

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 ***Secs. 1-6. [Housing Permit Reform]***

9 * * * First-Generation Homebuyers * * *

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

11 § 5930u. TAX CREDIT FOR AFFORDABLE HOUSING

12 * * *

13 (b) Eligible tax credit allocations.

14 * * *

15 (3) Down Payment Assistance Program.

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

19 (i) the loan is made in connection with a mortgage through an

20 Agency program;

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

3 (iii) the borrower uses the loan for the borrower’s down payment
4 or closing costs, or both.

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

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

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

11 * * *

12 **Sec. 2. FIRST-GENERATION HOMEBUYER; IMPLEMENTATION;**

13 **APPROPRIATION**

14 (a) Guidelines. The Vermont Housing Finance Agency shall adopt
15 guidelines and procedures for the provision of grants to first-generation
16 homebuyers pursuant to 32 V.S.A. § 5930u(b)(3)(D) consistent with the
17 criteria of the Down Payment Assistance Program implemented pursuant to
18 32 V.S.A. § 5930u(b)(3) and with this section.

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

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

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

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

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

18 (d) Of the amounts appropriated to the Department of Housing and
19 Community Development in 2021 Acts and Resolves No. 74, the Department
20 shall transfer \$1,000,000.00 to the Vermont Housing Finance Agency to

1 provide grants pursuant to 32 V.S.A. § 5930u(b)(3)(D) and for the costs of
2 administration and outreach pursuant to this section.

3 * * * Manufactured Home Relocation Incentives * * *

4 Sec. 3. MANUFACTURED HOME IMPROVEMENT AND
5 REPLACEMENT PROGRAM

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

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

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

1 where the owner is unable to replace the home and the repair will keep them
2 housed.

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

8 * * * New Approaches to Creating Housing * * *

9 Sec. 4. VERMONT HOUSING CONSERVATION BOARD; NEW

10 APPROACHES TO CREATING HOUSING

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

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

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

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

4 (b) Community Partnership for Neighborhood Development.

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

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

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

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

2 (1) development of new denser neighborhoods in five to ten
3 communities of mixed income and mixed tenure of homeownership and rental
4 opportunities, which, over time, will land bank and make available smart
5 growth sites for 500–1,000 energy efficient homes and apartments;

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

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

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

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

17 (6) reservation of 35 percent of multifamily rentals for Vermonters with
18 income below 80 percent of the median income with no cost for publicly
19 funded infrastructure.

20 Secs. 10-12. [Municipal Bylaw Modernization Grants]

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

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

2 § 5930aa. DEFINITIONS

3 As used in this subchapter:

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

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

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

16 (A) to install or improve platform lifts suitable for transporting
17 personal mobility devices, limited use or limited application elevators,
18 elevators, sprinkler systems, and capital improvements in a qualified building,
19 and the installations or improvements are required to bring the building into
20 compliance with the statutory requirements and rules regarding fire prevention,

1 life safety, and electrical, plumbing, and accessibility codes as determined by
2 the Department of Public Safety;

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

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

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

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

17 (6) “Qualified Flood Mitigation Project” means any combination of
18 structural and nonstructural changes to a building located within the flood
19 hazard area as mapped by the Federal Emergency Management Agency that
20 reduces or eliminates flood damage to the building or its contents. The project
21 shall comply with the municipality’s adopted flood hazard bylaw, if applicable,

1 and a certificate of completion shall be submitted by a registered engineer,
2 architect, qualified contractor, or qualified local official to the State Board.
3 Improvements to qualified buildings listed, or eligible for listing, in the State
4 or National Register of Historic Places shall be consistent with Secretary of the
5 Interior’s Standards for Rehabilitation, as determined by the Vermont Division
6 for Historic Preservation.

7 (7) “Qualified historic rehabilitation project” means an historic
8 rehabilitation project that has received federal certification for the
9 rehabilitation project.

10 ~~(7)~~(8) “Qualified project” means a qualified code improvement,
11 qualified façade improvement, or qualified historic rehabilitation project as
12 defined by this subchapter.

13 ~~(8)~~(9) “State Board” means the Vermont Downtown Development
14 Board established pursuant to 24 V.S.A. chapter 76A.

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

16 § 5930bb. ELIGIBILITY AND ADMINISTRATION

17 * * *

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

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

1 § 2793a. DESIGNATION OF VILLAGE CENTERS BY STATE BOARD

2 * * *

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

6 * * *

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

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

12 (B) ~~A State façade improvement tax credit of 25 percent under~~
13 ~~32 V.S.A. § 5930cc(b).~~

14 (C) ~~A State code improvement tax credit of 50 percent under~~
15 ~~32 V.S.A. § 5930ee(e) The Downtown and Village Center Tax Credit Program~~
16 ~~described in 32 V.S.A. § 5930aa et seq.~~

17 * * *

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

19 § 2793e. NEIGHBORHOOD PLANNING AREAS; DESIGNATION OF
20 NEIGHBORHOOD DEVELOPMENT AREAS

21 * * *

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

10 (1) ~~The~~ the application fee limit for wastewater applications stated in
11 3 V.S.A. § 2822(j)(4)(D);

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

14 (3) ~~The~~ the exclusion from the land gains tax provided by 32 V.S.A.
15 § 10002(p); and

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

18 * * *

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

20 § 2794. INCENTIVES FOR PROGRAM DESIGNEES

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

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

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

10 ~~(A) A State historic rehabilitation tax credit of 10 percent under~~
11 ~~32 V.S.A. § 5930cc(a) that meets the requirements for the federal rehabilitation~~
12 ~~tax credit.~~

13 ~~(B) A State façade improvement tax credit of 25 percent under~~
14 ~~32 V.S.A. § 5930cc(b).~~

15 ~~(C) A State code improvement tax credit of 50 percent under~~
16 ~~32 V.S.A. § 5930cc(e) The Downtown and Village Center Tax Credit Program~~
17 ~~described in 32 V.S.A. § 5930aa et seq.~~

18 * * *

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

20 § 5930cc. DOWNTOWN AND VILLAGE CENTER PROGRAM TAX

21 CREDITS

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* * *

(d) Flood Mitigation Tax Credit. The qualified applicant of a qualified flood mitigation project shall be entitled, upon the approval of the State Board, to claim against the taxpayer’s State individual income tax, State corporate income tax, or bank franchise or insurance premiums tax liability a credit of 50 percent of qualified expenditures up to a maximum tax credit of \$75,000.00.

~~Secs. 19-20. [Wastewater Connection Permits]~~

~~Sec. 21. [Accessory Dwelling Units]~~

* * * Missing Middle Housing * * *

Sec. 11. MISSING MIDDLE-INCOME HOMEOWNERSHIP
DEVELOPMENT PILOT PROGRAM

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

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

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

(b) As used in this section:

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

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

6 (c) The Agency shall use the funds appropriated in this section to provide
7 subsidies for new construction or acquisition and substantial rehabilitation of
8 affordable owner-occupied housing for purchase by income-eligible
9 homebuyers.

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

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

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

20 (A) the Agency includes conditions in the subsidy, or uses another
21 legal mechanism, to ensure that, to the extent the home value has risen, the

1 amount of the subsidy remains with the home to offset the cost to future
2 homebuyers; or

3 (B) the Agency uses a shared equity model that requires the Agency
4 to retain not less than 75 percent of any increased equity in the home.

5 (3) The Agency shall adopt one or more legal mechanisms to ensure that
6 subsequent sales of a home that is subsidized through the Program are limited
7 to income-eligible homebuyers.

8 (B) the subsidy is subject to a housing subsidy covenant, as defined
9 in 27 V.S.A. § 610, that preserves the affordability of the home for a period of
10 99 years or longer.

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

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

16 (1) project location;

17 (2) geographic distribution;

18 (3) leveraging of other programs;

19 (4) housing market needs;

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

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

2 (7) priority for plans with deeper affordability and longer duration of
3 affordability requirements;

4 (8) sponsor characteristics;

5 (9) energy efficiency of the development; and

6 (10) historic nature of the project.

7 (f) The Agency may assign its rights under any investment or subsidy made
8 under this section to the Vermont Housing and Conservation Board or any
9 State agency or nonprofit organization qualifying under 26 U.S.C. § 501(c)(3),
10 provided such assignee acknowledges and agrees to comply with the
11 provisions of this section.

12 (g) The Agency shall ensure that initial investments made under this
13 Program are obligated by December 31, 2024 and expended by December 31,
14 2026.

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

19 * * * Residential Construction Contractors * * *

20 Sec. 12. FINDINGS

21 The General Assembly finds that:

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

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

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

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

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

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

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

2 § 122. OFFICE OF PROFESSIONAL REGULATION

3 The Office of Professional Regulation is created within the Office of the
4 Secretary of State. The Office shall have a director who shall be qualified by
5 education and professional experience to perform the duties of the position.
6 The Director of the Office of Professional Regulation shall be a classified
7 position with the Office of the Secretary of State. The following boards or
8 professions are attached to the Office of Professional Regulation:

9 * * *

10 (51) Residential Contractors.

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

12 CHAPTER 106. RESIDENTIAL CONTRACTORS

13 Subchapter 1. General Provisions

14 § 5501. REGISTRATION REQUIRED

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

19 (b) Unless otherwise exempt under section 5502 of this title, as used in this
20 chapter, “residential construction” means to build, demolish, or alter a
21 residential dwelling unit, or a building or premises with four or fewer

1 residential dwelling units, in this State, and includes interior and exterior
2 construction, renovation, and repair; painting; paving; roofing; weatherization;
3 installation or repair of heating, plumbing, solar, electrical, water, or
4 wastewater systems; and other activities the Office specifies by rule consistent
5 with this chapter.

6 § 5502. EXEMPTIONS

7 This chapter does not apply to:

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

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

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

16 (2)(A) of this section;

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

19 (4) landscaping;

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

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

4 § 5503. MANDATORY REGISTRATION AND VOLUNTARY

5 CERTIFICATION DISTINGUISHED

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

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

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

19 (1) adopt rules providing for the issuance of voluntary certifications, as
20 defined in subdivision 3101a(1) of this title, that signify demonstrated

1 competence in particular subfields and specialties related to residential
2 construction;

3 (2) establish minimum qualifications, and standards for performance and
4 conduct, necessary for certification; and

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

7 Subchapter 2. Administration

8 § 5505. DUTIES OF THE DIRECTOR

9 (a) The Director of Professional Regulation shall:

10 (1) provide information to the public concerning registration,
11 certification, appeal procedures, and complaint procedures;

12 (2) administer fees established under this chapter;

13 (3) receive applications for registration or certification, issue
14 registrations and certifications to applicants qualified under this chapter, deny
15 or renew registrations or certifications, and issue, revoke, suspend, condition,
16 and reinstate registrations and certifications as ordered by an administrative
17 law officer;

18 (4) prepare and maintain a registry of registrants and certificants; and

19 (5) use the registry to timely communicate with registrants and
20 certificants concerning issues of health and safety, building codes,
21 environmental and energy issues, and State and federal incentive programs.

1 (b) The Director, after consultation with an advisor appointed pursuant to
2 section 5506 of this title, may adopt rules to implement this chapter.

3 § 5506. ADVISORS

4 (a) The Secretary of State shall appoint two persons pursuant to 3 V.S.A.
5 § 129b to serve as advisors in matters relating to residential contractors and
6 construction.

7 (b) To be eligible to serve, an advisor shall:

8 (1) register under this chapter;

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

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

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

14 § 5507. FEES

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

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

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

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

21 Subchapter 3. Registrations

1 § 5508. ELIGIBILITY

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

6 § 5509. REQUIREMENTS OF REGISTRANTS

7 (a) Insurance. A person registered under this chapter shall maintain
8 minimum liability insurance coverage in the amount of \$1,000,000.00 per
9 occurrence and \$2,000,000.00 aggregate, evidence of which may be required
10 as a precondition to issuance or renewal of a registration.

11 (b) Writing.

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

15 (2) A contract shall specify:

16 (A) Price. One of the following provisions for the price of the
17 contract:

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

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

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

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

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

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

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

11 (c) Down payment.

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

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

20 § 5510. PROHIBITIONS AND REMEDIES

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

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

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

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

10 (2) failure to maintain liability or workers' compensation insurance as
11 required by law;

12 (3) committing a deceptive act in commerce in violation of 9 V.S.A.
13 § 2453;

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

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

1 Sec. 15. IMPLEMENTATION

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

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

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

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

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

13 (4) Prior to April 1, 2024, the Office of Professional Regulation shall
14 not take any enforcement action for unauthorized practice under 26 V.S.A.
15 § 5510(a) against a residential contractor who fails to register as required by
16 this act.

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

1 Sec. 16. CREATION OF POSITIONS WITHIN THE OFFICE OF
2 PROFESSIONAL REGULATION; LICENSING

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

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

8 Sec. 17. ATTORNEY GENERAL; CONSUMER ASSISTANCE
9 PROGRAM; POSITION; APPROPRIATION

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

13 ~~(1) reducing, resolving, and assisting with consumer complaints~~
14 ~~concerning residential construction projects with a value of less than~~
15 ~~\$10,000.00; and~~

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

18 (2) providing education, outreach, and mediation to contractors and
19 consumers; and

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

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

4 Sec. 18. SECRETARY OF STATE; STATUS REPORT

5 On or before January 15, 2024, the Office of Professional Regulation shall
6 report to the House Committees on General, Housing, and Military Affairs and
7 on Government Operations and to the Senate Committees on Economic
8 Development, Housing and General Affairs and on Government Operations
9 concerning the implementation of 26 V.S.A. chapter 106, including:

10 (1) the number of registrations and certifications;

11 (2) the resources necessary to implement the chapter;

12 (3) the number and nature of any complaints or enforcement actions;

13 (4) the potential design and implementation of a one-stop portal for
14 contractors and consumers; and

15 (5) any other issues the Office deems appropriate.

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

17 § 4500. LEGISLATIVE INTENT

18 (a) The provisions of this chapter establishing legal standards, duties, and
19 requirements with respect to persons with disabilities in places of public
20 accommodation as defined in this chapter, except those provisions relating to
21 remedies, are intended to implement and to be construed so as to be consistent

1 with the Americans with Disabilities Act, 42 U.S.C. § 12101 et seq. and
2 regulations promulgated under that ~~act~~ Act, and are not intended to impose
3 additional or higher standards, duties, or requirements than that ~~act~~ Act.

4 (b) Subsections 4502(b) and (c) of this title shall not be construed to create
5 or impose on governmental entities additional or higher standards, duties, or
6 requirements than that imposed by Title II of the Americans with Disabilities
7 Act.

8 (c) The provisions of this chapter shall be construed liberally to accomplish
9 its remedial purposes and any exceptions and exemptions to the provisions of
10 this chapter shall be construed narrowly in order to maximize the deterrence of
11 discriminatory behavior.

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

13 § 4503. UNFAIR HOUSING PRACTICES

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

15 * * *

16 (2) To discriminate against, or to harass, any person in the terms,
17 conditions, privileges, and protections of the sale or rental of a dwelling or
18 other real estate, or in the provision of services or facilities in connection
19 ~~therewith~~ with a dwelling or other real estate, because of the race, sex, sexual
20 orientation, gender identity, age, marital status, religious creed, color, national
21 origin, or disability of a person, or because a person intends to occupy a

1 dwelling with one or more minor children, or because a person is a recipient of
2 public assistance, or because a person is a victim of abuse, sexual assault, or
3 stalking.

4 * * *

5 (d)(1) As used in this section, “harass” means to engage in unwelcome
6 conduct that detracts from, undermines, or interferes with the person’s terms,
7 conditions, privileges, or protections in the sale or rental of a dwelling or other
8 real estate, or in the provision of services or facilities in connection with a
9 dwelling or other real estate, because of the person’s race, sex, sexual
10 orientation, gender identity, age, marital status, religious creed, color, national
11 origin, or disability, or because the person intends to occupy a dwelling with
12 one or more minor children, or because the person is a recipient of public
13 assistance, or because the person is a victim of abuse, sexual assault, or
14 stalking.

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

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

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

4 (C) Conduct may constitute unlawful harassment, regardless of
5 whether:

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

7 (ii) the complaining person acquiesced or otherwise submitted to
8 or participated in the conduct;

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

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

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

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

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

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

21 PENDING

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

5 “If this property is your primary residence, you may be able to get help with
6 delinquent property tax and utility payments through the Vermont Homeowner
7 Assistance Program (VHAP). VHAP can help you avoid tax sale and transfer
8 of your property by paying delinquent property taxes, water and sewer charges,
9 interest, and penalties.

10 You can apply for VHAP online at vermonthap.vhfa.org. For advice about the
11 program and help completing the application, call Vermont Legal Aid at 1-
12 800-889-2047.

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

15 (b) A notice of sale to a delinquent taxpayer pursuant to 32 V.S.A.
16 § 5252(a)(3) shall include the notice in subsection (a) of this section.

17 (c) If a town or municipality has sold a delinquent taxpayer’s property
18 pursuant to 32 V.S.A. § 5254 prior to the effective date of this section, but the
19 deed conveying title to the purchaser has not yet been executed pursuant to
20 32 V.S.A. § 5261, not later than 30 days from the effective date of this section.

1 the town or municipality shall mail to the delinquent taxpayer's last known
2 address the notice in subsection (a) of this section.

3 (d)(1) A homeowner who has applied for VHAP may request a stay of the
4 tax sale process or extension of the redemption period while the VHAP
5 application is pending by attesting to the municipality that the homeowner has
6 made a good faith application for VHAP funds in connection with the
7 homeowner's primary residence.

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

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

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

13 or

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

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

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

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

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

2 or

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

4 (2) If payment is issued for the redemption amount, the deed shall not be
5 made to the purchaser, but the sums shall be paid to the purchaser pursuant to
6 32 V.S.A. § 5260.

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

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

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

12 § 12. VERMONT LAND ACCESS AND OPPORTUNITY BOARD

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

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

20 * * * Vermont Rental Housing Investment Program;

21 Accessory Dwelling Units * * *

1 ~~Sec. 29. Sec. 9 of S.210 (2022), as enacted, is amended to read:~~

2 ~~Subchapter 3. Housing; Investments~~

3 ~~§ 699. VERMONT RENTAL HOUSING INVESTMENT PROGRAM~~

4 ~~* * *~~

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

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

9 ~~(2) New accessory dwelling. The unit will be a newly created accessory~~
10 ~~dwelling unit that meets the requirements of 24 V.S.A. § 4412(1)(E), provided~~
11 ~~that the unit is not used as a short term rental, as defined in 18 V.S.A. § 4301.~~

12 ~~* * *~~

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

14 ~~(1) A grant or loan shall not exceed \$30,000.00 per unit:~~

15 ~~(A) \$30,000.00 to rehabilitate an existing unit; or~~

16 ~~(B) \$50,000 to create a new accessory dwelling unit.~~

17 ~~* * *~~

18 ~~Sec. 30. Sec. 15(b)(3) of S.210 (2022), as enacted, is amended to read:~~

19 ~~(3) \$20,000,000.00 to the Department of Housing and Community~~
20 ~~Development to implement the Vermont Rental Housing Investment Program~~

1 ~~created in 10 V.S.A. § 699, provided that the Department shall allocate 25~~
2 ~~percent of the funds for accessory dwelling units as follows:~~

3 ~~(A) the Department may use not more than 20 percent of the funding~~
4 ~~available for accessory dwelling units to facilitate a statewide education and~~
5 ~~navigation system to assist homeowners with designing, financing, permitting,~~
6 ~~and constructing accessory dwelling units; and~~

7 ~~(B) the Department shall use any remaining funds for accessory~~
8 ~~dwelling units for financial incentives or other financial supports to~~
9 ~~homeowners developing accessory dwelling units.~~

10
11 Sec. 23. EFFECTIVE DATES

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

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15
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20
21 (Committee vote: _____)

1

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Representative _____

3

FOR THE COMMITTEE