenues shall
8 be from the following sources:

9 (1) fees relating to construction and inspection of public building and
10 fire prevention inspections under section 2731 of this title;

11 (2) fees relating to boilers and pressure vessels under section 2883 of
12 this title;

13 (3) fees relating to electrical installations and inspections and the
14 licensing of electricians under 26 V.S.A. §§ 891-915;

15 (4) fees relating to cigarette certification under section 2757 of this title;
16 and

17 (5) fees relating to plumbing installations and inspections and the
18 licensing of plumbers under 26 V.S.A. §§ 2171-2199.

19 (b) Fees collected under subsection (a) of this section shall be available to
20 the ~~department of public safety~~ Department of Public Safety to offset the costs
21 of the ~~division of fire safety~~ Division of Fire Safety.

1 (5) type of rental unit;

2 (6) number of units in the building;

3 (7) school property account number;

4 (8) accessibility of the unit; and

5 (9) any other information the Department deems appropriate.

6 (c) Upon request of the Department of Housing and Community
7 Development, and at least annually, a municipal, district, or other local
8 government entity that operates a rental housing health and safety program that
9 requires registration of a rental housing unit and a fee for inclusion on the
10 registry shall provide to the Department the data for each unit that is required
11 pursuant to subsection (b) of this section.

12 (d)(1) The data the Department collects pursuant to this section is exempt
13 from public inspection and copying pursuant to 1 V.S.A. § 317(c)(1), and the
14 Department shall not disclose such data except as provided in subdivision (2)
15 of this subsection.

16 (2) The Department:

17 (A) may disclose data it collects pursuant to this section to other
18 State, municipal, or regional government entities; to nonprofit organizations; or
19 to other persons for the purposes of protecting public health and safety;

20 (B) shall not disclose data it collects pursuant to this section for a
21 commercial purpose; and

1 (C) shall require, as a condition of receiving data collected pursuant
2 to this section, that a person to whom the Department discloses the data takes
3 necessary steps to protect the privacy of persons whom the data concerns, to
4 protect the data from further disclosure and to comply with subdivision (B) of
5 this subsection (d).

6 Sec. 3. 3 V.S.A. § 2479 is added to read:

7 § 2479. RENTAL HOUSING REGISTRATION

8 (a) Except as provided in subsection (c) of this section, the owner of a
9 dwelling unit, as defined in 9 V.S.A. § 4501, that is leased or offered for lease
10 shall:

11 (1) file with the Department of Taxes the landlord certificate required
12 for the renter's rebate or the renter credit program; and

13 (2) within 30 days of filing the certificate, register, provide the
14 information required by subsection 2478(b) of this title, and pay to the
15 Department of Housing and Community Development an annual registration
16 fee of \$35.00 per rental unit, unless the owner has within the preceding
17 12 months:

18 (A) registered the unit pursuant to subsection (b) of this section; or

19 (B) registered the unit with a municipal, district, or other local
20 government entity that operates a rental housing health and safety program
21 with a rental registry that complies with subsection 2478(b) of this title.

1 (b) Except as provided in subsection (c) of this section, an owner of a
2 short-term rental, as defined in 18 V.S.A. § 4301, shall, annually, within
3 30 days of renting a unit, register, provide the information required by
4 subsection 2478(b) of this title, and pay to the Department of Housing and
5 Community Development an annual registration fee of \$35.00 per rental unit,
6 unless the owner has within the preceding 12 months:

7 (1) registered the unit pursuant to subsection (a) of this section; or

8 (2) registered the unit with a municipal, district, or other local
9 government entity that operates a rental housing health and safety program
10 with a rental registry that complies with subsection 2478(b) of this title.

11 (c)(1)(A) An owner of a mobile home lot within a mobile home park who
12 has registered the lot with the Department of Housing and Community
13 Development and who does not own a mobile home on the lot is exempt from
14 registering the lot pursuant to this section.

15 (B) An owner of a mobile home lot within a mobile home park who
16 has registered the lot with the Department and who owns a mobile home on the
17 lot that is available for rent or rented shall register the property with the
18 Department and pay a fee equal to the fee required by subdivision (a)(2) of this
19 section less any fee paid within the previous 12 months pursuant to 10 V.S.A.
20 § 6254(c).

1 (C) An owner of a mobile home who rents the mobile home, whether
2 or not located in a mobile home park, shall register pursuant to this section.

3 (2) The registration requirements of this section do not apply to housing
4 that an owner provides to another person, whether or not for consideration, if,
5 and only to the extent that, the owner does not otherwise make such housing
6 available for lease to the general public, and includes:

7 (A) housing provided to a member of the owner’s family or personal
8 acquaintances;

9 (B) housing provided to a person who is not related to a member of
10 the owner’s household and who occupies the housing as part of a nonprofit
11 homesharing program; and

12 (C) housing provided to a person who provides personal care to the
13 owner or a member of the owner’s household.

14 (3) An owner of housing that is provided as a benefit of farm
15 employment, as defined in 9 V.S.A. § 4469a(a)(3), is exempt from the
16 registration requirements imposed in this section.

17 (d) An owner who fails to register pursuant to this section shall pay a late
18 registration fee of \$100.00 per unit if the registration is more than 15 days late
19 and may be subject to an administrative penalty not to exceed \$5,000.00 for
20 each violation.

1 (e) The Department of Housing and Community Development shall
2 maintain the registration fees collected pursuant to this section in a special
3 fund entitled the Rental Housing Safety Special Fund, the proceeds of which
4 the Department shall use:

5 (1) to hire authorized staff to administer the registry and registration
6 requirements imposed in this section and in section 2478 of this title; and

7 (2) to provide funding to the Department of Public Safety to hire
8 authorized staff to conduct inspections and regulate rental housing pursuant to
9 20 V.S.A. chapter 173, subchapter 2.

10 * * * Registration; Prospective Repeal * * *

11 Sec. 3a. REPEAL

12 3 V.S.A. § 2479(c)(3) is repealed.

13 * * * Positions Authorized * * *

14 Sec. 4. DEPARTMENT OF PUBLIC SAFETY; POSITIONS

15 (a) The Department of Public Safety is authorized to create five full-time,
16 classified Inspector positions in order to conduct rental housing health and
17 safety inspections and enforcement pursuant to 20 V.S.A. chapter 173,
18 subchapter 2.

19 (b) In fiscal year 2022, the amount of \$100,000.00 is appropriated from the
20 General Fund to the Department of Public Safety as one-time startup funding

1 to hire one or more Inspector positions authorized pursuant to subsection (a) of
2 this section.

3 (c) The Department may hire additional Inspectors authorized by this
4 section to the extent funds become available from the Rental Housing Safety
5 Special Fund created and maintained pursuant to 3 V.S.A. § 2479.

6 Sec. 5. DEPARTMENT OF HOUSING AND COMMUNITY
7 DEVELOPMENT; POSITIONS

8 (a) The Department of Housing and Community Development is
9 authorized to create one full-time classified position and one half-time
10 classified position to administer and enforce the registry requirements created
11 in 3 V.S.A. § 2478.

12 (b) In fiscal year 2022, the amount of \$300,000.00 is appropriated from the
13 General Fund to the Department of Housing and Community Development as
14 one-time startup funding to hire one or more of the positions authorized
15 pursuant to subsection (a) of this section.

16 (c) The Department may hire additional staff authorized by this section to
17 the extent funds become available from the Rental Housing Safety Special
18 Fund created and maintained pursuant to 3 V.S.A. § 2479.

1 (b) Upon discovery of violation or a public health hazard or public health
2 risk that involves a public water system, a food or lodging establishment, or
3 any other matter regulated by Department rule, the local health officer shall
4 immediately notify the Division of Environmental Health. Upon discovery of
5 any other violation, public health hazard, or public health risk, the local health
6 officer shall notify the Division of Environmental Health within 48 hours of
7 discovery of such violation or hazard and of any action taken by the officer.

8 ~~§ 603. RENTAL HOUSING SAFETY; INSPECTION REPORTS~~

9 ~~(a)(1) When conducting an investigation of rental housing, a local health~~
10 ~~officer shall issue a written inspection report on the rental property using the~~
11 ~~protocols for implementing the Rental Housing Health Code of the Department~~
12 ~~or the municipality, in the case of a municipality that has established a code~~
13 ~~enforcement office.~~

14 ~~(2) A written inspection report shall:~~

15 ~~(A) contain findings of fact that serve as the basis of one or more~~
16 ~~violations;~~

17 ~~(B) specify the requirements and timelines necessary to correct a~~
18 ~~violation;~~

19 ~~(C) provide notice that the landlord is prohibited from renting the~~
20 ~~affected unit to a new tenant until the violation is corrected; and~~

1 ~~(D) provide notice in plain language that the landlord and agents of~~
2 ~~the landlord must have access to the rental unit to make repairs as ordered by~~
3 ~~the health officer consistent with the access provisions in 9 V.S.A. § 4460.~~

4 ~~(3) A local health officer shall:~~

5 ~~(A) provide a copy of the inspection report to the landlord and any~~
6 ~~tenants affected by a violation by delivering the report electronically, in~~
7 ~~person, by first class mail, or by leaving a copy at each unit affected by the~~
8 ~~deficiency; and~~

9 ~~(B)(i) if a municipality has established a code enforcement office,~~
10 ~~provide information on each inspection according to a schedule and in a format~~
11 ~~adopted by the Department in consultation with municipalities that have~~
12 ~~established code enforcement offices; or~~

13 ~~(ii) if a municipality has not established a code enforcement~~
14 ~~office, provide information on each inspection to the Department within seven~~
15 ~~days of issuing the report using an electronic system designed for that purpose,~~
16 ~~or within 14 days by mail if the municipality is unable to utilize the electronic~~
17 ~~system.~~

18 ~~(4) If an entire property is affected by a violation, the local health officer~~
19 ~~shall post a copy of the inspection report in a common area of the property and~~
20 ~~include a prominent notice that the report shall not be removed until authorized~~
21 ~~by the local health officer.~~

1 ~~(5) A municipality shall make an inspection report available as a public~~
2 ~~record.~~

3 ~~(b)(1) A local health officer may impose a civil penalty of not more than~~
4 ~~\$200.00 per day for each violation that is not corrected by the date provided in~~
5 ~~the written inspection report, or when a unit is re-rented to a new tenant prior~~
6 ~~to the correction of a violation.~~

7 ~~(2)(A) If the cumulative amount of penalties imposed pursuant to this~~
8 ~~subsection is \$800.00 or less, the local health officer, Department of Health, or~~
9 ~~State's Attorney may bring a civil enforcement action in the Judicial Bureau~~
10 ~~pursuant to 4 V.S.A. chapter 29.~~

11 ~~(B) The waiver penalty for a violation in an action brought pursuant~~
12 ~~to this subsection is 50 percent of the full penalty amount.~~

13 ~~(3) If the cumulative amount of penalties imposed pursuant to this~~
14 ~~subsection is more than \$800.00, or if injunctive relief is sought, the local~~
15 ~~health officer, Department of Health, or State's Attorney may commence an~~
16 ~~action in the Civil Division of the Superior Court for the county in which a~~
17 ~~violation occurred.~~

18 ~~(c) If a local health officer fails to conduct an investigation pursuant to~~
19 ~~section 602a of this title or fails to issue an inspection report pursuant to this~~
20 ~~section, a landlord or tenant may request that the Department, at its discretion,~~
21 ~~conduct an investigation or contact the local board of health to take action.~~

1 [Repealed.]

2 * * *

3 * * * Transition Provisions * * *

4 Sec. 7. RENTAL HOUSING HEALTH AND SAFETY; TRANSITION
5 PROVISIONS

6 (a) Notwithstanding any provision of law to the contrary:

7 (1) Until the Commissioner of Public Safety adopts rules governing
8 rental housing health and safety pursuant to 20 V.S.A. § 2731, the Department
9 of Health, local officials authorized by law, and the Department of Public
10 Safety have concurrent authority to enforce the Vermont Rental Housing
11 Health Code adopted by the Department of Health pursuant to 18 V.S.A.
12 § 102, 3 V.S.A. § 3003(a), and 3 V.S.A. § 801(b)(11).

13 (2) The Commissioner of Public Safety may immediately adopt a rule
14 incorporating the Rental Housing Health Code without following the
15 procedures otherwise required for general rulemaking in 3 V.S.A. chapter 25.

16 (3) Except as provided in subdivision (2) of this subsection, the
17 Commissioner of Public Safety shall comply with the requirements for general
18 rulemaking in 3 V.S.A. chapter 25 when adopting rules governing rental
19 housing health and safety.

20 (b) Upon the adoption of rules governing rental housing health and safety
21 pursuant to the authority in 20 V.S.A. § 2731:

1 (1) the Department of Public Safety is the State government entity with
2 primary authority to enforce State laws governing rental housing health and
3 safety;

4 (2) the Department of Public Safety and local officials have concurrent
5 authority to enforce State and local laws governing rental housing health and
6 safety pursuant to 18 V.S.A. chapter 11; 20 V.S.A. chapter 173, subchapter 2;
7 24 V.S.A. chapters 83 and 123; and applicable municipal law; and

8 (3) the Department of Health, the State Board of Health, and local health
9 officials have concurrent authority to enforce State and local laws governing
10 public health hazards and public health risks, as those terms are defined in
11 18 V.S.A. § 2, pursuant to 18 V.S.A. chapters 1, 3, and 11.

12 * * * Vermont Housing Investments * * *

13 Sec. 8. VERMONT RENTAL HOUSING INVESTMENT PROGRAM;

14 PURPOSE

15 (a) Recognizing that Vermont’s rental housing stock is some of the oldest
16 in the country and that much of it needs to be updated to meet code
17 requirements and other standards, the Vermont Rental Housing Investment
18 Program is intended to incentivize private apartment owners to make
19 significant improvements to both housing quality and weatherization by

1 providing grants and forgivable loans that are matched in part by the property
2 owner.

3 (b) The Program seeks to take the lessons learned from the successful Re-
4 housing Recovery Program established with funds provided by the Federal
5 CARES Act and implement them in a State-funded program.

6 Sec. 9. 10 V.S.A. chapter 29, subchapter 3 is added to read:

7 Subchapter 3. Housing; Investments

8 § 699. VERMONT RENTAL HOUSING INVESTMENT PROGRAM

9 (a) Creation of program.

10 (1) The Department of Housing and Community Development shall
11 design and implement the Vermont Rental Housing Investment Program
12 through which the Department shall award funding to statewide or regional
13 nonprofit housing organizations, or both, to provide competitive grants and
14 forgivable loans to private landlords for the rehabilitation, including
15 weatherization, of eligible rental housing units.

16 (2) The Department shall develop statewide standards for the Program,
17 including factors that partner organizations shall use to evaluate applications
18 and award grants and forgivable loans.

19 (b) Eligible rental housing units. The following units are eligible for a
20 grant or forgivable loan through the Program:

1 (1) Non-code compliant. The unit does not comply with the
2 requirements of applicable building, housing, or health laws.

3 (2) New accessory dwelling. The unit will be a newly created accessory
4 dwelling unit that meets the requirements of 24 V.S.A. § 4412(1)(E).

5 (c) Administration. The Department shall require a housing organization
6 that receives funding under the Program to adopt:

7 (1) a standard application form that describes the application process
8 and includes instructions and examples to help landlords apply;

9 (2) an award process that ensures equitable selection of landlords,
10 subject to a housing organization’s exercise of discretion based on the factors
11 adopted by the Department pursuant to subsection (a) of this section; and

12 (3) a grant and loan management system that ensures accountability for
13 funds awarded.

14 (d) Program requirements applicable to grants and forgivable loans.

15 (1) A grant or loan shall not exceed \$30,000.00 per unit.

16 (2) A landlord shall contribute matching funds or in-kind services that
17 equal or exceed 20 percent of the value of the grant or loan.

18 (3) A project may include a weatherization component.

19 (4) A project shall comply with applicable building, housing, and health
20 laws.

1 (5) The terms and conditions of a grant or loan agreement apply to the
2 original recipient and to a successor in interest for the period the grant or loan
3 agreement is in effect.

4 (6) The identity of a recipient and the amount of a grant or forgivable
5 loan are public records that shall be available for public copying and inspection
6 and the Department shall publish this information at least monthly on its
7 website.

8 (e) Program requirements applicable to grants. For a grant awarded under
9 the Program, the following requirements apply for a minimum period of five
10 years:

11 (1) A landlord shall coordinate with nonprofit housing partners and local
12 coordinated entry organizations to identify potential tenants.

13 (2)(A) Except as provided in subdivision (2)(B) of this subsection (e), a
14 landlord shall lease the unit to a household that is exiting homelessness.

15 (B) If, upon petition of the landlord, the Department or the housing
16 organization that issued the grant determines that a household exiting
17 homelessness is not available to lease the unit, then the landlord shall lease the
18 unit:

19 (i) to a household with an income equal to or less than 80 percent
20 of area median income; or

1 (ii) if such a household is unavailable, to another household with
2 the approval of the Department or housing organization.

3 (3)(A) A landlord shall accept any housing vouchers that are available to
4 pay all, or a portion of, the tenant’s rent and utilities.

5 (B) If no housing voucher or federal or State subsidy is available, the
6 total cost of rent for the unit, including utilities not covered by rent payments,
7 shall not exceed the applicable fair market rent established by the Department
8 of Housing and Urban Development.

9 (4)(A) A landlord may convert a grant to a forgivable loan upon
10 approval of the Department and the housing organization that approved the
11 grant.

12 (B) A landlord who converts a grant to a forgivable loan shall receive
13 a 10 percent credit for loan forgiveness for each year in which the landlord
14 participates in the grant program.

15 (f) Requirements applicable to forgivable loans. For a forgivable loan
16 awarded under the Program, the following requirements apply for a minimum
17 period of 10 years:

18 (1)(A) A landlord shall accept any housing vouchers that are available to
19 pay all, or a portion of, the tenant’s rent and utilities.

20 (B) If no housing voucher or federal or State subsidy is available, the
21 cost of rent for the unit, including utilities not covered by rent payments, shall

1 not exceed the applicable fair market rent established by the Department of
2 Housing and Urban Development.

3 (2) The Department shall forgive 10 percent of the amount of a
4 forgivable loan for each year a landlord participates in the loan program.

5 (g) Lien priority. A lien for a grant converted to a loan or for a forgivable
6 loan issued pursuant to this section is subordinate to:

7 (1) a lien on the property in existence at the time the lien for
8 rehabilitation and weatherization of the rental housing unit is filed in the land
9 records; and

10 (2) a first mortgage on the property that is refinanced and recorded after
11 the lien for rehabilitation and weatherization of the rental housing unit is filed
12 in the land records.

13 Sec. 10. REPORT

14 On or before February 15, 2022, the Department of Housing and
15 Community Development shall report to the General Assembly concerning the
16 design, implementation, and outcomes of the Vermont Housing Investment
17 Program, including findings and any recommendations related to the amount of
18 grant awards.

1 Sec. 11. VERMONT HOMEOWNERSHIP REVOLVING LOAN FUND;

2 PURPOSE

3 (a) The purpose of the Vermont Homeownership Revolving Loan Fund
4 created in Sec. 12 of this act is to provide no-interest loans to increase access
5 to homeownership.

6 (b) The Program is intended to assist Vermonters who otherwise may be
7 unable to purchase a home or who may be unable to afford the costs to
8 rehabilitate, weatherize, or otherwise make necessary improvements to a home
9 they purchase.

10 (c) The Program is also intended to place a special focus on increasing the
11 homeownership rates of households identifying as Black, Indigenous, or
12 Persons of Color, who are systematically disenfranchised from financing real
13 estate through traditional banking and have therefore been generationally
14 dispossessed of the ability to develop lasting wealth.

15 Sec. 12. 10 V.S.A. § 699a is added to read:

16 § 699a. VERMONT HOMEOWNERSHIP REVOLVING LOAN FUND

17 (a) Creation of Program. The Department of Housing and Community
18 Development shall design and implement the Vermont Homeownership
19 Revolving Loan Fund, through which the Department shall provide funding to
20 statewide or regional nonprofit housing organizations, or both, to issue no-
21 interest loans to first-time homebuyers.

1 (b) Eligible housing units. The following units are eligible for a loan
2 through the Program:

3 (1) Existing structure. The unit is an existing single-family dwelling, a
4 multifamily dwelling with not more than four units, a mobile home, or a
5 condominium.

6 (2) Accessory dwelling. The unit is an accessory dwelling unit that
7 meets the requirements of 24 V.S.A. § 4412(1)(E).

8 (c) Eligible applicants; priorities.

9 (1) To be eligible for a loan through the Program, an applicant shall:

10 (A) be a first-time homebuyer in Vermont;

11 (B) have a household income of not more than 120 percent of the
12 area median income; and

13 (C) occupy the dwelling, or a unit within the dwelling, as his or her
14 full-time residence.

15 (2) A housing organization may give priority to an applicant whose
16 employer provides down payment assistance or funding for rehabilitation
17 costs.

18 (d) Administration. The Department shall require a housing organization
19 that receives funding under the Program to adopt:

20 (1) a standard application form that describes the application process
21 and includes instructions and examples to help homebuyers apply;

1 (2) an award process that ensures equitable selection of homebuyers;

2 and

3 (3) a loan management system that ensures accountability for funds
4 awarded.

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

16 (f) Program requirements.

17 (1) A loan issued through the Program:

18 (A) shall not exceed a standard limit set by the Department, which
19 shall not exceed \$50,000.00;

20 (B) shall be zero interest, and payments shall be suspended while the
21 homebuyer occupies the home; and

1 (C) shall become due in full upon the sale or transfer of the home or
2 upon refinancing with approval by the Department and the housing
3 organization that issued the loan.

4 (2) A rehabilitation project that is funded by a loan through the Program
5 may include a weatherization component and shall comply with applicable
6 building, housing, and health laws.

7 (3) A homebuyer may use not more than 25 percent of a loan for down
8 payment and closing costs and fees.

9 (4) A homebuyer shall repay a loan.

10 (g) Revolving loan fund. The Department shall use the amounts from loans
11 that are repaid to provide additional funding through the Program.

12 (h) Lien priority. A lien for a loan issued pursuant to this section is
13 subordinate to:

14 (1) a lien on the property in existence at the time the lien for the loan is
15 filed in the land records; and

16 (2) a first mortgage on the property that is refinanced and recorded after
17 the lien for the loan is filed in the land records.

18 Sec. 13. DUTIES CONTINGENT ON FUNDING

19 The duties of the Department of Housing and Community Development
20 specified in Secs. 10 and 12 of this act are contingent upon available funding.

1 Sec. 14. REPORT

2 On or before February 15, 2022, the Department of Housing and
3 Community Development shall report to the General Assembly concerning the
4 design, implementation, and outcomes of the Vermont Homeownership
5 Revolving Loan Fund created in Sec. 12 of this act, including findings and any
6 recommendations related to the amount of loans.

7 * * * Appropriations * * *

8 Sec. 15. APPROPRIATIONS

9 The amount of \$4,000,000.00 is appropriated from the General Fund to the
10 Department of Housing and Community Development to provide grants and
11 loans as follows:

12 (1) \$3,000,000.00 for grants and loans through the Vermont Rental
13 Housing Investment Program created in 10 V.S.A. § 699; and

14 (2) \$1,000,000.00 for loans through the Vermont Homeownership
15 Revolving Loan Fund created in 10 V.S.A. § 699a.

16 * * * Eviction Moratorium * * *

17 Sec. 16. 2020 Acts and Resolves No. 101, Sec. 1(b)(4) is amended to read:

18 (4) limit a court's ability to act in an emergency pursuant to
19 Administrative Order 49, issued by the Vermont Supreme Court, as amended,
20 ~~which may include an action that involves criminal activity, illegal drug~~
21 ~~activity, or acts of violence, or other circumstances that seriously threaten the~~

1 ~~health or safety of other residents~~ including in response to an action for
2 ejection on an emergency basis pursuant to subsection (i) of this section.

3 Sec. 17. 2020 Acts and Resolves No. 101, Sec. 1(i) is added to read:

4 (i) Action for ejection on an emergency basis.

5 (1) Notwithstanding any provision of this section to the contrary, a court
6 may allow an ejection action to proceed on an emergency basis pursuant to
7 Vermont Rule of Civil Procedure 65, which may include an action that
8 involves the following circumstances:

9 (A) criminal activity, illegal drug activity, acts of violence, or other
10 circumstances that seriously threaten the health or safety of other residents,
11 including a tenant tampering with, disabling, or removing smoke or carbon
12 monoxide detectors;

13 (B) the landlord needs to occupy the rental premises;

14 (C) the tenant is not participating or does not qualify for the Vermont
15 Emergency Rental Assistance Program; or

16 (D) continuation of the tenancy would cause other immediate or
17 irreparable injury, loss, or damage to the property, the landlord, or other
18 residents.

19 (2) Upon a plaintiff's motion to proceed under this subsection (i)
20 supported by an affidavit, the court shall determine whether the plaintiff has
21 alleged sufficient facts to warrant a hearing concerning emergency

1 circumstances as provided in subdivision (1) of this subsection (i), and if so,
2 the court shall:

3 (A) issue any necessary preliminary orders;

4 (B) schedule a hearing;

5 (C) allow the plaintiff to serve the defendant with the motion,
6 affidavit, complaint, any preliminary orders, and a notice of hearing; and

7 (D) after hearing, issue any necessary orders, which may include
8 issuance of a writ of possession.

9 * * * Effective Dates * * *

10 Sec. 18. EFFECTIVE DATES

11 (a) This section and the following sections shall take effect on passage:

12 (1) Sec. 1 (DPS authority for rental housing health and safety).

13 (2) Sec. 2 (rental housing registry).

14 (3) Sec. 6 (conforming changes to Department of Health statutes).

15 (4) Sec. 7 (DPS rulemaking authority and transition provisions).

16 (5) Secs. 16–17 (amendment to eviction moratorium).

17 (b) The following sections take effect on July 1, 2021:

18 (1) Sec. 4 (DPS positions).

19 (2) Sec. 5 (DHCD positions).

20 (3) Secs. 8–10 (Vermont Housing Investment Program).

21 (4) Secs. 11–14 (Vermont Homeownership Revolving Loan Fund).

1 (5) Sec. 15 (appropriations).

2 (c) Sec. 3 (rental housing registration) shall take effect on January 1, 2022.

3 (d) Sec. 3a (repeal of registration exemption for housing provided as a
4 benefit of farm employment) shall take effect on January 1, 2024.

5

6

7

8 (Committee vote: _____)

9

10

Representative _____

11

FOR THE COMMITTEE