

1 H.829

2 ~~SHORT FORM~~

3 Introduced by Representative Stevens of Waterbury

4 Referred to Committee on

5 Date:

6 Subject: Housing; landlord-tenant; evictions; rental registry

7 Statement of purpose of bill as introduced: This bill proposes to restore,
8 enhance, and supplement elements of Vermont's pandemic-era housing policy
9 that ceased with the termination of federal pandemic aid by implementing
10 permanent upstream eviction protections and other rental housing policies to
11 preserve housing stability for both tenants and property owners, including by
12 creating a rental registry; allocating resources for eviction diversion;
13 modernizing policies on just cause evictions, rent increases, and security
14 deposits; and creating programs for property owners to access funding to
15 remediate damages created during recent tenancies.

16 ~~An act relating to creating permanent upstream eviction protections and~~
17 ~~enhancing housing stability.~~

An act relating to long-term housing solutions

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

19 ~~(TEXT OMITTED IN SHORT FORM BILLS)~~

** * * Housing Programs * * **

Sec. 1. LEGISLATIVE INTENT; HOUSING INVESTMENT

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

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

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

(A) to provide support and enhance capacity for the production and preservation of affordable rental housing and homeownership units, including support for manufactured home communities, permanent homes for those experiencing homelessness, recovery residences, and housing available to farm

workers, refugees, or individuals with disabilities who are eligible to receive Medicaid-funded home and community based services;

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

(C) to fund permanent supportive housing;

(2) the Vermont Housing Improvement Program;

(3) the Land Access and Opportunity Board;

(4) the State Refugee Office;

(5) the Resident Services Program;

(6) the Middle-Income Homeownership Development Program;

(7) the Manufactured Home Improvement and Repair Program;

(8) the Office of Economic Opportunity; and

(9) eviction prevention initiatives.

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

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

§ 322. ALLOCATION SYSTEM

(a) In determining the allocation of funds available for the purposes of this chapter, the Board shall give priority to projects that combine the dual goals of creating affordable housing and conserving and protecting Vermont's

agricultural land, historic properties, important natural areas or recreation lands and also shall consider, but not be limited to, the following factors:

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

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

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

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

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

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

(7) geographic distribution of funds; and

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

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

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

§ 699. VERMONT RENTAL HOUSING IMPROVEMENT PROGRAM

(a) Creation of Program.

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

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

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

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

(5) The Department may cooperate with and subgrant funds to State agencies and ~~political~~ governmental subdivisions and public and private organizations in order to carry out the purposes of this subsection.

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

(1) Non-code compliant.

(A) The unit is an existing unit, whether or not occupied, that does not comply with the requirements of applicable building, housing, or health laws.

(B) If the unit is occupied, the grant or forgivable loan agreement shall include terms:

** * **

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

(1)(A) A grant or loan shall not exceed:

(i) \$70,000.00 per unit, for rehabilitation or creation of an eligible rental housing unit meeting the applicable building accessibility requirements under the Vermont Access Rules; or

(ii) \$50,000.00 per unit, for rehabilitation or creation of any other eligible rental housing unit.

(B) In determining the amount of a grant or loan, a housing organization shall consider the number of bedrooms in the unit ~~and~~, whether the unit is being rehabilitated or newly created, whether the project includes accessibility improvements, and whether the unit is being converted from nonresidential to residential purposes.

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

(3) A project may include a weatherization component.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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~~Sec. 3. VERMONT RENTAL HOUSING IMPROVEMENT~~

~~APPROPRIATION~~

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

Sec. 3. APPROPRIATION; VERMONT RENTAL HOUSING

IMPROVEMENT PROGRAM

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

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

*Sec. 36. MIDDLE-INCOME HOMEOWNERSHIP DEVELOPMENT
PROGRAM*

** * **

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

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

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

(A) the Agency includes conditions in the subsidy, agreement or uses another legal mechanism, to ensure that, ~~to the extent the home value has risen, the amount of the subsidy upon sale of the home, to the extent proceeds are available, the amount of the affordability subsidy either:~~

(i) remains with the home to offset the cost to future homebuyers;

or

(ii) is recaptured by the Agency upon sale of the home for use in a similar program to support affordable homeownership development; or

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

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

* * *

(f)(1) When implementing the Program, the Agency shall consult stakeholders and experts in the field.

(2) The Program shall include:

(A) a streamlined and appropriately scaled application process;

(B) an outreach and education plan, including specific tactics to reach and support eligible applicants, especially those from underserved regions or sectors;

(C) an equitable system for distributing investments statewide on the basis of need according to a system of priorities that includes consideration of:

(i) geographic distribution;

(ii) community size;

(iii) community economic need; and

(iv) whether an application has already received an investment or is from an applicant in a community that has already received Program funding.

~~*(3) The Agency shall use its best efforts to ensure:*~~

~~*(A) that investments awarded are targeted to the geographic communities or regions with the most pressing economic and employment needs; and*~~

~~(B) that the allocation of investments provides equitable access to the benefits to all eligible geographical areas.~~

~~* * *~~

~~Sec. 5. REPEAL~~

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

~~Sec. 6. APPROPRIATION, MIDDLE INCOME HOMEOWNERSHIP~~

~~DEVELOPMENT PROGRAM~~

~~The sum of \$25,000,000.00 is appropriated from the General Fund to the Department of Housing and Community Development to grant to the Vermont Housing Finance Agency in fiscal year 2025 for the Middle-Income Homeownership Development Program established by 2022 Acts and Resolves No. 182, Sec. 11, and amended from time to time.~~

~~Sec. 7. APPROPRIATION; VERMONT HOUSING CONSERVATION~~

~~BOARD; PERPETUALLY AFFORDABLE HOUSING~~

~~The sum of \$110,000,000.00 is appropriated from the General Fund to the Vermont Housing Conservation Board in fiscal year 2025 for the following purposes:~~

~~(1) to provide support and enhance capacity for the production and preservation of affordable rental housing and homeownership units, including support for manufactured home communities, permanent homes for those~~

~~experiencing homelessness, recovery residences, and housing available to farm workers, and refugees, or individuals with disabilities who are eligible to receive Medicaid-funded home and community based services;~~

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

~~(3) to fund permanent supportive housing.~~

~~*Sec. 8. APPROPRIATION; FIRST GENERATION HOMEBUYER PROGRAM*~~

~~The sum of \$1,000,000.00 is appropriated from the General Fund to the Department of Housing and Community Development in fiscal year 2025 for a grant to the Vermont Housing Finance Agency for the First-Generation Homebuyer Program established by 2022 Acts and Resolves No. 182, Sec. 2, and amended from time to time.~~

~~*Sec. 6. APPROPRIATION; LAND ACCESS AND OPPORTUNITY BOARD*~~

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

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

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

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

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

(3) to fund permanent supportive housing.

*Sec. 8. APPROPRIATION; STATE REFUGEE OFFICE; REFUGEE
HOUSING*

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

** * * Eviction Prevention Initiatives * * **

Sec. 9. APPROPRIATION; RENTAL HOUSING STABILIZATION

SERVICES

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

Sec. 10. APPROPRIATION; TENANT REPRESENTATION PILOT

PROGRAM

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

Sec. 11. APPROPRIATION; RENT ARREARS ASSISTANCE FUND

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

Sec. 12. RESIDENT SERVICES PROGRAM; APPROPRIATION

(a) The sum of ~~\$6,000,000.00~~ \$700,000.00 is appropriated from the General Fund to the Agency of Human Services in fiscal year 2025 for a grant to the Vermont Housing and Conservation Board for the Resident Services Program established by this section. The Agency shall work in coordination

with the Board to develop the Resident Services Program for the purpose of distributing funds to eligible affordable housing organizations to respond to timely and urgent resident needs and aid with housing retention.

~~*(b) For purposes of this section, an “eligible affordable housing organization” is a Vermont-based nonprofit or public housing organization that makes available at least 15 percent of its affordable housing portfolio to homeless families and individuals, including those with special needs who require service support and rental assistance to secure and maintain their housing, consistent with the goal of Executive Order No. 03-16 (Publicly Funded Housing for the Homeless).*~~

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

Sec. 13. RENT PAYMENT REPORTING REPORT

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

(1) any entities currently facilitating landlord credit reporting;

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

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

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

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

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

Sec. 13a. EVICTIONS; STUDY COMMITTEE; REPORT

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

(f) Meetings.

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

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

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

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

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

(g) Compensation and reimbursement.

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

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

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

** * * Manufactured Homes * * **

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

Sec. 3. MANUFACTURED HOME IMPROVEMENT AND

REPLACEMENT REPAIR PROGRAM

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

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

* * *

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

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

~~§ 15. MANUFACTURED HOME IMPROVEMENT AND REPAIR~~

~~PROGRAM APPROPRIATIONS; INFRASTRUCTURE; MOBILE
HOME REPAIR~~

~~The sum of \$2,000,000.00 is appropriated from the General Fund to the Department of Housing and Community Development in fiscal year 2025 for the following purposes:~~

~~(1) to improve mobile home park infrastructure under the Manufactured Home Improvement and Repair Program established by 2022 Acts and Resolves No. 182, Sec. 3, and amended from time to time; and~~

~~(2) to expand the Home Repair Awards program under the Manufactured Home Improvement and Repair Program established by 2022 Acts and Resolves No. 182, Sec. 3, and amended from time to time.~~

~~Sec. 16. MOBILE HOME TECHNICAL ASSISTANCE APPROPRIATION~~

~~(a) The sum of \$700,000.00 is appropriated from the General Fund to the Department of Housing and Community Development for a subgrant to the Champlain Valley Office of Economic Opportunity in fiscal year 2025 to fund the Mobile Home Park Technical Assistance Services Team, including administration and direct project administration costs, such as advertising, background check fees, office supplies, postage, staff mileage liability insurance, training, service contracts, rent, utilities, telephone, space maintenance, and staffing.~~

~~(b) The sum of \$300,000.00 is appropriated from the General Fund to the Department of Housing and Community Development for a subgrant to the Champlain Valley Office of Economic Opportunity in fiscal year 2025 to fund individual resident emergency grants accessible to all income-eligible mobile homeowners statewide to prevent loss of housing, remediate unsafe housing,~~

~~enhance housing, safety, health, and habitability issues, and provide relief from
the impacts of natural disaster.~~

*Sec. 15. APPROPRIATION; OFFICE OF ECONOMIC OPPORTUNITY;
INDIVIDUALS EXPERIENCING HOMELESSNESS*

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

Sec. 16. [Deleted.]

~~*** Reporting ***~~

*Sec. 17. EMERGENCY HOUSING TRANSITION; AGENCY OF HUMAN
SERVICES; JOINT FISCAL COMMITTEE OVERSIGHT;
REPORTS*

*(a) As used in this act, "alternative housing placements" may include
shelter beds and pods; placements with family or friends; permanent housing
solutions, including tiny homes, manufactured homes, and apartments;
residential treatment beds for physical health, long-term care, substance use,
or mental health, nursing home beds, and recovery homes.*

~~(b) On or before the last day of each month from July 2024 through March 2025, the Agency of Human Services, or other relevant agency or department, shall report to the House Committees on Human Services and on General and Housing, the Senate Committee on Health and Welfare, and the Joint Fiscal Committee on its progress in assisting households housed in hotels and motels with transitioning from the pandemic-era General Assistance Emergency Housing Program to alternative housing placements and on the creation of new, alternative housing solutions. Each update shall include:~~

~~(1) the number of households remaining in hotels and motels that have not yet been transitioned to an alternative housing placement by household size, by eligibility category, and by each Agency of Human Services district;~~

~~(2) the number of actual alternative housing placements made during the previous reporting period compared with the targeted number of placements for that period;~~

~~(3) of the households successfully transitioned to an alternative housing placement during the previous month, the number of households whose screening indicated a potential need for services from each department within the Agency;~~

~~(4) the number of beds available for emergency housing in each Agency of Human Services district in the State, with separate reporting on the number of beds available in nursing homes and residential care homes for individuals~~

~~whose screening indicates they could meet the clinical criteria for those settings and the number of emergency beds available for individuals whose screening indicates they do not meet the clinical criteria, including low-barrier shelters, beds for youth, and beds for individuals who have experienced domestic violence;~~

~~(5) of the households that were housed in a hotel or motel for four months or longer and transitioned out during the previous month, the number that have had all or a portion of their security deposits returned to them since leaving the hotel or motel or are awaiting the return of these funds;~~

~~(6) of the households that were housed in a hotel or motel for less than four months and transitioned out during the previous month, the amount of security deposit funds refunded to the State by the hotels and motels during that month;~~

~~(7) the number of households that have been successfully transitioned to an alternative housing placement since the previous report, the types of housing settings in which they have been placed, and the supportive services they are receiving in conjunction with their housing;~~

~~(8) the outlook for transitioning additional households to alternative housing placements in the coming months, including an estimate of the number of households likely to be placed per month,~~

~~(9) a projected timeline for transitioning the remaining households to alternative housing placements;~~

~~(10) the average negotiated rate for rooms that the Agency paid to the hotels and motels providing the temporary, continued hotel or motel housing during the previous month;~~

~~(11) the status of responding to and implementing the letters of interest from community partners and municipalities for housing and supportive services;~~

~~(12) the status of contracts for housing and supportive services resulting from the Agency's requests for proposals (RFPs);~~

~~(13) the status of grants awarded through the Housing Opportunity Grant Program and how those grants relate to the Agency's efforts to assist households with transitioning out of the pandemic-era General Assistance Emergency Housing Program;~~

~~(14) once the Adverse Weather Conditions Policy takes effect again in the fall of 2024, how the Agency plans to distinguish the households that become eligible for the General Assistance Emergency Housing Program under that Policy from the households that the Agency is assisting with transitioning out of the pandemic-era General Assistance Emergency Housing Program;~~

~~(15) the total amount of funds expended to date on housing placements and supportive services for households transitioning out of the pandemic-era General Assistance Emergency Housing Program; and~~

~~(16) beginning with the September 2024 reporting period, any State rules and local regulations and ordinances that are impeding the timely development of safe, decent, affordable housing in Vermont communities in order to:~~

~~(A) identify areas in which flexibility or discretion are available; and~~

~~(B) advise whether the temporary suspension of relevant State rules and local regulations and ordinances, or the adoption or amendment of State rules, would facilitate faster and less costly revitalization of existing housing and construction of new housing units.~~

~~(c) On or before the last day of each month from July 2024 through March 2025, the Vermont Housing and Conservation Board shall report to the House Committees on Human Services and on General and Housing; the Senate Committees on Health and Welfare and on Economic Development, Housing and General Affairs; and the Joint Fiscal Committee on:~~

~~(1) the status of the Board's initiatives to make additional housing units available and how those initiatives support the Agency of Human Services' efforts to assist households with transitioning out of the pandemic-era General Assistance Emergency Housing Program, and~~

~~(2) the status of the Board's efforts to expand emergency shelter capacity, including the number of new beds available since the previous report, the number of additional beds planned, and when the additional planned beds are likely to become available.~~

~~(d) The Agency may hire temporary employees or contract with community-based organizations, or both, as needed to support the Agency in assisting households housed in hotels and motels with transitioning from the pandemic-era General Assistance Emergency Housing Program to alternative housing placements; to support the creation of new, alternative housing solutions; and to collect and report on the information required by subsection (b) of this section.~~

~~(e) On or before April 1, 2025, the Agency shall report to the House Committees on Appropriations, on Human Services, and on Housing and General Affairs; the Senate Committees on Appropriations, on Health and Welfare, and on Economic Development, Housing and General Affairs; and the Joint Fiscal Committee the number of households, if any, that were not successfully transitioned out of the pandemic-era General Assistance Emergency Housing Program into alternative housing placements and the reason why each such household was not successfully placed.~~

** * * Municipal Property Tax Exemption * * **

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

§ 3847. NEIGHBORHOOD HOUSING IMPROVEMENT PROGRAMS

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

~~*** Effective Date ***~~

~~Sec. 18. EFFECTIVE DATE~~

~~This act shall take effect on July 1, 2024.~~

~~*** Property Transfer Tax ***~~

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

~~§ 9602. TAX ON TRANSFER OF TITLE TO PROPERTY~~

~~(a) A tax is hereby imposed upon the transfer by deed of title to property located in this State, or a transfer or acquisition of a controlling interest in any person with title to property in this State. The amount of the tax equals ~~one and one-quarter~~ 1.25 percent of the value of the property transferred ~~up to \$600,000.00 of value and 2.25 percent of the value of the property transferred~~~~

~~in excess of \$600,000.00 up to \$750,000.00 of value and 3.65 percent of the value of the property transferred in excess of \$750,000.00, or \$1.00, whichever is greater, except as follows:~~

(1) ~~With respect to the transfer of property to be used for the principal residence of the transferee, the tax shall be imposed at the rate of five-tenths of one 0.5 percent of the first \$100,000.00 \$200,000.00 in value of the property transferred and at the rate of one and one-quarter 1.25 percent of the value of the property transferred in excess of \$100,000.00 \$200,000.00; except that no tax shall be imposed on the first \$110,000.00 \$250,000.00 in value of the property transferred if the purchaser obtains a purchase money mortgage funded in part with a homeland grant through the Vermont Housing and Conservation Trust Fund or that the Vermont Housing and Finance Agency or U.S. Department of Agriculture and Rural Development has committed to make or purchase; and tax at the rate of one and one-quarter 1.25 percent shall be imposed on the value of that property in excess of \$110,000.00 \$250,000.00. ~~In all cases, the tax shall be imposed at the rate of 3.25 percent of the value of the property transferred in excess of \$600,000.00~~ In all cases, the tax shall be imposed at the rate of 3.65 percent of the value of the property transferred in excess of \$750,000.00.~~

(2) [Repealed.]

(3) *With respect to the transfer to a housing cooperative organized under 11 V.S.A. chapter 7 and whose sole purpose is to provide principal residences for all of its members or shareholders, or to an affordable housing cooperative under 11 V.S.A. chapter 14, of property to be used as the principal residence of a member or shareholder, the tax shall be imposed in the amount of ~~five-tenths of one~~ 0.5 percent of the first ~~\$100,000.00~~ \$200,000.00 in value of the residence transferred and at the rate of ~~one and one-quarter~~ 1.25 percent of the value of the residence transferred in excess of ~~\$100,000.00~~ \$200,000.00; provided that the homesite leased by the cooperative is used exclusively as the principal residence of a member or shareholder. If the transferee ceases to be an eligible cooperative at any time during the six years following the date of transfer, the transferee shall then become obligated to pay any reduction in property transfer tax provided under this subdivision, and the obligation to pay the additional tax shall also run with the land. ~~In all cases,~~
~~the tax shall be imposed at the rate of 3.25 percent of the value of the property transferred in excess of \$600,000.00~~ In all cases, the tax shall be imposed at the rate of 3.65 percent of the value of the property transferred in excess of \$750,000.00.*

(b) Each year on August 1, the Commissioner shall adjust the values taxed at a lower rate under subdivisions (a)(1) and (3) of this section according to the percent change in the Bureau of Labor Statistics Consumer Price Index for

All Urban Consumers (CPI-U) by determining the increase or decrease, to the nearest 0.1 percent, for the month ending on June 30 in the calendar year one year prior to the first day of the current fiscal year compared to the CPI-U for the month ending on June 30 in the calendar year two years prior. The Commissioner shall update the return required under section 9610 of this title according to this adjustment.

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

§ 9602a. CLEAN WATER SURCHARGE

There shall be a surcharge of ~~0.2~~ 0.22 percent on the value of property subject to the property transfer tax under section 9602 of this title, except that there shall be no surcharge on the first ~~\$100,000.00~~ \$200,000.00 in value of property to be used for the principal residence of the transferee or the first ~~\$200,000.00~~ \$250,000.00 in value of property transferred if the purchaser obtains a purchase money mortgage funded in part with a homeland grant through the Vermont Housing and Conservation Trust Fund or that the Vermont Housing and Finance Agency or U.S. Department of Agriculture and Rural Development has committed to make or purchase. The surcharge shall be in addition to any tax assessed under section 9602 of this title. The surcharge assessed under this section shall be paid, collected, and enforced under this chapter in the same manner as the tax assessed under section 9602 of this title. The Commissioner shall deposit the surcharge collected under this

section in the Clean Water Fund under 10 V.S.A. § 1388, except for the first \$1,000,000.00 of revenue generated by the surcharge, which shall be deposited in the Vermont Housing and Conservation Trust Fund created in 10 V.S.A. § 312.

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

§ 9602a. CLEAN WATER SURCHARGE

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

~~Sec. 21, 32 V.S.A. § 9610 is amended to read:~~

~~§ 9610. REMITTANCE OF RETURN AND TAX; INSPECTION OF
RETURNS; TRANSFER OF REVENUE~~

~~(a) Not later than 30 days after the receipt of any property transfer return, a town clerk shall file the return in the office of the town clerk and electronically forward a copy of the acknowledged return to the Commissioner; provided, however, that with respect to a return filed in paper format with the town, the Commissioner shall have the discretion to allow the town to forward a paper copy of that return to the Department.~~

~~(b) The copies of property transfer returns in the custody of the town clerk may be inspected by any member of the public.~~

~~(c)(1) Prior to ~~distributions~~ the distribution of property transfer tax revenues under ~~10 V.S.A. § 312, 24 V.S.A. § 4306(a), and subdivision 435(b)(10)~~ of this title, two percent of the revenues received from the property transfer tax shall be deposited in a special fund in the Department of Taxes for Property Valuation and Review administration costs.~~

~~(2) After the distribution under subdivision (c)(1) of this section and prior to the distribution under subdivision 435(b)(10) of this title, \$27,244,000.00 of the revenue received from the property transfer tax shall be deposited in the Vermont Housing and Conservation Trust Fund created in 10 V.S.A. § 312 and \$9,262,060.00 shall then be deposited in the Municipal~~

~~and Regional Planning Fund created in 24 V.S.A. § 4305. Prior to a transfer under this subdivision, the Commissioner shall adjust the amount transferred according to the the year-over-year percentage change in total General Fund appropriations in the two most recently closed fiscal years, provided that if the year-over-year change is zero or negative, the amount transferred shall instead be equal to the transfer in the previous fiscal year.~~

~~(d)(1) Prior to any distribution of property transfer tax revenue under 10 V.S.A. § 312, 24 V.S.A. § 4306(a), subdivision 435(b)(10) of this title, and subsection (c) of this section, \$2,500,000.00 of the revenue received from the property transfer tax shall be transferred to the Vermont Housing Finance Agency to pay the principal of and interest due on the bonds, notes, and other obligations authorized to be issued by the Agency pursuant to 10 V.S.A. § 621(22), the proceeds of which the Vermont Housing and Conservation Board shall use to create affordable housing pursuant to 10 V.S.A. § 314.~~

~~(2) As long as the bonds, notes, and other obligations incurred pursuant to subdivision (1) of this subsection remain outstanding, the rate of tax imposed pursuant to section 9602 of this title shall not be reduced below a rate estimated, at the time of any reduction, to generate annual revenues of at least \$12,000,000.00.~~

~~Sec. 22. 10 V.S.A. § 312 is amended to read:~~

~~§ 312. CREATION OF VERMONT HOUSING AND CONSERVATION~~

~~TRUST FUND~~

~~There is created a special fund in the State Treasury to be known as the "Vermont Housing and Conservation Trust Fund." The Fund shall be administered by the Board and expenditures therefrom shall only be made to implement and effectuate the policies and purposes of this chapter. The Fund shall be ~~comprised~~ composed of ~~50 percent~~ of the revenue deposited from the property transfer tax under 32 V.S.A. ~~chapter 231~~ § 9610(c)(2) and any monies from time to time appropriated to the Fund by the General Assembly or received from any other source, private or public, approved by the Board. Unexpended balances and any earnings shall remain in the Fund for use in accord with the purposes of this chapter.~~

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

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

~~(2) The Fund shall be composed of ~~17 percent~~ of the revenue deposited from the property transfer tax under 32 V.S.A. ~~chapter 231~~ § 9610(c)(2) and any monies from time to time appropriated to the Fund by the General Assembly or received from any other source, private or public. All balances at the end of any fiscal year shall be carried forward and remain in the Fund.~~

~~Interest earned by the Fund shall be deposited in the Fund.~~

~~(2) Of the revenues in the Fund, each year:~~

~~(A) 10 percent shall be disbursed to the Vermont Center for Geographic Information;~~

~~(B) 70 percent shall be disbursed to the Secretary of Commerce and Community Development for performance contracts with regional planning commissions to provide regional planning services pursuant to section 4341a of this title; and~~

~~(C) 20 percent shall be disbursed to municipalities.~~

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

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

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

~~(2) [Repealed.]~~

~~(3) [Repealed.]~~

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

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

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

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

~~(8) [Repealed.]~~

~~(9) [Repealed.]~~

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

~~(11) [Repealed.]~~

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

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

(c) Prior to distributions of property transfer tax revenues under 10 V.S.A. § 312, 24 V.S.A. § 4306(a), and subdivision 435(b)(10) of this title, ~~two~~ 1.5 percent of the revenues received from the property transfer tax shall be deposited in a special fund in the Department of Taxes for Property Valuation and Review administration costs.

Sec. 22. [Deleted.]

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

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

(2) The Fund shall be composed of ~~17~~ 13 percent of the revenue deposited from the property transfer tax under 32 V.S.A. chapter 231 and any

monies from time to time appropriated to the Fund by the General Assembly or received from any other source, private or public. All balances at the end of any fiscal year shall be carried forward and remain in the Fund. Interest earned by the Fund shall be deposited in the Fund.

* * *

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

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

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

(2) [Repealed.]

(3) [Repealed.]

(4) corporate income and franchise taxes levied pursuant to chapter 151

of this title;

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

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

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

(8) [Repealed.]

(9) [Repealed.]

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

(11) [Repealed.]

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

Sec. 24a. ALLOCATIONS; PROPERTY TRANSFER TAX; FISCAL

YEAR 2025

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

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

(2)(A) Notwithstanding 10 V.S.A. § 312, amounts in excess of \$22,106,740.00 from the property transfer tax and surcharge established by 32

V.S.A. § 9602a deposited into the Vermont Housing and Conservation Trust Fund shall be transferred into the General Fund.

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

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

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

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

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

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

§ 9603. EXEMPTIONS

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

* * *

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

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

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

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

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

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

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

** * * 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~~ \$79,950.00

3.35% of taxable income

<i>Over \$64,600.00 <u>\$79,950.00</u> but not over \$156,150.00 <u>\$193,350.00</u></i>	<i>\$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></i>
<i>Over \$156,150.00 <u>\$193,350.00</u> but not over \$237,950.00 <u>\$294,650.00</u></i>	<i>\$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></i>
<i>Over \$237,950.00 <u>\$294,650.00</u> but not over \$500,000.00</i>	<i>\$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></i>
<i><u>Over \$500,000.00</u></i>	<i><u>\$35,829.00</u> plus 11.75% of the amount over <u>\$500,000.00</u></i>

(2) Heads of households:

<i>If taxable income is:</i>	<i>The tax is:</i>
<i>Not over \$51,850.00 <u>\$64,150.00</u></i>	<i>3.35% of taxable income</i>
<i>Over \$51,850.00 <u>\$64,150.00</u> but not over \$133,850.00 <u>\$165,700.00</u></i>	<i>\$1,737.00 <u>\$2,149.00</u> plus 6.6% of the amount of taxable income over \$51,850.00 <u>\$64,150.00</u></i>
<i>Over \$133,850.00 <u>\$165,700.00</u> but not over \$216,700.00 <u>\$268,350.00</u></i>	<i>\$7,149.00 <u>\$8,851.00</u> plus 7.60% of the amount of taxable income over \$133,850.00 <u>\$165,700.00</u></i>

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

but not over \$455,350.00

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

of the amount of taxable income over

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

Over \$455,350.00

\$33,015.00 plus 11.75% of the

amount of taxable income over

\$455,350.00

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

If taxable income is:

The tax is:

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

3.35% of taxable income

Over ~~\$38,700.00~~ \$47,900.00 but

~~\$1,296.00~~ \$1,605.00 plus 6.6% of

not over ~~\$93,700.00~~ \$116,000.00

the amount of taxable income over

~~\$38,700.00~~ \$47,900.00

Over ~~\$93,700.00~~ \$116,000.00 but

~~\$4,926.00~~ \$6,100.00 plus 7.6%

not over ~~\$195,450.00~~ \$242,000.00

of the amount of taxable income over

~~\$93,700.00~~ \$116,000.00

Over ~~\$195,450.00~~ \$242,000.00 but

~~\$12,659.00~~ \$15,676.00 plus 8.75%

not over \$410,650.00

of the amount of taxable income over

~~\$195,450.00~~ \$242,000.00

Over \$410,650.00 \$30,433.00 plus 11.75% of the
amount of taxable income over
\$410,650.00

(4) Married individuals filing separate returns:

<i>If taxable income is:</i>	<i>The tax is:</i>
<i>Not over \$32,300.00 <u>\$39,975.00</u></i>	<i>3.35% of taxable income</i>
<i>Over \$32,300.00 <u>\$39,975.00</u> but not over \$78,075.00 <u>\$96,675.00</u></i>	<i>\$1,082.00 <u>\$1,339.00</u> plus 6.6% of the amount of taxable income over \$32,300.00 <u>\$39,975.00</u></i>
<i>Over \$78,075.00 <u>\$96,675.00</u> but not over \$118,975.00 <u>\$147,325.00</u></i>	<i>\$4,103.00 <u>\$5,081.00</u> plus 7.6% of the amount of taxable income over \$78,075.00 <u>\$96,675.00</u></i>
<i>Over \$118,975.00 <u>\$147,325.00</u> but not over \$250,000.00</i>	<i>\$7,212.00 <u>\$8,930.00</u> plus 8.75% of the amount of taxable income over \$118,975.00 <u>\$147,325.00</u></i>
<i>Over \$250,000.00</i>	<i><u>\$17,914.00</u> plus 11.75% of the amount of taxable income over <u>\$250,000.00</u></i>

(5) Estates and trusts:

<i>If taxable income is:</i>	<i>The tax is:</i>
------------------------------	--------------------

\$2,600.00 <u>\$3,200.00</u> or less	3.35% of taxable income
Over \$2,600.00 <u>\$3,200.00</u> but not over \$6,100.00 <u>\$7,500.00</u>	\$87.00 <u>\$107.00</u> plus 6.6% of the amount of taxable income over \$2,600.00 <u>\$3,200.00</u>
Over \$6,100.00 <u>\$7,500.00</u> but not over \$9,350.00 <u>\$11,550.00</u>	\$318.00 <u>\$391.00</u> plus 7.6% of the amount of taxable income over \$6,100.00 <u>\$7,500.00</u>
Over \$9,350.00 <u>\$11,550.00</u>	\$565.00 <u>\$699.00</u> plus 8.75% of the amount of taxable income over \$9,350.00 <u>\$11,550.00</u>

(6) If the federal adjusted gross income of the taxpayer exceeds \$150,000.00, then the tax calculated under this subsection shall be the greater of the tax calculated under subdivisions (1)–(5) of this subsection or three percent of the taxpayer’s federal adjusted gross income.

(b) As used in this section:

(1) “Married individuals,” “surviving spouse,” “head of household,” “unmarried individual,” “estate,” and “trust” have the same meaning as under the Internal Revenue Code.

(2) The amounts of taxable income shown in the tables in this section shall be adjusted annually for inflation by the Commissioner of Taxes using the Consumer Price Index adjustment percentage, in the manner prescribed for

inflation adjustment of federal income tax tables for the taxable year by the Commissioner of Internal Revenue, beginning with taxable year ~~2003~~ 2025; provided, however, notwithstanding 26 U.S.C. § 1(f)(3), that as used in this subdivision, “consumer price index” means the last Consumer Price Index for All Urban Consumers published by the U.S. Department of Labor:

** * **

** * * Effective Dates * * **

Sec. 27. EFFECTIVE DATES

This section and all other sections shall take effect on passage, except:

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

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

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

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