

1 TO THE HOUSE OF REPRESENTATIVES:

2 The Committee on Judiciary to which was referred House Bill No. 551
3 entitled “An act relating to prohibiting racially and religiously restrictive
4 covenants in deeds” respectfully reports that it has considered the same and
5 recommends that the bill be amended by striking out all after the enacting
6 clause and inserting in lieu thereof the following:

7 Sec. 1. LEGISLATIVE INTENT

8 While racially and religiously restrictive covenants have been held
9 unenforceable by courts since the U.S. Supreme Court’s 1948 decision in
10 Shelley v. Kramer, 344 U.S. 1 (1948), no State law currently exists to render
11 these covenants void and to put an end to what was an invidious, historical
12 practice of discrimination in the United States. This practice was responsible,
13 in part, for preventing persons of racial and religious minority backgrounds
14 from fully participating in one of the greatest expansions of wealth and
15 prosperity in this country’s history through federally backed mortgages and
16 freely available homeownership. It is the intent of the General Assembly that
17 this act prohibit racially and religiously restrictive covenants from ever being
18 used in Vermont again, regardless of their enforceability, and that it ensure that
19 existing racially and religiously restrictive covenants remain in municipal land
20 records to preserve the historical record and maintain critical evidence of a

1 pervasive system of discrimination that existed in Vermont and throughout the
2 country.

3 Sec. 2. 27 V.S.A. § 546 is added to read:

4 § 546. RACIALLY AND RELIGIOUSLY RESTRICTIVE COVENANTS IN
5 DEEDS PROHIBITED

6 (a) A deed, mortgage, plat, or other recorded device recorded on or after
7 July 1, 2022 shall not contain a covenant, easement, or any other restrictive or
8 reversionary interest purporting to restrict the ownership or use of real property
9 on the basis of race or religion.

10 (b) A covenant, easement, or any other restrictive or reversionary interest in
11 a deed, mortgage, plat, or other recorded device purporting to restrict the
12 ownership or use of real property on the basis of race or religion is declared
13 contrary to the public policy of the State of Vermont and shall be void and
14 unenforceable. This subdivision shall apply to a restrictive covenant executed
15 at any time.

16 Sec. 3. EFFECTIVE DATE

17 This act shall take effect on July 1, 2022.

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19 (Committee vote: _____)

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Representative _____

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FOR THE COMMITTEE