

1 H.829

2 An act relating to long-term housing solutions

3 It is hereby enacted by the General Assembly of the State of Vermont:

4 * * * Housing Programs * * *

5 Sec. 1. LEGISLATIVE INTENT; HOUSING INVESTMENT

6 (a) Legislative intent. It is the intent of the General Assembly that, as
7 funds are available, approximately \$900,000,000.00 will be appropriated from
8 the General Fund over fiscal years 2026 through 2034 to fund programs that
9 advance a long-term solution to Vermont’s housing shortage. These funds will
10 support programs that reach a broad spectrum of Vermont residents, including
11 low-income and middle-income Vermonters, families and individuals
12 experiencing homelessness, individuals with disabilities, older Vermonters,
13 individuals in recovery, farmworkers, individuals facing eviction, and
14 Vermonters living in substandard housing. Through sustained funding and
15 annual investments, the General Assembly intends to implement this
16 comprehensive and strategic housing plan that yields permanent affordable
17 housing for Vermonters and for communities in all 14 counties.

18 (b) Programs. Funds appropriated consistent with subsection (a) of this
19 section shall include:

20 (1) the Vermont Housing and Conservation Board’s programs:

1 (A) to provide support and enhance capacity for the production and
2 preservation of affordable rental housing and homeownership units, including
3 support for manufactured home communities, permanent homes for those
4 experiencing homelessness, recovery residences, and housing available to farm
5 workers, refugees, or individuals with disabilities who are eligible to receive
6 Medicaid-funded home and community based services;

7 (B) to fund the construction and preservation of emergency shelter
8 for households experiencing homelessness; and

9 (C) to fund permanent supportive housing;

10 (2) the Vermont Housing Improvement Program;

11 (3) the Land Access and Opportunity Board;

12 (4) the State Refugee Office;

13 (5) the Resident Services Program;

14 (6) the Middle-Income Homeownership Development Program;

15 (7) the Manufactured Home Improvement and Repair Program;

16 (8) the Office of Economic Opportunity; and

17 (9) eviction prevention initiatives.

18 (c) Additional funding. In addition to the appropriations in subsection (a)
19 of this section, it is the intent of the General Assembly to support funding for
20 temporary emergency housing until such time as is no longer necessary.

1 Sec. 1a. 10 V.S.A. § 322 is amended to read:

2 § 322. ALLOCATION SYSTEM

3 (a) In determining the allocation of funds available for the purposes of this
4 chapter, the Board shall give priority to projects that combine the dual goals of
5 creating affordable housing and conserving and protecting Vermont's
6 agricultural land, historic properties, important natural areas or recreation lands
7 and also shall consider, but not be limited to, the following factors:

8 (1) the need to maintain balance between the dual goals in allocating
9 resources;

10 (2) the need for a timely response to unpredictable circumstances or
11 special opportunities to serve the purposes of this chapter;

12 (3) the level of funding or other participation by private or public
13 sources in the activity being considered for funding by the Board;

14 (4) what resources will be required in the future to sustain the project;

15 (5) the need to pursue the goals of this chapter without displacing lower
16 income Vermonters;

17 (6) the long-term effect of a proposed activity and, with respect to
18 affordable housing, the likelihood that the activity will prevent the loss of
19 subsidized housing units and will be of perpetual duration;

20 (7) geographic distribution of funds; and

21 (8) the need to timely address Vermont's affordable housing crisis.

1 (b) The Board's allocation system shall include a method, defined by rule,
2 that evaluates the need for, impact, and quality of activities proposed by
3 applicants.

4 Sec. 2. 10 V.S.A. § 699 is amended to read:

5 § 699. VERMONT RENTAL HOUSING IMPROVEMENT PROGRAM

6 (a) Creation of Program.

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

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

16 (3) A landlord shall not offer a unit created through the Program as a
17 short-term rental, as defined in 18 V.S.A. § 4301, for the period a grant or loan
18 agreement is in effect.

19 (4) The Department may utilize a reasonable percentage, up to a cap of
20 five percent, of appropriations made to the Department for the Program to
21 administer the Program.

1 the unit is being rehabilitated or newly created, whether the project includes
2 accessibility improvements, and whether the unit is being converted from
3 nonresidential to residential purposes.

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

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

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

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

12 (6) The identity of a recipient ~~and~~, the amount of a grant or forgivable
13 loan, the year in which the grant or forgivable loan was extended, and the year
14 in which any affordability covenant ends are public records that shall be
15 available for public copying and inspection and the Department shall publish
16 this information at least quarterly on its website.

17 (7) A project for rehabilitation or creation of an accessible unit may
18 apply funds to the creation of a parking spot for individuals with disabilities.

19 (e) Program requirements applicable to grants and five-year forgivable
20 loans. For a grant or five-year forgivable loan awarded through the Program,
21 the following requirements apply for a minimum period of five years:

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

3 (2)(A) Except as provided in subdivision (2)(B) of this subsection (e), a
4 landlord shall lease the unit to a household that is:

5 (i) exiting homelessness, including any individual under 25 years
6 of age who secures housing through a master lease held by a youth service
7 provider on behalf of individuals under 25 years of age; or

8 (ii) actively working with an immigrant or refugee resettlement
9 program; or

10 (iii) composed of at least one individual with a disability who is
11 eligible to receive Medicaid-funded home and community based services.

12 (B) If, upon petition of the landlord, the Department or the housing
13 organization that issued the grant determines that a household ~~exiting~~
14 ~~homelessness~~ under subdivision (2)(A) of this subsection (e) is not available to
15 lease the unit, then the landlord shall lease the unit:

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

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

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

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

5 (4)(A) A landlord may convert a grant to a forgivable loan upon
6 approval of the Department and the housing organization that approved the
7 grant.

8 (B) A landlord who converts a grant to a forgivable loan shall receive
9 a ~~10-percent~~ prorated credit for loan forgiveness for each year in which the
10 landlord participates in the ~~grant program~~ Program.

11 (f) Requirements applicable to 10-year forgivable loans. For a 10-year
12 forgivable loan awarded through the Program, the following requirements
13 apply for a minimum period of 10 years:

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

16 (2)(A) Except as provided in subdivision (2)(B) of this subsection (f), a
17 landlord shall lease the unit to a household that is:

18 (i) exiting homelessness, including any individual under 25 years
19 of age who secures housing through a master lease held by a youth service
20 provider on behalf of individuals under 25 years of age;

1 (ii) actively working with an immigrant or refugee resettlement
2 program; or

3 (iii) composed of at least one individual with a disability who is
4 eligible to receive Medicaid-funded home and community based services.

5 (B) If, upon petition of the landlord, the Department or the housing
6 organization that issued the grant determines that a household under
7 subdivision (2)(A) of this subsection (f) is not available to lease the unit, then
8 the landlord shall lease the unit:

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

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

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

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

19 ~~(2)~~(4) The Department shall forgive 10 percent of the amount of a
20 forgivable loan for each year a landlord participates in the loan program.

21 * * *

1 Sec. 3. APPROPRIATION; VERMONT RENTAL HOUSING
2 IMPROVEMENT PROGRAM

3 The sum of \$1,000,000.00 is appropriated from the General Fund to the
4 Department of Housing and Community Development in fiscal year 2025 for
5 the Vermont Rental Housing Improvement Program established in 10 V.S.A.
6 § 699.

7 Sec. 4. 2023 Acts and Resolves No. 47, Sec. 36 is amended to read:

8 Sec. 36. MIDDLE-INCOME HOMEOWNERSHIP DEVELOPMENT
9 PROGRAM

10 * * *

11 (d) The total amount of subsidies for a project shall not exceed 35 percent
12 of eligible development costs, as determined by the Agency, ~~which the~~ at the
13 time of approval of the project, unless the Agency later determines that the
14 project will not result in affordable owner-occupied housing for income-
15 eligible homebuyers without additional subsidy, in which case the Agency
16 may, at its discretion, reasonably exceed this limitation and only to the extent
17 required to achieve affordable owner-occupied housing. The Agency may
18 shall allocate subsidies consistent with the following:

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

1 Sec. 5. REPEAL

2 2023 Acts and Resolves No. 47, Sec. 37 (middle-income homeownership;
3 implementation) is repealed.

4 Sec. 6. APPROPRIATION; LAND ACCESS AND OPPORTUNITY BOARD

5 The sum of \$1,000,000.00 is appropriated from the General Fund to the
6 Vermont Housing and Conservation Board in fiscal year 2025 to administer
7 and support the Land Access and Opportunity Board.

8 Sec. 7. APPROPRIATION; VERMONT HOUSING AND CONSERVATION
9 BOARD; PERPETUALLY AFFORDABLE HOUSING

10 The sum of \$7,300,000.00 is appropriated from the General Fund to the
11 Vermont Housing and Conservation Board in fiscal year 2025 for the
12 following purposes:

13 (1) to provide support and enhance capacity for the production and
14 preservation of affordable rental housing and homeownership units, including
15 support for manufactured home communities, permanent homes for those
16 experiencing homelessness, recovery residences, and housing available to farm
17 workers, refugees, or individuals with disabilities who are eligible to receive
18 Medicaid-funded home and community based services;

19 (2) to fund the construction and preservation of emergency shelter for
20 households experiencing homelessness; and

21 (3) to fund permanent supportive housing.

1 Sec. 8. APPROPRIATION; STATE REFUGEE OFFICE; REFUGEE
2 HOUSING

3 The sum of \$900,000.00 is appropriated from the General Fund to the
4 Agency of Human Services' State Refugee Office for grants to support
5 transitional housing for refugees.

6 * * * Eviction Prevention Initiatives * * *

7 Sec. 9. APPROPRIATION; RENTAL HOUSING STABILIZATION
8 SERVICES

9 The sum of \$400,000.00 is appropriated from the General Fund to the
10 Office of Economic Opportunity within the Department for Children and
11 Families in fiscal year 2025 for a grant to the Champlain Valley Office of
12 Economic Opportunity for the Rental Housing Stabilization Services Program
13 established by 2023 Acts and Resolves No. 47, Sec. 43.

14 Sec. 10. APPROPRIATION; TENANT REPRESENTATION PILOT
15 PROGRAM

16 The sum of \$1,025,000.00 is appropriated from the General Fund to the
17 Agency of Human Services in fiscal year 2025 for a grant to Vermont Legal
18 Aid for the Tenant Representation Pilot Program established by 2023 Acts and
19 Resolves No. 47, Sec. 44.

1 Sec. 11. APPROPRIATION; RENT ARREARS ASSISTANCE FUND

2 The sum of \$2,500,000.00 is appropriated from the General Fund to the
3 Vermont State Housing Authority in fiscal year 2025 for the Rent Arrears
4 Assistance Fund established by 2023 Acts and Resolves No. 47, Sec. 45.

5 Sec. 12. RESIDENT SERVICES PROGRAM; APPROPRIATION

6 (a) The sum of \$700,000.00 is appropriated from the General Fund to the
7 Agency of Human Services in fiscal year 2025 for a grant to the Vermont
8 Housing and Conservation Board for the Resident Services Program
9 established by this section. The Agency shall work in coordination with the
10 Board to develop the Resident Services Program for the purpose of distributing
11 funds to eligible affordable housing organizations to respond to timely and
12 urgent resident needs and aid with housing retention.

13 (b) For purposes of this section, an “eligible affordable housing
14 organization” is a Vermont-based nonprofit or public housing organization that
15 makes available at least 15 percent of its affordable housing portfolio to, or a
16 Vermont-based nonprofit that provides substantial services to, families and
17 individuals experiencing homelessness, including those who require service
18 support or rental assistance to secure and maintain their housing, consistent
19 with the goal of Executive Order No. 03-16 (Publicly Funded Housing for the
20 Homeless).

1 Sec. 13. RENT PAYMENT REPORTING REPORT

2 (a) To facilitate the development of a pilot program for housing providers
3 to report tenant rent payments for inclusion in consumer credit reports, the
4 Office of the State Treasurer shall study:

5 (1) any entities currently facilitating landlord credit reporting;

6 (2) the number of landlords in Vermont utilizing rent payment software,
7 related software expenses, and the need for or benefit of utilizing software for
8 positive pay reporting;

9 (3) the impacts on tenants from rent payment reporting programs,
10 including, if feasible, data gathered from the Champlain Housing Trust's
11 program;

12 (4) any logistical steps the State must take to facilitate the program and
13 any associated administrative costs; and

14 (5) any other issues the Treasurer deems appropriate for facilitating the
15 development of the pilot program.

16 (b) On or before December 15, 2024, the Treasurer shall submit a report to
17 the Senate Committee on Economic Development, Housing and General
18 Affairs and the House Committee on General and Housing with its findings
19 and recommendations, which may be in the form of proposed legislation.

1 Sec. 13a. EVICTIONS; STUDY COMMITTEE; REPORT

2 (a) Creation. There is created the Evictions Study Committee to review the
3 causes of eviction in Vermont and propose legislation advancing eviction laws
4 responsive to Vermont's crises of housing and homelessness.

5 (b) Membership. The Committee is composed of the following members:

6 (1) three current members of the House of Representatives, not all from
7 the same political party, who shall be appointed by the Speaker of the House;

8 (2) three current members of the Senate, not all from the same political
9 party, who shall be appointed by the Committee on Committees;

10 (3) a representative of the Judiciary, appointed by the Chief Justice of
11 the Vermont Supreme Court;

12 (4) the Executive Director of Vermont Legal Aid or designee;

13 (5) a representative of the Vermont Landlord Association, appointed by
14 the Director of the Association; and

15 (6) one member, appointed by the Board of Directors of the Vermont
16 Community Action Partnership.

17 (c) Powers and duties. The Committee shall study Vermont's current
18 evictions process and propose modernizing evictions legislation based on an
19 analysis of the following issues:

20 (1) the empirical reality of Vermont's existing evictions process,
21 including:

1 (A) the existing statutory bases for eviction under 9 V.S.A. chapter
2 137 (residential rental agreements) and 10 V.S.A. chapter 153 (mobile home
3 parks);

4 (B) the bases on which landlords and mobile home park owners rely
5 in terminating tenancies, including:

6 (i) for terminations that involve an evictions proceeding, the bases
7 for eviction advanced by landlords and mobile home park owners and the
8 regularity of their usage;

9 (ii) for terminations that do not involve an evictions proceeding,
10 the asserted bases on which landlords and mobile home park owners rely and
11 the regularity of their usage; and

12 (iii) the relative proportion of terminations that occur under
13 subdivision (i) or (ii) of this subdivision (B);

14 (C) the procedures used by landlords and mobile home park owners
15 to terminate a tenancy, including termination processes used before, during,
16 and after commencement and judicial resolution of an evictions proceeding;

17 (D) the procedures used by tenants to defend themselves in evictions
18 proceedings;

19 (E) issues of judicial enforcement and administration arising from
20 existing evictions law, including issues leading to inconsistent enforcement
21 and administration of evictions laws across Vermont; and

1 (F) the effects of existing evictions and landlord-tenant laws on rates
2 of homelessness in Vermont; and

3 (2) models for evictions laws responsive to Vermont's crises of housing
4 and homelessness, whether drawn from other states, advocacy groups, State
5 departments or agencies, or industry groups.

6 (d) Assistance. For purposes of scheduling meetings and preparing
7 recommended legislation, the Committee shall have the assistance of the
8 Office of Legislative Operations and the Office of Legislative Counsel.

9 (e) Report. On or before December 15, 2024, the Committee shall report to
10 the House Committee on General and Housing and the Senate Committee on
11 Economic Development, Housing and General Affairs with its findings and
12 any recommendations for legislative action, which may be in the form of
13 proposed legislation.

14 (f) Meetings.

15 (1) The ranking member of the Senate shall call the first meeting of the
16 Committee to occur on or before August 31, 2024.

17 (2) The Committee shall select a chair from among its members at the
18 first meeting.

19 (3) A majority of the membership shall constitute a quorum.

20 (4) The Committee shall cease to exist upon submission of its
21 recommendations for legislative action and any findings to the House

1 Committee on General and Housing and the Senate Committee on Economic
2 Development, Housing and General Affairs.

3 (g) Compensation and reimbursement.

4 (1) For attendance at meetings during adjournment of the General
5 Assembly, a legislative member of the Committee serving in the member's
6 capacity as a legislator shall be entitled to per diem compensation and
7 reimbursement of expenses pursuant to 2 V.S.A. § 23 for not more than
8 12 meetings.

9 (2) Other members of the Committee shall be entitled to per diem
10 compensation and reimbursement of expenses as permitted under 32 V.S.A.
11 § 1010 for not more than 12 meetings

12 (3) Payments to members of the Committee authorized under this
13 subsection shall be made from monies appropriated to the General Assembly.

14 * * * Manufactured Homes * * *

15 Sec. 14. 2022 Acts and Resolves No. 182, Sec. 3, as amended by 2023 Acts
16 and Resolves No. 3, Sec. 75 and 2023 Acts and Resolves No. 78, Sec. C.119,
17 is further amended to read:

18 Sec. 3. MANUFACTURED HOME IMPROVEMENT AND
19 ~~REPLACEMENT~~ REPAIR PROGRAM

20 ~~(a) Of the amounts available from the American Rescue Plan Act (ARPA)~~
21 ~~recovery funds, \$4,000,000 is appropriated to the Department of Housing and~~

1 ~~Community Development for the purposes specified~~ Amounts appropriated to
2 the Department of Housing and Community Development for the
3 Manufactured Home Improvement and Repair Program shall be used for one
4 or more of the following purposes:

5 * * *

6 (b) The Department administers the Manufactured Home Improvement and
7 Repair Program and may utilize a reasonable percentage, up to a cap of five
8 percent, of appropriations made to the Department for the Program to
9 administer the Program.

10 (c) The Department may cooperate with and subgrant funds to State
11 agencies and governmental subdivisions and public and private organizations
12 in order to carry out the purposes of subsection (a) of this section.

13 Sec. 15. APPROPRIATION; OFFICE OF ECONOMIC OPPORTUNITY;

14 INDIVIDUALS EXPERIENCING HOMELESSNESS

15 The sum of \$2,700,000.00 is appropriated from the General Fund to the
16 Department for Children and Families' Office of Economic Opportunity in
17 fiscal year 2025 for grants, whether alone or in conjunction with federal
18 Emergency Solutions Grants, consistent with the HUD-recognized Continua of
19 Care Program to community agencies to assist individuals experiencing
20 homelessness by preserving existing services, increasing services, or
21 increasing resources available statewide.

1 Sec. 16. [Deleted.]

2 * * * Municipal Property Tax Exemption * * *

3 Sec. 17. 32 V.S.A. § 3847 is amended to read:

4 § 3847. NEIGHBORHOOD HOUSING IMPROVEMENT PROGRAMS

5 At an annual or special meeting, a municipality may vote to exempt in
6 whole or in part, for a period not exceeding five years, the municipal property
7 tax on the value of improvements made to principal or temporary dwelling
8 units with funds provided in whole or in part by a nonprofit, neighborhood, or
9 municipal housing improvement program that limits eligibility to residents
10 with incomes below the median income of the State. Such programs include
11 neighborhood housing services, Community Loan Funds, community land
12 trusts, neighborhood planning associations, and municipal housing
13 improvement programs.

14 * * * Property Transfer Tax * * *

15 Sec. 18. 32 V.S.A. § 9602 is amended to read:

16 § 9602. TAX ON TRANSFER OF TITLE TO PROPERTY

17 (a) A tax is hereby imposed upon the transfer by deed of title to property
18 located in this State, or a transfer or acquisition of a controlling interest in any
19 person with title to property in this State. The amount of the tax equals ~~one~~
20 ~~and one-quarter~~ 1.25 percent of the value of the property transferred up to

1 \$750,000.00 of value and 3.65 percent of the value of the property transferred
2 in excess of \$750,000.00, or \$1.00, whichever is greater, except as follows:

3 (1) With respect to the transfer of property to be used for the principal
4 residence of the transferee, the tax shall be imposed at the rate of ~~five tenths of~~
5 ~~one~~ 0.5 percent of the first ~~\$100,000.00~~ \$200,000.00 in value of the property
6 transferred and at the rate of ~~one and one quarter~~ 1.25 percent of the value of
7 the property transferred in excess of ~~\$100,000.00~~ \$200,000.00; except that no
8 tax shall be imposed on the first ~~\$110,000.00~~ \$250,000.00 in value of the
9 property transferred if the purchaser obtains a purchase money mortgage
10 funded in part with a homeland grant through the Vermont Housing and
11 Conservation Trust Fund or that the Vermont Housing and Finance Agency or
12 U.S. Department of Agriculture and Rural Development has committed to
13 make or purchase; and tax at the rate of ~~one and one quarter~~ 1.25 percent shall
14 be imposed on the value of that property in excess of ~~\$110,000.00~~
15 \$250,000.00. In all cases, the tax shall be imposed at the rate of 3.65 percent
16 of the value of the property transferred in excess of \$750,000.00.

17 (2) [Repealed.]

18 (3) With respect to the transfer to a housing cooperative organized under
19 11 V.S.A. chapter 7 and whose sole purpose is to provide principal residences
20 for all of its members or shareholders, or to an affordable housing cooperative
21 under 11 V.S.A. chapter 14, of property to be used as the principal residence of

1 a member or shareholder, the tax shall be imposed in the amount of ~~five tenths~~
2 ~~of one~~ 0.5 percent of the first ~~\$100,000.00~~ \$200,000.00 in value of the
3 residence transferred and at the rate of ~~one and one quarter~~ 1.25 percent of the
4 value of the residence transferred in excess of ~~\$100,000.00~~ \$200,000.00;
5 provided that the homesite leased by the cooperative is used exclusively as the
6 principal residence of a member or shareholder. If the transferee ceases to be
7 an eligible cooperative at any time during the six years following the date of
8 transfer, the transferee shall then become obligated to pay any reduction in
9 property transfer tax provided under this subdivision, and the obligation to pay
10 the additional tax shall also run with the land. In all cases, the tax shall be
11 imposed at the rate of 3.65 percent of the value of the property transferred in
12 excess of \$750,000.00.

13 (b) Each year on August 1, the Commissioner shall adjust the values taxed
14 at a lower rate under subdivisions (a)(1) and (3) of this section according to the
15 percent change in the Bureau of Labor Statistics Consumer Price Index for All
16 Urban Consumers (CPI-U) by determining the increase or decrease, to the
17 nearest 0.1 percent, for the month ending on June 30 in the calendar year one
18 year prior to the first day of the current fiscal year compared to the CPI-U for
19 the month ending on June 30 in the calendar year two years prior. The
20 Commissioner shall update the return required under section 9610 of this title
21 according to this adjustment.

1 Sec. 19. 32 V.S.A. § 9602a is amended to read:

2 § 9602a. CLEAN WATER SURCHARGE

3 There shall be a surcharge of ~~0.2~~ 0.22 percent on the value of property
4 subject to the property transfer tax under section 9602 of this title, except that
5 there shall be no surcharge on the first ~~\$100,000.00~~ \$200,000.00 in value of
6 property to be used for the principal residence of the transferee or the first
7 ~~\$200,000.00~~ \$250,000.00 in value of property transferred if the purchaser
8 obtains a purchase money mortgage funded in part with a homeland grant
9 through the Vermont Housing and Conservation Trust Fund or that the
10 Vermont Housing and Finance Agency or U.S. Department of Agriculture and
11 Rural Development has committed to make or purchase. The surcharge shall
12 be in addition to any tax assessed under section 9602 of this title. The
13 surcharge assessed under this section shall be paid, collected, and enforced
14 under this chapter in the same manner as the tax assessed under section 9602
15 of this title. The Commissioner shall deposit the surcharge collected under this
16 section in the Clean Water Fund under 10 V.S.A. § 1388, except for the first
17 \$1,000,000.00 of revenue generated by the surcharge, which shall be deposited
18 in the Vermont Housing and Conservation Trust Fund created in
19 10 V.S.A. § 312.

1 Sec. 20. 32 V.S.A. § 9602a is amended to read:

2 § 9602a. CLEAN WATER SURCHARGE

3 There shall be a surcharge of 0.04 percent on the value of property subject
4 to the property transfer tax under section 9602 of this title, except that there
5 shall be no surcharge on the first ~~\$100,000.00~~ \$200,000.00 in value of property
6 to be used for the principal residence of the transferee or the first ~~\$200,000.00~~
7 \$250,000.00 in value of property transferred if the purchaser obtains a
8 purchase money mortgage funded in part with a homeland grant through the
9 Vermont Housing and Conservation Trust Fund or that the Vermont Housing
10 and Finance Agency or U.S. Department of Agriculture and Rural
11 Development has committed to make or purchase. The surcharge shall be in
12 addition to any tax assessed under section 9602 of this title. The surcharge
13 assessed under this section shall be paid, collected, and enforced under this
14 chapter in the same manner as the tax assessed under section 9602 of this title.
15 The Commissioner shall deposit the surcharge collected under this section in
16 the Vermont Housing and Conservation Trust Fund created in 10 V.S.A. § 312.

17 Sec. 21. 32 V.S.A. § 9610(c) is amended to read:

18 (c) Prior to distributions of property transfer tax revenues under 10 V.S.A.
19 § 312, 24 V.S.A. § 4306(a), and subdivision 435(b)(10) of this title, ~~two~~ 1.5
20 percent of the revenues received from the property transfer tax shall be

1 deposited in a special fund in the Department of Taxes for Property Valuation
2 and Review administration costs.

3 Sec. 22. [Deleted.]

4 Sec. 23. 24 V.S.A. § 4306(a) is amended to read:

5 (a)(1) The Municipal and Regional Planning Fund for the purpose of
6 assisting municipal and regional planning commissions to carry out the intent
7 of this chapter is hereby created in the State Treasury.

8 (2) The Fund shall be composed of ~~47~~ 13 percent of the revenue
9 deposited from the property transfer tax under 32 V.S.A. chapter 231 and any
10 monies from time to time appropriated to the Fund by the General Assembly or
11 received from any other source, private or public. All balances at the end of
12 any fiscal year shall be carried forward and remain in the Fund. Interest earned
13 by the Fund shall be deposited in the Fund.

14 * * *

15 Sec. 24. 32 V.S.A. § 435(b) is amended to read:

16 (b) The General Fund shall be composed of revenues from the following
17 sources:

18 (1) alcoholic beverage tax levied pursuant to 7 V.S.A. chapter 15;

19 (2) [Repealed.]

20 (3) [Repealed.]

1 (4) corporate income and franchise taxes levied pursuant to chapter 151
2 of this title;

3 (5) individual income taxes levied pursuant to chapter 151 of this title;

4 (6) all corporation taxes levied pursuant to chapter 211 of this title;

5 (7) 69 percent of the meals and rooms taxes levied pursuant to chapter
6 225 of this title;

7 (8) [Repealed.]

8 (9) [Repealed.]

9 (10) ~~33~~ 37 percent of the revenue from the property transfer taxes levied
10 pursuant to chapter 231 of this title and the revenue from the gains taxes levied
11 each year pursuant to chapter 236 of this title; and

12 (11) [Repealed.]

13 (12) all other revenues accruing to the State not otherwise required by
14 law to be deposited in any other designated fund or used for any other
15 designated purpose.

16 Sec. 24a. ALLOCATIONS; PROPERTY TRANSFER TAX; FISCAL
17 YEAR 2025

18 This section contains the following amounts allocated to special funds that
19 receive revenue from the property transfer tax. These allocations shall not
20 exceed available revenues.

1 (1) The sum of \$575,662.00 is allocated from the Current Use
2 Administration Special Fund to the Department of Taxes for administration of
3 the Use Tax Reimbursement Program. Notwithstanding 32 V.S.A. § 9610(c),
4 amounts in excess of \$575,662.00 from the property transfer tax deposited into
5 the Current Use Administration Special Fund shall be transferred into the
6 General Fund.

7 (2)(A) Notwithstanding 10 V.S.A. § 312, amounts in excess of
8 \$22,106,740.00 from the property transfer tax and surcharge established by 32
9 V.S.A. § 9602a deposited into the Vermont Housing and Conservation Trust
10 Fund shall be transferred into the General Fund.

11 (B) The dedication of \$2,500,000.00 in revenue from the property
12 transfer tax pursuant to 32 V.S.A. § 9610(d) for the debt payments on the
13 affordable housing bond, pursuant to 10 V.S.A. § 314, shall be offset by the
14 reduction of \$1,500,000.00 in the appropriation to the Vermont Housing and
15 Conservation Board and \$1,000,000.00 from the surcharge established by 32
16 V.S.A. § 9602a. The fiscal year 2025 appropriation of \$22,106,740.00 to the
17 Vermont Housing and Conservation Board reflects the \$1,500,000.00
18 reduction. The affordable housing bond and related property transfer tax and
19 surcharge provisions are repealed after the life of the bond on July 1, 2039.
20 Once the bond is retired, the \$1,500,000.00 reduction in the appropriation to
21 the Vermont Housing and Conservation Board shall be restored.

1 (3) Notwithstanding 24 V.S.A. § 4306(a), amounts in excess of
2 \$7,772,373.00 from the property transfer tax deposited into the Municipal and
3 Regional Planning Fund shall be transferred into the General Fund. The
4 \$7,772,373.00 shall be allocated as follows:

5 (A) \$6,404,540.00 for disbursement to regional planning
6 commissions in a manner consistent with 24 V.S.A. § 4306(b);

7 (B) \$931,773.00 for disbursement to municipalities in a manner
8 consistent with 24 V.S.A. § 4306(b); and

9 (C) \$436,060.00 to the Agency of Digital Services for the Vermont
10 Center for Geographic Information.

11 Sec. 25. 32 V.S.A. § 9603 is amended to read:

12 § 9603. EXEMPTIONS

13 The following transfers are exempt from the tax imposed by this chapter:

14 * * *

15 (27)(A) Transfers of abandoned dwellings that the transferee certifies
16 will be rehabilitated for occupancy as principal residences and not as short-
17 term rentals as defined under 18 V.S.A. § 4301(a)(14), provided the
18 rehabilitation is completed and occupied not later than three years after the
19 date of the transfer. If three years after the date of transfer the rehabilitation
20 has not been completed and occupied, then the tax imposed by this chapter
21 shall become due.

1 (B) As used in this subdivision (27):

2 (i) “Abandoned” means real estate owned by a municipality and
3 acquired through condemnation or a tax sale, provided the real estate has
4 substandard structural or housing conditions, including unsanitary and unsafe
5 dwellings and deterioration sufficient to constitute a threat to human health,
6 safety, and public welfare.

7 (ii) “Completed” means rehabilitation of a dwelling to be fit for
8 occupancy as a principal residence.

9 (iii) “Principal residence” means a dwelling occupied by a resident
10 individual as the individual’s domicile during the taxable year and for a
11 property owner, owned, or for a renter, rented under a rental agreement other
12 than a short-term rental as defined under 18 V.S.A. § 4301(a)(14).

13 (iv) “Rehabilitation” means extensive repair, reconstruction, or
14 renovation of an existing dwelling beyond normal and ordinary maintenance,
15 painting, repairs, or replacements, with or without demolition, new
16 construction, or enlargement.

17 (28) Transfers of a new mobile home, as that term is defined in 10
18 V.S.A. § 6201(1), that bears a label evidencing greater energy efficiency
19 provided under the ENERGY STAR Program established in 42 U.S.C.
20 § 6294a.

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* * * Personal Income Tax * * *

Sec. 26. 32 V.S.A. § 5822 is amended to read:

§ 5822. TAX ON INCOME OF INDIVIDUALS, ESTATES, AND TRUSTS

(a) A tax is imposed for each taxable year upon the taxable income earned or received in that year by every individual, estate, and trust, subject to income taxation under the laws of the United States, in an amount determined by the following tables, and adjusted as required under this section:

(1) Married individuals filing joint returns and surviving spouses:

If taxable income is:	The tax is:
Not over \$64,600.00 <u>\$79,950.00</u>	3.35% of taxable income
Over \$64,600.00 <u>\$79,950.00</u> but not over \$156,150.00 <u>\$193,350.00</u>	\$2,164.00 <u>\$2,678.00</u> plus 6.6% of the amount of taxable income over \$64,600.00 <u>\$79,950.00</u>
Over \$156,150.00 <u>\$193,350.00</u> but not over \$237,950.00 <u>\$294,650.00</u>	\$8,206.00 <u>\$10,162.00</u> plus 7.6% of the amount of taxable income over \$156,150.00 <u>\$193,350.00</u>
Over \$237,950.00 <u>\$294,650.00</u> but <u>not over \$500,000.00</u>	\$14,423.00 <u>\$17,861.00</u> plus 8.75% of the amount of taxable income over \$237,950.00 <u>\$294,650.00</u>
<u>Over \$500,000.00</u>	<u>\$35,829.00</u> plus 11.75% of the

1 amount over \$500,000.00

2 (2) Heads of households:

3 If taxable income is:

The tax is:

4 Not over ~~\$51,850.00~~ \$64,150.00

3.35% of taxable income

5 Over ~~\$51,850.00~~ \$64,150.00 but

~~\$1,737.00~~ \$2,149.00 plus 6.6%

6 not over ~~\$133,850.00~~ \$165,700.00

of the amount of taxable income over

7

~~\$51,850.00~~ \$64,150.00

8 Over ~~\$133,850.00~~ \$165,700.00 but

~~\$7,149.00~~ \$8,851.00 plus 7.60%

9 not over ~~\$216,700.00~~ \$268,350.00

of the amount of taxable income over

10

~~\$133,850.00~~ \$165,700.00

11 Over ~~\$216,700.00~~ \$268,350.00

12 but not over \$455,350.00

~~\$13,446.00~~ \$16,652.00 plus 8.75%

13

of the amount of taxable income over

14

~~\$216,700.00~~ \$268,350.00

15 Over \$455,350.00

\$33,015.00 plus 11.75% of the

16

amount of taxable income over

17

\$455,350.00

18 (3) Unmarried individuals (other than surviving spouse or head of

19 household):

20 If taxable income is:

The tax is:

21 Not over ~~\$38,700.00~~ \$47,900.00

3.35% of taxable income

1	Over \$38,700.00 <u>\$47,900.00</u> but	\$1,296.00 <u>\$1,605.00</u> plus 6.6% of
2	not over \$93,700.00 <u>\$116,000.00</u>	the amount of taxable income over
3		\$38,700.00 <u>\$47,900.00</u>
4	Over \$93,700.00 <u>\$116,000.00</u> but	\$4,926.00 <u>\$6,100.00</u> plus 7.6%
5	not over \$195,450.00 <u>\$242,000.00</u>	of the amount of taxable income over
6		\$93,700.00 <u>\$116,000.00</u>
7	Over \$195,450.00 <u>\$242,000.00</u> but	
8	<u>not over \$410,650.00</u>	\$12,659.00 <u>\$15,676.00</u> plus 8.75%
9		of the amount of taxable income over
10		\$195,450.00 <u>\$242,000.00</u>
11	<u>Over \$410,650.00</u>	<u>\$30,433.00</u> plus 11.75% of the
12		<u>amount of taxable income over</u>
13		<u>\$410,650.00</u>
14	(4) Married individuals filing separate returns:	
15	If taxable income is:	The tax is:
16	Not over \$32,300.00 <u>\$39,975.00</u>	3.35% of taxable income
17	Over \$32,300.00 <u>\$39,975.00</u> but	\$1,082.00 <u>\$1,339.00</u> plus 6.6% of
18	not over \$78,075.00 <u>\$96,675.00</u>	the amount of taxable income over
19		\$32,300.00 <u>\$39,975.00</u>
20	Over \$78,075.00 <u>\$96,675.00</u> but	\$4,103.00 <u>\$5,081.00</u> plus 7.6%
21	not over \$118,975.00 <u>\$147,325.00</u>	of the amount of taxable income over

1		\$78,075.00 <u>\$96,675.00</u>
2	Over \$118,975.00 <u>\$147,325.00</u> but	
3	<u>not over \$250,000.00</u>	\$7,212.00 <u>\$8,930.00</u> plus 8.75%
4		of the amount of taxable income over
5		\$118,975.00 <u>\$147,325.00</u>
6	<u>Over \$250,000.00</u>	<u>\$17,914.00</u> plus 11.75% of the
7		<u>amount of taxable income over</u>
8		<u>\$250,000.00</u>
9	(5) Estates and trusts:	
10	If taxable income is:	The tax is:
11	\$2,600.00 <u>\$3,200.00</u> or less	3.35% of taxable income
12	Over \$2,600.00 <u>\$3,200.00</u> but	\$87.00 <u>\$107.00</u> plus 6.6% of
13	not over \$6,100.00 <u>\$7,500.00</u>	the amount of taxable income over
14		\$2,600.00 <u>\$3,200.00</u>
15	Over \$6,100.00 <u>\$7,500.00</u> but	\$318.00 <u>\$391.00</u> plus 7.6%
16	not over \$9,350.00 <u>\$11,550.00</u>	of the amount of taxable
17		income over \$6,100.00 <u>\$7,500.00</u>
18	Over \$9,350.00 <u>\$11,550.00</u>	\$565.00 <u>\$699.00</u> plus 8.75%
19		of the amount of taxable income over
20		\$9,350.00 <u>\$11,550.00</u>

1 (1) Sec. 26 (personal income tax brackets) shall take effect on January 1,
2 2025 and shall apply to taxable years beginning on and after January 1, 2025.

3 (2) Sec. 20 (clean water surcharge) shall take effect on July 1, 2027.

4 (3) Sec. 18 shall take effect on passage, except the inflation adjustment
5 in subsection 32 V.S.A. § 9602(b) shall apply on and after August 1, 2025.

6 (4) Sec. 24a (property transfer tax appropriations) shall take effect on
7 July 1, 2024.