

1 TO THE HONORABLE SENATE:

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

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

9 Sec. 1. 20 V.S.A. chapter 173 is redesignated and amended to read:

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

12 * * *

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

15 * * *

16 § 2729. GENERAL PROVISIONS; FIRE SAFETY; CARBON MONOXIDE

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

20 (b) A person shall not maintain, keep or operate any premises or any part
21 thereof, or cause or permit to be maintained, kept, or operated, any premises or

1 part thereof, under his or her control or ownership in a manner that causes or is
2 likely to cause harm to other persons or property in case of fire or generation
3 and leakage of carbon monoxide.

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

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

15 § 2730. DEFINITIONS

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

17 * * *

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

21 * * *

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

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

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

9 * * *

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

12 * * *

13 (f) “Rental housing” means a “dwelling unit” as defined in 9 V.S.A. § 4451
14 and a “short-term rental” as defined in 18 V.S.A. § 4301.

15 § 2731. RULES; INSPECTIONS; VARIANCES

16 (a) Rules.

17 (1) The Commissioner is authorized to adopt rules regarding the
18 construction, health, safety, sanitation, and fitness for habitation of buildings,
19 maintenance and operation of premises, and prevention of fires and removal of
20 fire hazards, and to prescribe standards necessary to protect the public,

1 employees, and property against harm arising out of or likely to arise out of
2 fire.

3 * * *

4 (b) Inspections.

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

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

11 (3) When conducting an investigation of rental housing, the
12 Commissioner shall:

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

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

16 (ii) specifies the requirements and timelines necessary to correct a
17 violation;

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

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

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

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

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

11 (C) if an entire building is affected by a violation, provide a notice of
12 inspection, either directly to the individual tenants or posted in a common area,
13 that specifies:

14 (i) the date of the inspection;

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

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

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

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

1 (c) Fees. The following fire prevention and building code fees are
2 established:

3 (1) The permit application fee for a construction plan approval shall be
4 based on \$8.00 per each \$1,000.00 of the total valuation of the construction
5 work proposed to be done for all buildings, but in no event shall the permit
6 application fee exceed \$185,000.00 nor be less than \$50.00.

7 (2) When an inspection is required due to the change in use or
8 ownership of a public building, the fee shall be \$125.00.

9 (3) The proof of inspection fee for fire suppression, alarm, detection,
10 and any other fire protection systems shall be \$30.00.

11 (4) Three-year initial certificate of fitness and renewal fees for
12 individuals performing activities related to fire or life safety established under
13 subsection (a) of this section shall be:

14 (A) Water-based fire protection system design:

15 (i) Initial certification: \$150.00.

16 (ii) Renewal: \$50.00.

17 (B) Water-based fire protection system installation, maintenance,
18 repair, and testing:

19 (i) Initial certification: \$115.00.

20 (ii) Renewal: \$50.00.

21 (C) Gas appliance installation, inspection, and service: \$60.00.

1 (D) Oil burning equipment installation, inspection, and service:

2 \$60.00.

3 (E) Fire alarm system inspection and testing: \$90.00.

4 (F) Limited oil burning equipment installation, inspection, and

5 service: \$60.00.

6 (G) Domestic water-based fire protection system installation,

7 maintenance, repair, and testing:

8 (i) Initial certification: \$60.00.

9 (ii) Renewal: \$20.00.

10 (H) Fixed fire extinguishing system design, installation, inspection,

11 servicing, and recharging:

12 (i) Initial certification: \$60.00.

13 (ii) Renewal: \$20.00.

14 (I) Emergency generator installation, maintenance, repair, and

15 testing: \$30.00;

16 (J) Chimney and solid fuel burning appliance cleaning, maintenance,

17 and evaluation: \$30.00.

18 (d) Permit processing. The Commissioner shall make all practical efforts
19 to process permits in a prompt manner. The Commissioner shall establish time
20 limits for permit processing as well as procedures and time periods within
21 which to notify applicants whether an application is complete.

1 (e) Variances; exemptions. Except for any rules requiring the education
2 module regarding the State’s energy goals described in subdivision (a)(2) of
3 this section, the Commissioner may grant variances or exemptions from rules
4 adopted under this subchapter where strict compliance would entail practical
5 difficulty, unnecessary hardship, or is otherwise found unwarranted, provided
6 that:

7 (1) any such variance or exemption secures the public safety and health;

8 (2) any petitioner for such a variance or exemption can demonstrate that
9 the methods, means, or practices proposed to be taken in lieu of compliance
10 with the rule or rules provide, in the opinion of the Commissioner, equal
11 protection of the public safety and health as provided by the rule or rules;

12 (3) the rule or rules from which the variance or exemption is sought has
13 not also been adopted as a rule or standard under 21 V.S.A. chapter 3,
14 subchapters 4 and 5; and

15 (4) any such variance or exemption does not violate any of the
16 provisions of 26 V.S.A. chapters 3 and 20 or any rules adopted thereunder.

17 * * *

18 § 2733. ORDERS TO REPAIR, REHABILITATE, OR REMOVE

19 STRUCTURE

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

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

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

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

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

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

10 § 2734. PENALTIES

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

13 (2) The ~~state's attorney~~ State's Attorney of the county in which such
14 violation occurs shall prosecute the violation and may commence a proceeding
15 in the ~~superior court~~ Superior Court to compel compliance with such order or
16 rule, and such court may make orders and decrees therein by way of writ of
17 injunction or otherwise.

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

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

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

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

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

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

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

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

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

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

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

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

17 * * *

18 § 2738. FIRE PREVENTION AND BUILDING INSPECTION SPECIAL

19 FUND

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

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

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

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

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

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

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

14 (c) The ~~commissioner of finance and management~~ Commissioner of
15 Finance and Management may anticipate receipts to this fund and issue
16 warrants based thereon.

17 * * *

18 * * * State Rental Housing Registry; Registration Requirement * * *

19 Sec. 2. 3 V.S.A. § 2478 is added to read:

20 § 2478. STATE RENTAL HOUSING REGISTRY; HOUSING DATA

1 (a) The Department of Housing and Community Development, in
2 coordination with the Division of Fire Safety, the Department of Health, the
3 Enhanced 911 Board, and the Department of Taxes, shall create and maintain a
4 registry of the rental housing in this State, which includes a “dwelling unit” as
5 defined in 9 V.S.A. § 4451 and a “short-term rental” as defined in 18 V.S.A.
6 § 4301.

7 (b) The Department of Housing and Community Development shall require
8 for each unit that is registered the following data:

9 (1) the name of the owner or landlord;

10 (2) phone number, electronic mail, and mailing address of the landlord,
11 as available;

12 (3) location of the unit;

13 (4) year built;

14 (5) type of rental unit;

15 (6) number of units in the building;

16 (7) school property account number;

17 (8) accessibility of the unit; and

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

19 (c) Upon request of the Department of Housing and Community
20 Development, and at least annually, a municipal, district, or other local
21 government entity that operates a rental housing health and safety program that

1 requires registration of a rental housing unit and a fee for inclusion on the
2 registry shall provide to the Department the data for each unit that is required
3 pursuant to subsection (b) of this section.

4 (d) The registry, and data collected by the registry, shall be protected
5 pursuant to 1 V.S.A. § 317 (c)(2) and may only be released to specifically
6 designated persons who in the discretion of the Department, shall use such data
7 to further the public good. Registry data may not be disclosed to entities for the
8 purposes of solicitation campaigns without express authority granted by the
9 Department. Data about a specific unit may be disclosed to the owner or
10 operator of the rental unit regulated by the registry for the purpose of
11 informing the owner or operator of their registry status.

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

13 § 2479. RENTAL HOUSING REGISTRATION

14 (a) Except as provided in subsection (c) of this section, an owner of rental
15 housing that is subject to 9 V.S.A. chapter 137 shall:

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

18 (2) within 30 days of filing the certificate, register, provide the
19 information required by subsection 2478(b) of this title, and pay to the
20 Department of Housing and Community Development an annual registration

1 fee of \$35.00 per rental unit, unless the owner has within the preceding
2 12 months:

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

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

7 (b) Except as provided in subsection (c) of this section, an owner of a
8 short-term rental, as defined in 18 V.S.A. § 4301, shall, annually, within
9 30 days of renting a unit, register with and pay to the Department of Housing
10 and Community Development an annual registration fee of \$35.00 per rental
11 unit, unless the owner has within the preceding 12 months:

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

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

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

20 (2) An owner of a mobile home lot within a mobile home park who has
21 registered the lot with the Department and who owns a mobile home on the lot

1 that is available for rent or rented shall register the property with the
2 Department and pay a fee equal to the fee required by subdivision (a)(2) of this
3 section less any fee paid within the previous 12 months pursuant to 10 V.S.A.
4 § 6254(c).

5 (3) An owner of a mobile home who rents the mobile home, whether
6 located in a mobile home park, shall register pursuant to this section.

7 (d) An owner of rental housing who fails to register pursuant to this section
8 shall pay a late registration fee of \$150.00 and may be subject to administrative
9 penalties not to exceed \$5,000.00 for each violation.

10 * * * Positions Authorized * * *

11 Sec. 4. DEPARTMENT OF PUBLIC SAFETY; POSITIONS

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

16 Sec. 5. DEPARTMENT OF HOUSING AND COMMUNITY
17 DEVELOPMENT; POSITIONS

18 (a) The Department of Housing and Community Development is
19 authorized to create one-and-a-half full-time classified positions to administer
20 and enforce the registry requirements created in 3 V.S.A. § 2478 and one full-
21 time classified position to enforce compliance with registry requirements.

1 (b) It is the intent of the General Assembly to fund the implementation of
2 the provisions in this act from the registration fees collected by the Department
3 of Housing and Community Development pursuant to 3 V.S.A. § 2479.

4 * * * Conforming Changes to Current Law Governing the Department of
5 Health, State Board of Health, and Local Health Officials * * *

6 Sec. 6. 18 V.S.A. chapter 11 is amended to read:

7 CHAPTER 11. LOCAL HEALTH OFFICIALS

8 * * *

9 § 602a. DUTIES OF LOCAL HEALTH OFFICERS

10 ~~(a)~~ A local health officer, within his or her jurisdiction, shall:

11 (1) ~~upon request of a landlord or tenant, or~~ upon receipt of information
12 regarding a condition that may be a public health hazard, conduct an
13 investigation;

14 (2) enforce the provisions of this title, the rules promulgated, and
15 permits issued thereunder;

16 (3) prevent, remove, or destroy any public health hazard; or mitigate any
17 significant public health risk in accordance with the provisions of this title;

18 (4) in consultation with the Department, take the steps necessary to
19 enforce all orders issued pursuant to chapter 3 of this title; and

20 (5) have the authority to assist the Division of Fire Safety in inspecting
21 rental housing pursuant to 20 V.S.A. chapter 173, subchapter 2, provided that

1 if the local health officer inspects a rental property without an inspector from
2 the Division, the offer shall issue an inspection report in compliance with 20
3 V.S.A § 2731(b).

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

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

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

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

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

20 ~~(B) specify the requirements and timelines necessary to correct a~~
21 ~~violation;~~

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

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

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

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

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

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

20 ~~(4) If an entire property is affected by a violation, the local health officer~~
21 ~~shall post a copy of the inspection report in a common area of the property and~~

1 ~~include a prominent notice that the report shall not be removed until authorized~~
2 ~~by the local health officer.~~

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

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

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

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

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

20 ~~(e) If a local health officer fails to conduct an investigation pursuant to~~
21 ~~section 602a of this title or fails to issue an inspection report pursuant to this~~

1 ~~section, a landlord or tenant may request that the Department, at its discretion,~~
2 ~~conduct an investigation or contact the local board of health to take action.~~

3 [Repealed.]

4 * * *

5 * * * Transition Provisions * * *

6 Sec. 7. RENTAL HOUSING HEALTH AND SAFETY; TRANSITION
7 PROVISIONS

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

9 (1) Until the Commissioner of Public Safety adopts rules governing
10 rental housing health and safety pursuant to 20 V.S.A. § 2731, the Department
11 of Health, local officials authorized by law, and the Department of Public
12 Safety have concurrent authority to enforce the Vermont Rental Housing
13 Health Code adopted by the Department of Health pursuant to 18 V.S.A.
14 § 102, 3 V.S.A. § 3003(a), and 3 V.S.A. § 801(b)(11).

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

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

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

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

6 **(2) the Department of Public Safety and local officials have concurrent**
7 **authority to enforce State and local laws governing rental housing health and**
8 **safety pursuant to 18 V.S.A. chapter 11; 20 V.S.A. chapter 173, subchapter 2;**
9 **24 V.S.A. chapters 83 and 123; and applicable municipal law; and**

10 **(3) the Department of Health, the State Board of Health, and local health**
11 **officials have concurrent authority to enforce State and local laws governing**
12 **public health hazards and public health risks, as those terms are defined in**
13 **18 V.S.A. § 2, pursuant to 18 V.S.A. chapters 1, 3, and 11.**

14 * * * Vermont Housing Investments * * *

15 Sec. 8. VERMONT RENTAL HOUSING INVESTMENT PROGRAM;

16 PURPOSE

17 **(a) Recognizing that Vermont’s rental housing stock is some of the oldest**
18 **in the country and that much of it needs to be updated to meet code**
19 **requirements and other standards, the Vermont Rental Housing Investment**
20 **Program is intended to incentivize private apartment owners to make**
21 **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. The Department of Housing and Community
10 Development shall design and implement a Vermont Rental Housing
11 Investment Program, through which the Department shall award funding to
12 statewide or regional non-profit housing organizations, or both, to provide
13 grants and forgivable loans to private landlords for the rehabilitation and
14 weatherization of eligible rental housing units.

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

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

19 (2) Vacant. The unit has not been leased or occupied for at least 90 days
20 prior to the date of application and remains unoccupied on the date of the
21 award.

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

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

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

7 (2) an award process that ensures equitable selection of landlords; and

8 (3) a grants and loan management system that ensures accountability for
9 funds awarded.

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

11 (1) A grant or loan shall not exceed \$30,000 per unit.

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

14 (3) A project shall include a weatherization component.

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

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

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

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

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

8 (B) If, upon petition of the landlord, the Department or the housing
9 organization that issued the grant determines that a household exiting
10 homelessness is not available to lease the unit, then the landlord shall lease the
11 unit:

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

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

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

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

1 (4)(A) A landlord may convert a grant to a forgivable loan upon
2 approval of the Department and the housing organization that approved the
3 grant.

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

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

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

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

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

18 (g) A lien for a grant converted to a loan or for a forgivable loan issued
19 pursuant to this section:

1 (1) is subordinate to a lien on the property in existence at the time the
2 lien for rehabilitation and weatherization of the rental housing unit is filed in
3 the land records; and

4 (2) is subordinate to a first mortgage on the property recorded after such
5 filing.

6 * * * Appropriations * * *

7 Sec. 10. APPROPRIATIONS

8 (a) The amount of \$200,000.00 is appropriated from the General Fund to
9 the Department of Housing and Community Development as one-time start-up
10 funding to assist in creating the rental housing registry created in 3 V.S.A.
11 § 2478 and to fund the positions authorized in Sec. 5 of this act.

12 (b) The amount of \$200,000.00 is appropriated from the General Fund to
13 the Division of Fire Safety as one-time start-up funding for the positions
14 authorized in Sec. 4 of this act.

15 (c) From the amounts collected from rental housing registration fees
16 pursuant to 3 V.S.A. § 2479, the Commissioner of Finance and Management
17 shall allocate:

18 (1) \$200,000.00 to the Department of Housing and Community
19 Development to assist in creating the rental housing registry created in
20 3 V.S.A. § 2478 and to fund the positions authorized in Sec. 5 of this act; and

1 (2) \$345,691.00 to the Division of Fire Safety to assist in funding the
2 positions authorized in Sec. 4 of this act.

3 (d) The amount of \$3,000,000.00 is appropriated from the General Fund to
4 the Department of Housing and Community Development to provide grants
5 and loans through the Vermont Rental Housing Investment Program created in
6 10 V.S.A. § 699.

7 * * * Effective Dates * * *

8 Sec. 11. EFFECTIVE DATES

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

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

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

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

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

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

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

16 (2) Sec. 5 (DHCD positions);

17 (3) Secs. 8-9 (housing investment programs).

18 (4) Sec. 10 (appropriations).

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

20
21

1
2
3
4
5
6
7
8
9

(Committee vote: _____)

Senator _____

FOR THE COMMITTEE