

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 remove
11 or render these covenants void and to put an end to what was an invidious,
12 historical practice of discrimination in the United States. This practice was
13 responsible, in part, for preventing persons of racial and religious minority
14 backgrounds from fully participating in one of the greatest expansions of
15 wealth and prosperity in this country’s history through federally backed
16 mortgages and freely available homeownership. It is the intent of the General
17 Assembly that this act prohibit racially and religiously restrictive covenants
18 from ever being used in Vermont again, regardless of their enforceability, and
19 that it ensure that existing racially and religiously restrictive covenants remain
20 in municipal land records to preserve the historical record and maintain critical

1 evidence of a pervasive system of discrimination that existed in Vermont and
2 throughout the 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)(1) 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 (2) A covenant, easement, or any other restrictive or reversionary
11 interest in a deed, mortgage, plat, or other recorded device purporting to
12 restrict the ownership or use of real property on the basis of race or religion is
13 declared contrary to the public policy of the State of Vermont and shall be void
14 and unenforceable. This subdivision shall apply to a restrictive covenant
15 executed at any time.

16 (b) This section shall not be construed to remove racially or religiously
17 restrictive covenants that exist in municipal land records as of the effective
18 date of this act.

19 Sec. 3. EFFECTIVE DATE

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

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1 (Committee vote: _____)

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Representative _____

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FOR THE COMMITTEE