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S.100

Introduced by Committee on Economic Development, Housing and General

Affairs

Date: February 23, 2023

Subject: Housing; land use; municipal zoning; Act 250; Human Rights

Commission

Statement of purpose of bill as introduced: This bill proposes to increase the supply of affordable housing in this State, promote homeownership, and broaden housing opportunities for Vermonters.

An act relating to housing opportunities made for everyone

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

~~\*\*\* Municipal Zoning \*\*\*~~

Sec. 1. 24 V.S.A. § 4414 is amended to read:

§ 4414. ZONING; PERMISSIBLE TYPES OF REGULATIONS

~~\*\*\*~~

(4) Parking and loading facilities. A municipality may adopt provisions setting forth standards for permitted and required facilities for off-street parking and loading, which may vary by district and by uses within each district. ~~For residential uses, a municipality shall not require more than one~~

1 ~~parking space per dwelling unit or accessory dwelling unit. However, a~~  
2 ~~municipality may require 1.5 parking spaces per dwelling unit if the~~  
3 ~~development is located more than one-quarter of a mile away from public~~  
4 ~~parking or the need for parking cannot be reasonably met through the use of~~  
5 ~~on-street parking, public parking, or shared parking. Municipalities may round~~  
6 ~~up to the nearest whole parking space. These bylaws may also include~~  
7 ~~provisions covering the location, size, design, access, landscaping, and~~  
8 ~~screening of those facilities. In determining the number of parking spaces for~~  
9 ~~nonresidential uses and size of parking spaces required under these regulations,~~  
10 ~~the appropriate municipal panel may take into account the existence or~~  
11 ~~availability of employer “transit pass” and rideshare programs, public transit~~  
12 ~~routes, and public parking spaces in the vicinity of the development.~~  
13 ~~However, a municipality shall not require an accessory dwelling unit to have~~  
14 ~~more than one parking space per bedroom.~~

15 \* \* \*

16 Sec. 2. 24 V.S.A. § 4412 is amended to read:

17 § 4412. REQUIRED PROVISIONS AND PROHIBITED EFFECTS

18 Notwithstanding any existing bylaw, the following land development  
19 provisions shall apply in every municipality:

- 20 (1) Equal treatment of housing and required provisions for affordable  
21 housing.

1 \* \* \*

2 (D) Bylaws shall designate appropriate districts and reasonable  
3 regulations for multiunit or multifamily dwellings. No bylaw shall have the  
4 effect of excluding these multiunit or multifamily dwellings from the  
5 municipality. In any district that allows year-round residential development,  
6 duplexes shall be an allowed use with the same dimensional standards as a  
7 single-unit dwelling. In any district that is served by municipal sewer and  
8 water infrastructure that allows residential development, multiunit dwellings  
9 with four or fewer units shall be an allowed use.

10 (E) Except for flood hazard and fluvial erosion area bylaws adopted  
11 pursuant to section 4424 of this title, no bylaw shall have the effect of  
12 excluding as a permitted use one accessory dwelling unit that is located within  
13 or appurtenant to a single-family dwelling on an owner-occupied lot. A bylaw  
14 may shall require a single-family dwelling with an accessory dwelling unit to  
15 be subject to the same review, dimensional, or other controls as required for a  
16 single-family dwelling without an accessory dwelling unit. The criteria for  
17 conversion of an existing detached nonresidential building to habitable space  
18 for an accessory dwelling unit shall not be more restrictive than the criteria  
19 used for a single-family dwelling without an accessory dwelling unit. An  
20 “accessory dwelling unit” means a distinct unit that is clearly subordinate to a  
21 single-family dwelling, and has facilities and provisions for independent

1 ~~living, including sleeping, food preparation, and sanitation, provided there is~~

2 compliance with all the following:

3 (i) The property has sufficient wastewater capacity.

4 (ii) The unit does not exceed 30 percent of the total habitable floor  
5 area of the single-family dwelling or 900 square feet, whichever is greater.

6 \* \* \*

7 (H) No bylaw shall have the effect of prohibiting or penalizing a  
8 hotel from renting rooms to provide housing assistance through the State of  
9 Vermont's General Assistance program, or to any person whose room is rented  
10 with public funds. The term "hotel" has the same meaning as in 32 V.S.A.  
11 9202(3).

12 \* \* \*

13 (12) In any district served by municipal sewer and water infrastructure  
14 that allows residential development, bylaws shall establish lot and building  
15 dimensional standards that allow ~~four~~ five or more dwelling units per acre for  
16 each allowed residential use, and density standards for multiunit dwellings  
17 shall not be more restrictive than those required for single-family dwellings.

18 (13) In any district served by municipal sewer and water infrastructure that  
19 allows residential development, any mixed-use developments and affordable  
20 housing developments, as defined in subdivision 4303(2) of this title, may  
21 exceed building height limitations by one additional habitable floor beyond the

1 ~~maximum height, and using that additional floor may exceed density~~  
2 limitations for residential developments by an additional 40 percent, provided  
3 that the structure complies with the Vermont Fire and Building Safety Code.

4 (14) No bylaw shall have the effect of limiting the square footage of a  
5 duplex that otherwise complies with the applicable building code.

6 (15)(A) As used in this section, an area “served by municipal water and  
7 sewer infrastructure” means:

8 (i) that residential connections and expansions are available to  
9 municipal water and direct and indirect discharge wastewater systems and not  
10 prohibited by:

11 (I) State regulations or permits;

12 (II) identified capacity constraints; or

13 (III) municipally adopted service and capacity agreements; or

14 (ii) areas established by the municipality by ordinance or bylaw

15 that:

16 (I) exclude flood hazard or inundation areas as established by  
17 statute, river corridors or fluvial erosion areas as established by statute,  
18 shorelands, and wherever year-round residential development is not allowed;

19 (II) reflect identified service limits established by State  
20 regulations or permits, identified capacity constraints, or municipally adopted  
21 service and capacity agreements,

1 ~~(III) exclude areas served by water and sewer to address an~~  
2 identified community-scale public health hazard or environmental hazard;

3 ~~(IV) exclude areas serving a mobile home park that is not~~  
4 within an area planned for year-round residential growth;

5 ~~(V) exclude areas serving an industrial site or park;~~

6 ~~(VI) exclude areas where service lines are located to serve the~~  
7 areas described in subdivisions (III)–(V) of this subdivision (ii), but no  
8 connections or expansions are permitted; or

9 ~~(VII) modify the zoning provisions allowed under this chapter~~  
10 in areas served by indirect discharge designed for less than 100,000 gallons per  
11 day.

12 ~~(B) Municipally adopted areas served by municipal water and sewer~~  
13 infrastructure that limit water and sewer connections and expansions shall not  
14 result in the unequal treatment of housing by discriminating against a year-  
15 round residential use or housing type otherwise allowed in this chapter.

16 Sec. 3. 24 V.S.A. § 4413 is amended to read:

17 § 4413. LIMITATIONS ON MUNICIPAL BYLAWS

18 (a)(1) The following uses may be regulated only with respect to location,  
19 size, height, building bulk, yards, courts, setbacks, density of buildings, off  
20 ~~street parking, loading facilities, traffic, noise, lighting, landscaping, and~~

1 ~~screening requirements, and only to the extent that regulations do not have the~~

2 effect of interfering with the intended functional use:

3 (A) State- or community-owned and ~~operated~~ operated institutions  
4 and facilities;

5 (B) public and private schools and other educational institutions  
6 certified by the Agency of Education;

7 (C) churches and other places of worship, convents, and parish  
8 houses;

9 (D) public and private hospitals;

10 (E) regional solid waste management facilities certified under 10  
11 V.S.A. chapter 159;

12 (F) hazardous waste management facilities for which a notice of  
13 intent to construct has been received under 10 V.S.A. § 6606a; and

14 (G) emergency shelters.

15 (2) Except for State-owned and -operated institutions and facilities, a  
16 municipality may regulate each of the land uses listed in subdivision (1) of this  
17 subsection for compliance with the National Flood Insurance Program and for  
18 compliance with a municipal ordinance or bylaw regulating development in a  
19 flood hazard area or river corridor, consistent with the requirements of  
20 subdivision 2291(25) and section 4424 of this title. These regulations shall not  
21 ~~have the effect of interfering with the intended functional use.~~

1 ~~(3) For purposes of this subsection, regulating the daily or seasonal~~  
2 hours of operation of an emergency shelter shall constitute interfering with the  
3 intended functional use.

4 \* \* \*

5 Sec. 4. 24 V.S.A. § 4303 is amended to read:

6 § 4303. DEFINITIONS

7 The following definitions shall apply throughout this chapter unless the  
8 context otherwise requires:

9 \* \* \*

10 (38) “Accessory dwelling unit” has the same meaning as in subdivision  
11 4412(E) of this title.

12 (39) “Duplex” means a residential building that has two dwelling units  
13 in the same building and neither unit is an accessory dwelling unit.

14 (40) “Emergency shelter” means any facility, the primary purpose of  
15 which is to provide a temporary shelter for the homeless in general or for  
16 specific populations of the homeless and that does not require occupants to  
17 sign leases or occupancy agreements.

18 (41) “Multiunit or multifamily dwelling” means a building that contains  
19 three or more dwelling units in the same building.

1 ~~Sec. 5-24 V.S.A. § 4441 is amended to read:~~

2 § 4441. PREPARATION OF BYLAWS AND REGULATORY TOOLS;

3 AMENDMENT OR REPEAL

4 \* \* \*

5 (c) When considering an amendment to a bylaw, the planning commission  
6 shall prepare and approve a written report on the proposal. A single report  
7 may be prepared so as to satisfy the requirements of this subsection concerning  
8 bylaw amendments and subsection 4384(c) of this title concerning plan  
9 amendments. ~~The Department of Housing and Community Development shall~~  
10 ~~provide all municipalities with a form for this report.~~ The report shall provide  
11 a brief explanation of the proposed bylaw, amendment, or repeal and shall  
12 include a statement of purpose as required for notice under section 4444 of this  
13 title, and shall include findings regarding how the proposal:

14 (1) ~~Conforms~~ conforms with or furthers the goals and policies contained  
15 in the municipal plan, including the effect of the proposal on the availability of  
16 safe and affordable housing, ~~and sections 4412, 4413, and 4414 of this title;~~

17 (2) ~~Is~~ is compatible with the proposed future land uses and densities of  
18 the municipal plan; ~~and~~

19 (3) ~~Carries~~ carries out, as applicable, any specific proposals for any  
20 planned community facilities.

21

1 ~~(b) Upon adoption or amendment of a bylaw, the planning commission~~  
2 ~~shall prepare an adoption report in form and content provided by the~~  
3 ~~Department of Housing and Community Development that:~~

4 ~~(1) demonstrates conformity with sections 4412, 4413, and 4414 of this~~  
5 ~~title; and~~

6 ~~(2) provides information on the municipal application of subchapters 7~~  
7 ~~(bylaws), 9 (administration), and 10 (panels) of this chapter for the Municipal~~  
8 ~~Planning Data Center and the prospective development of a statewide zoning~~  
9 ~~atlas.~~

10 ~~Sec. 6-24 V.S.A. § 4465 is amended to read:~~

11 § 4465. APPEALS OF DECISIONS OF THE ADMINISTRATIVE OFFICER

12 (a) An interested person may appeal any decision or act taken by the  
13 administrative officer in any municipality by filing a notice of appeal with the  
14 secretary of the board of adjustment or development review board of that  
15 municipality or with the clerk of that municipality if no such secretary has  
16 been elected. This notice of appeal must be filed within 15 days of following  
17 the date of that decision or act, and a copy of the notice of appeal shall be filed  
18 with the administrative officer.

19 (b) ~~For the purposes of~~ As used in this chapter, an “interested person”  
20 ~~means any one of the following.~~

1 ~~(1) A person owning title to property, or a municipality or solid waste~~  
2 management district empowered to condemn it or an interest in it, affected by  
3 a bylaw, who alleges that the bylaw imposes on the property unreasonable or  
4 inappropriate restrictions of present or potential use under the particular  
5 circumstances of the case.

6 (2) The municipality that has a plan or a bylaw at issue in an appeal  
7 brought under this chapter or any municipality that adjoins that municipality.

8 (3) A person owning or occupying property in the immediate  
9 neighborhood of a property that is the subject of any decision or act taken  
10 under this chapter, who can demonstrate a physical or environmental impact  
11 on the person's interest under the criteria reviewed, and who alleges that the  
12 decision or act, if confirmed, will not be in accord with the policies, purposes,  
13 or terms of the plan or bylaw of that municipality.

14 ~~(4) Any ten persons who may be any combination of voters or real~~  
15 ~~property owners within a municipality listed in subdivision (2) of this~~  
16 ~~subsection who, by signed petition to the appropriate municipal panel of a~~  
17 ~~municipality, the plan or a bylaw of which is at issue in any appeal brought~~  
18 ~~under this title, allege that any relief requested by a person under this title, if~~  
19 ~~granted, will not be in accord with the policies, purposes, or terms of the plan~~  
20 ~~or bylaw of that municipality. This petition to the appropriate municipal panel~~

1 ~~must designate one person to serve as the representative of the petitioners~~  
2 ~~regarding all matters related to the appeal.~~

3 ~~(5) Any department and administrative subdivision of this State owning~~  
4 ~~property or any interest in property within a municipality listed in subdivision~~  
5 ~~(2) of this subsection, and the Agency of Commerce and Community~~  
6 ~~Development of this State.~~

7 ~~\_\_\_\_\_~~  
*Sec. 6. 24 V.S.A. § 4465 is amended to read:*

*§ 4465. APPEALS OF DECISIONS OF THE ADMINISTRATIVE OFFICER*

*(a) An interested person may appeal any decision or act taken by the administrative officer in any municipality by filing a notice of appeal with the secretary of the board of adjustment or development review board of that municipality or with the clerk of that municipality if no such secretary has been elected. This notice of appeal must be filed within 15 days of following the date of that decision or act, and a copy of the notice of appeal shall be filed with the administrative officer.*

*(b) For the purposes of As used in this chapter, an "interested person" means any one of the following:*

*(1) A person owning title to property, or a municipality or solid waste management district empowered to condemn it or an interest in it, affected by a bylaw, who alleges that the bylaw imposes on the property unreasonable or inappropriate restrictions of present or potential use under the particular circumstances of the case.*

*(2) The municipality that has a plan or a bylaw at issue in an appeal brought under this chapter or any municipality that adjoins that municipality.*

*(3) A person owning or occupying property in the immediate neighborhood of a property that is the subject of any decision or act taken under this chapter, who can demonstrate a physical or environmental impact on the person's interest under the criteria reviewed, and who alleges that the decision or act, if confirmed, will not be in accord with the policies, purposes, or terms of the plan or bylaw of that municipality.*

~~(4) Any ten 10 persons who allege a common injury to a particularized interest protected by this chapter, who may be any combination of voters or real property owners within a municipality listed in subdivision (2) of this subsection who, by signed petition to the appropriate municipal panel of a municipality, the plan or a bylaw of which is at issue in any appeal brought under this title, allege that any relief requested by a person under this title, if granted, will not be in accord with the policies, purposes, or terms of the plan or bylaw of that municipality. For purposes of this subdivision, a particularized interest shall not include the character of the area affected. This petition to the appropriate municipal panel must designate one person to serve as the representative of the petitioners regarding all matters related to the appeal.~~

~~(5) Any department and administrative subdivision of this State owning property or any interest in property within a municipality listed in subdivision (2) of this subsection, and the Agency of Commerce and Community Development of this State.~~

~~\*\*\*~~

~~\*\*\* Subdivisions \*\*\*~~

1 Sec. 7. 24 V.S.A. § 4463 is amended to read:

2 § 4463. SUBDIVISION REVIEW

3 (a) Approval of plats. Before ~~any~~ a plat for a subdivision is approved, a  
4 public hearing on the plat ~~shall~~ may be held by the appropriate municipal panel  
5 after public notice. A bylaw may provide for when a public hearing is  
6 required. A copy of the notice shall be sent to the clerk of an adjacent  
7 municipality, in the case of a plat located within 500 feet of a municipal  
8 boundary, at least 15 days prior to the public hearing.

9 (b) Plat; record. The approval of the appropriate municipal panel or  
10 administrative officer, if the bylaws provide for their approval of subdivisions,  
11 shall expire 180 days from that approval or certification unless, within that

1 ~~180 day period, that plat shall have been duly filed or recorded in the office of~~  
2 the clerk of the municipality. After an approved plat or certification by the  
3 clerk is filed, no expiration of that approval or certification shall be applicable.

4 (1) The bylaw may allow the administrative officer to extend the date  
5 for filing the plat by an additional 90 days, if final local or State permits or  
6 approvals are still pending.

7 (2) No plat showing a new street or highway may be filed or recorded in  
8 the office of the clerk of the municipality until it has been approved by the  
9 appropriate municipal panel, or administrative officer if allowed under the  
10 bylaws, pursuant to subsection (a) of this section, and that approval is endorsed  
11 in writing on the plat, or the certificate of the clerk of the municipality  
12 showing the failure of the appropriate municipal panel to take action within the  
13 45-day period is attached to the plat and filed or recorded with the plat. After  
14 that filing or recording, the plat shall be a part of the official map of the  
15 municipality.

16 \* \* \*

17 Sec. 8. 24 V.S.A. § 4418 is amended to read:

18 § 4418. SUBDIVISION BYLAWS

19 \* \* \*

20 ~~(2) Subdivision bylaws may include.~~

1 ~~(A) Provisions provisions allowing the appropriate municipal panel~~  
2 to waive or modify, subject to appropriate conditions, the provision of any or  
3 all improvements and requirements as in its judgment of the special  
4 circumstances of a particular plat or plats are not requisite in the interest of the  
5 public health, safety, and general welfare, or are inappropriate because of  
6 inadequacy or lack of connecting facilities adjacent or in proximity to the  
7 subdivision;

8 ~~(B) Procedures procedures for conceptual, preliminary, partial, and~~  
9 other reviews preceding submission of a subdivision plat, including any  
10 administrative reviews;

11 ~~(C) Specific specific development standards to promote the~~  
12 conservation of energy or to permit the utilization of renewable energy  
13 resources, or both;

14 ~~(D) State standards and criteria under 10 V.S.A. § 6086(a); and~~

15 ~~(E) provisions to allow the administrative officer to approve~~  
16 ~~subdivisions.~~

17 \* \* \* Appeals \* \* \*

18 Sec. 9. 24 V.S.A. § 4471 is amended to read:

19 § 4471. APPEAL TO ENVIRONMENTAL DIVISION

20

1 ~~(a) Neighborhood development area Designated areas. Notwithstanding~~  
2 ~~subsection (a) of this section, a determination by an appropriate municipal~~  
3 ~~panel that a residential development will not result in an undue adverse effect~~  
4 ~~on the character of the area affected shall not be subject to appeal if the~~  
5 ~~determination is that a proposed residential development seeking conditional~~  
6 ~~use approval under subdivision 4414(3) of this title is within a designated~~  
7 ~~downtown development district, designated growth center, ~~designated Vermont~~~~  
8 ~~neighborhood, or designated neighborhood development area seeking~~  
9 ~~conditional use approval will not result in an undue adverse effect on the~~  
10 ~~character of the area affected under subdivision 4414(3) of this title. Other~~  
11 ~~elements of the determination made by the appropriate municipal panel may be~~  
12 ~~appealed.~~

13 \* \* \* By Right \* \* \*

14 Sec. 10. 24 V.S.A. § 4464(b) is amended to read:

15 (b) Decisions.

16 \* \* \*

17 (7)(A) A decision rendered by the appropriate municipal panel for a  
18 housing development or the housing portion of a mixed-use development shall  
19 not:

20 (i) require a larger lot size than the minimum as determined in the  
21 municipal bylaws,

1 ~~(ii) require more parking spaces than the minimum as determined~~  
2 in the municipal bylaws and in section 4414 of this title;

3 (iii) limit the building size to less than that allowed in the  
4 municipal bylaws, including reducing the building footprint or height;

5 (iv) limit the density of dwelling units to below that allowed in the  
6 municipal bylaws; and

7 (v) otherwise disallow a development to abide by the minimum or  
8 maximum applicable municipal standards;

9 (B) However, a decision may require adjustments to the applicable  
10 municipal standards listed in subdivision (A) of this subdivision (7) if the  
11 panel or officer issues a written finding stating:

12 (i) why the modification is necessary to comply with a  
13 prerequisite State or federal permit, municipal permit, or a nondiscretionary  
14 standard in a bylaw or ordinance, including requirements related to wetlands,  
15 setbacks, and flood hazard areas and river corridors; and

16 (ii) how the identified restrictions do not result in an unequal  
17 treatment of housing or an unreasonable exclusion of housing development  
18 otherwise allowed by the bylaws.

19 Sec. 11. 24 V.S.A. § 4348a is amended to read:

20 ~~§ 4348a. ELEMENTS OF A REGIONAL PLAN~~

1 ~~(a) A regional plan shall be consistent with the goals established in section~~  
2 ~~4302 of this title and shall include the following:~~

3 \* \* \*

4 (9) A housing element that identifies the regional and community-level  
5 need for housing for all economic groups in the region and communities. In  
6 establishing the identified need, due consideration shall be given to that will  
7 result in an adequate supply of building code and energy code compliant  
8 homes where most households spend not more than 30 percent of their income  
9 on housing and no more than 15 percent on transportation. To establish  
10 housing needs, the Department of Housing and Community Development shall  
11 publish statewide and regional housing targets or ranges as part of the  
12 Statewide Housing Needs Assessment. The regional planning commission  
13 shall consult the Statewide Housing Needs Assessment; current and expected  
14 demographic data; the current location, quality, types and cost of housing;  
15 other local studies related to housing needs; and data gathered pursuant to  
16 subsection 4382(c) of this title. If no such data has been gathered, the regional  
17 planning commission shall gather it. The regional planning commission's  
18 assessment shall estimate the total needed housing investments in terms of  
19 price, quality, unit size or type, and zoning district as applicable and shall  
20 disaggregate regional housing targets or ranges by municipality. The housing

1 ~~element shall include a set of recommended actions to satisfy the established~~  
2 ~~needs.~~

3 \* \* \*

4 Sec. 12. 24 V.S.A. § 4382 is amended to read:

5 § 4382. THE PLAN FOR A MUNICIPALITY

6 (a) A plan for a municipality ~~may~~ shall be consistent with the goals  
7 established in section 4302 of this title and compatible with approved plans of  
8 other municipalities in the region and with the regional plan and shall include  
9 the following:

10 \* \* \*

11 (10) A housing element that shall include a recommended program for  
12 ~~addressing low and moderate income persons' public and private actions to~~  
13 address housing needs as identified by the regional planning commission  
14 pursuant to subdivision 4348a(a)(9) of this title. The program should include  
15 specific actions to address the housing needs of persons with low income and  
16 persons with moderate income and account for permitted accessory dwelling  
17 units, as defined in subdivision 4412(1)(E) of this title, ~~which provide~~  
18 affordable housing as well as any material impact of short-term rental units.

19 \* \* \*

20 \* \* \* Energy Codes \* \* \*

21 ~~Sec. 15. 24 V.S.A. § 5101(a) is amended to read.~~

1 ~~(c) The mayor and board of aldermen of a city, the selectboard of a town,~~  
2 ~~or the trustees of an incorporated village, may, in accordance with this chapter,~~  
3 ~~establish codes and regulations for the construction, maintenance, repair, and~~  
4 ~~alteration of buildings and other structures within the municipality. Such~~  
5 ~~codes and regulations may include provisions relating to building materials,~~  
6 ~~structural design, passageways, stairways and exits, heating systems, fire~~  
7 ~~protection procedures, and such other matters as may be reasonably necessary~~  
8 ~~for the health, safety, and welfare of the public, but excluding electrical~~  
9 ~~installations subject to regulation under 26 V.S.A. chapter 15. Any energy~~  
10 ~~codes and regulations adopted after July 1, 2023 shall not be more restrictive~~  
11 ~~than the Residential Building Energy Standards or the stretch code adopted~~  
12 ~~under 30 V.S.A. § 51 or the Commercial Building Energy Standards adopted~~  
13 ~~under 30 V.S.A. § 53, except where enabled by a municipal charter.~~  
14 ~~Municipalities may enact more stringent local residential building energy~~  
15 ~~standards only for homes that are larger than 1,800 square feet per unit if the~~  
16 ~~municipality receives approval by the Department of Public Service that the~~  
17 ~~municipality followed 30 V.S.A. § 51(c)(1) and (2). Municipalities may enact~~  
18 ~~more stringent local commercial building energy standards only for homes that~~  
19 ~~are larger than 1,800 square feet per unit, if the municipality receives approval~~  
20 ~~by the Public Service Department that the municipality followed 30 V.S.A. §~~  
21 ~~55(c)(1) and (2).~~

~~\*\*\* Energy Codes \*\*\*~~

~~Sec. 13. 24 V.S.A. § 3101(a) is amended to read:~~

~~(a) The mayor and board of aldermen of a city, the selectboard of a town, or the trustees of an incorporated village, may, in accordance with this chapter, establish codes and regulations for the construction, maintenance, repair, and alteration of buildings and other structures within the municipality. Such codes and regulations may include provisions relating to building materials, structural design, passageways, stairways and exits, heating systems, fire protection procedures, and such other matters as may be reasonably necessary for the health, safety, and welfare of the public, but excluding electrical installations subject to regulation under 26 V.S.A. chapter 15. Any energy codes and regulations adopted after July 1, 2023 shall not be more restrictive than the Residential Building Energy Standards or the stretch code adopted under 30 V.S.A. § 51 or the Commercial Building Energy Standards adopted under 30 V.S.A. § 53, except where enabled by a municipal charter.~~

1 ~~Sec. 14. APPROPRIATION~~

2 ~~The sum of \$750,000.00 is appropriated in fiscal year 2024 from the~~  
3 ~~General Fund to the Municipal and Regional Planning Fund.~~

~~Sec. 14. [Deleted.]~~

4 ~~Sec. 15. HOUSING RESOURCE NAVIGATOR FOR REGIONAL~~  
5 ~~PLANNING COMMISSIONS~~

6 ~~(a) The Vermont Association of Planning and Development Agencies shall~~  
7 ~~hire Housing Resource Navigators to work with municipalities, regional and~~  
8 ~~local housing organizations, and private developers to identify housing~~  
9 ~~opportunities, match communities with funding resources, and provide project~~  
10 ~~management support.~~

1 ~~(b) There is appropriated the sum of \$300,000.00 in fiscal year 2024 to the~~  
2 ~~Vermont Association of Planning and Development Agencies for the purpose~~  
3 ~~of hiring the Housing Navigators as described in subsection (a) of this section.~~

*Sec. 15. [Deleted.]*

4 ~~\*\*\* Act 250 \*\*\*~~

5 Sec. 16. 10 V.S.A. § 6001 is amended to read:

6 § 6001. DEFINITIONS

7 \* \* \*

8 (3)(A) "Development" means each of the following:

9 \* \* \*

10 (iv) The construction of housing projects such as cooperatives,  
11 condominiums, or dwellings, or construction or maintenance of mobile homes  
12 or mobile home parks, with ~~40~~ 25 or more units, constructed or maintained on  
13 a tract or tracts of land, owned or controlled by a person, within a radius of  
14 five miles of any point on any involved land and within any continuous period  
15 of five years. However:

16 (I) ~~A priority housing project shall constitute a development~~  
17 ~~under this subdivision (iv) only if the number of housing units in the project is:~~

18 (aa) ~~[Repealed.]~~

19 (bb) ~~[Repealed.]~~

20 (cc) ~~75 or more, in a municipality with a population of 6,000~~  
21 ~~or more but less than 10,000.~~

1 ~~(11) 50 persons in a municipality with a population of 10,000 or more~~  
2 ~~that is less than 6,000.~~

3 ~~(ee) [Repealed.]~~  
4 ~~(ff) Notwithstanding subdivisions (cc) through (ee) of this~~  
5 ~~subdivision (3)(A)(iv)(I), 10 or more if the construction involves the~~  
6 ~~demolition of one or more buildings that are listed on or eligible to be listed on~~  
7 ~~the State or National Register of Historic Places. However, demolition shall~~  
8 ~~not be considered to create jurisdiction under this subdivision (ff) if the~~  
9 ~~Division for Historic Preservation has determined that the proposed demolition~~  
10 ~~will have no adverse effect, will have no adverse effect if specified conditions~~  
11 ~~are met, or will have an adverse effect that will be adequately mitigated. Any~~  
12 ~~imposed conditions shall be enforceable through a grant condition, deed~~  
13 ~~covenant, or other legally binding document. [Repealed.]~~

14 \* \* \*

15 ~~(xi) Notwithstanding subdivision (iv) of this subdivision (3)(A),~~  
16 ~~the construction of improvements in a designated area for a housing project or~~  
17 ~~mixed-use development, with 25 or more units, constructed or maintained on a~~  
18 ~~tract or tracts of land, owned or controlled by a person within any continuous~~  
19 ~~period of three months.~~

20 \* \* \*

21 ~~(D) The word "development" does not include.~~

1  
2 (viii)(I) The construction of a priority housing project in a  
3 municipality with a population of 10,000 or more.

4 \* \* \*

5 (19)(A) "Subdivision" means each of the following:

6 \* \* \*

7 (iv) A tract or tracts of land, owned or controlled by a person, that  
8 the person has partitioned or divided for the purpose of resale into 15 or more  
9 lots located within a designated neighborhood development area within any  
10 continuous period of three months.

11 \* \* \*

12 (35) "Priority housing project" means a discrete project located on a  
13 single tract or multiple contiguous tracts of land that consists exclusively of  
14 mixed income housing or mixed use, or any combination thereof, and is  
15 located entirely within a designated downtown development district,  
16 designated new town center, designated village center that has permanent  
17 zoning and subdivision bylaws, designated growth center, or designated  
18 neighborhood development area under 24 V.S.A. chapter 76A.

19  
*Sec. 16. 10 V.S.A. § 6001 is amended to read:*

*§ 6001. DEFINITIONS*

~~(2)(1) "Development" means each of the following:~~

~~\*\*\*~~

~~(iv) The construction of housing projects such as cooperatives, condominiums, or dwellings, or construction ~~or maintenance~~ of mobile homes or mobile home parks, with 10 or more units, constructed or maintained on a tract or tracts of land, owned or controlled by a person, within a radius of five miles of any point on any involved land and within any continuous period of five years. However:~~

~~\*\*\*~~

~~(xi) Until July 1, 2026, the construction of housing projects such as cooperatives, condominiums, dwellings, or mobile homes, with 25 or more units, constructed or maintained on a tract or tracts of land, located entirely within a designated downtown development district, a designated neighborhood development area, or a designated growth center, owned or controlled by a person, within a radius of five miles of any point on any involved land and within any continuous period of five years.~~

~~\*\*\*~~

~~(D) The word "development" does not include:~~

~~\*\*\*~~

~~(viii)(I) The construction of a priority housing project in a municipality with a population of 10,000 or more.~~

~~(II) If the construction of a priority housing project in this subdivision (3)(D)(viii) involves demolition of one or more buildings that are listed or eligible to be listed on the State or National Register of Historic Places, this exemption shall not apply unless the Division for Historic Preservation has made the determination described in subdivision (A)(iv)(I)(ff) of this subdivision (3) and any imposed conditions are enforceable in the manner set forth in that subdivision.~~

~~(III) Notwithstanding any other provision of law to the contrary, until July 1, 2026, the construction of a priority housing project located entirely within a designated downtown development district, designated neighborhood development area, or a designated growth center.~~

~~\*\*\*~~

~~Sec. 16a. 10 V.S.A. § 6086b is amended to read:~~

~~§ 6086b. DOWNTOWN DEVELOPMENT; FINDINGS; MASTER PLAN PERMITS~~

~~(a) Findings and conclusions. Notwithstanding any provision of this chapter to the contrary, each of the following shall apply to a development or subdivision that is completely within a downtown development district designated under 24 V.S.A. chapter 76A and for which a permit or permit amendment would otherwise be required under this chapter:~~

~~(1) In lieu of obtaining a permit or permit amendment, a person may request findings and conclusions from the District Commission, which shall approve the request if it finds that the development or subdivision will meet subdivisions 6086(a)(1) (air and water pollution), (2) (sufficient water available), (3) (burden on existing water supply), (4) (soil erosion), (5) (traffic), (8) (aesthetics, historic sites, rare and irreplaceable natural areas), (8)(A) (endangered species; necessary wildlife habitat), (9)(B) (primary agricultural soils), (9)(C) (productive forest soils), (9)(F) (energy conservation), and (9)(K) (public facilities, services, and lands) of this title.~~

~~\* \* \*~~

~~(b) Master plan permits.~~

~~(1) Any municipality within which a downtown development district or neighborhood development area has been formally designated pursuant to 24 V.S.A. chapter 76A may apply to the District Commission for a master plan permit for that area or any portion of that area pursuant to the rules of the Board. Municipalities making an application under this subdivision are not required to exercise ownership of or control over the affected property.~~

~~(2) Subsequent development of an individual lot within the area of the master plan permit that requires a permit under this chapter shall take the form of a permit amendment.~~

~~(3) In neighborhood development areas, subsequent master plan permit amendments may only be issued for development that is housing.~~

~~(4) In approving a master plan permit and amendments, the District Commission may include specific conditions that an applicant for an individual project permit will be required to meet.~~

~~(5) For a master plan permit issued pursuant to this section, an application for an amendment may use the findings issued in the master plan permit as a rebuttable presumption to comply within any applicable criteria under subsection 6086(a) of this title.~~

#### **Sec. 16b. ACT 250 EXEMPTION REQUIREMENTS**

~~In order to qualify for the exemptions established in 10 V.S.A. § 6001 (3)(A)(xi) and (3)(D)(viii)(III) and 10 V.S.A. § 6081(y), a person shall apply for a jurisdictional opinion under 10 V.S.A. § 6007 by July 1, 2026. The~~

~~*jurisdictional opinion shall require the project to substantially complete construction by June 30, 2029 in order to remain exempt.*~~

1 ~~Sec. 17. 10 V.S.A. § 6081 is amended to read:~~

2 § 6081. PERMITS REQUIRED; EXEMPTIONS

3 \* \* \*

4 (p) No permit or permit amendment is required for a priority housing  
5 project in a designated center if the project remains below any applicable  
6 jurisdictional threshold specified in subdivision 6001(3)(A)(iv)(I) of this title.

7 \* \* \*

8 (y) ~~No permit amendment is required for the construction of improvements~~  
9 ~~for 24 units or fewer of housing.~~

*\* \* \* Enhanced Village Centers \* \* \**

*Sec. 17. 24 V.S.A. § 2793a is amended to read:*

*§ 2793a. DESIGNATION OF VILLAGE CENTERS BY STATE BOARD*

*\* \* \**

*(e)(1) A village center designated by the State Board pursuant to subsection (a) of this section is eligible to apply to the State Board to receive an enhanced designation. This enhanced designation allows a priority housing project with 50 or fewer units located entirely within the village center to be exempt from 10 V.S.A. chapter 15I.*

*(2) To receive enhanced designation under this subsection, a village center shall have:*

*(A) duly adopted permanent zoning and subdivision bylaws;*

*(B) at least one of the following: municipal sewer infrastructure, a community or alternative wastewater system approved by the Agency of Natural Resources, or a public community water system; and*

*(C) adequate municipal staff to support coordinated comprehensive and capital planning, development review, and zoning administration.*

~~*Sec. 17a. 10 V.S.A. § 6081 is amended to read:*~~

~~§ 6001. PERMITS REQUIRED, EXEMPTIONS~~

~~\*\*\*~~

~~(y) Notwithstanding any other provision of law to the contrary, until July 1, 2026, no permit or permit amendment is required for a priority housing project with 50 or fewer units that is located entirely within a village center that has received enhanced designation under 24 V.S.A. § 2793a(e).~~

~~Sec. 17b. 24 V.S.A. § 2793e is amended to read:~~

~~§ 2793e. NEIGHBORHOOD PLANNING AREAS; DESIGNATION OF  
NEIGHBORHOOD DEVELOPMENT AREAS~~

~~\*\*\*~~

~~(c) Application for designation of a neighborhood development area. The State Board shall approve a neighborhood development area if the application demonstrates and includes all of the following elements:~~

~~\*\*\*~~

~~(6) The neighborhood development area is served by at least one of the following:~~

~~(A) municipal sewer infrastructure;~~

~~(B) a community or alternative wastewater system approved by the Agency of Natural Resources; or~~

~~(C) a public community water system.~~

~~\*\*\*~~

~~Sec. 17c. 2022 Acts and Resolves No. 182, Sec. 41 is amended to read:~~

~~Sec. 41. REPORT; NATURAL RESOURCES BOARD~~

~~(a) On or before December 31, 2023, the Chair of the Natural Resources Board shall report to the House Committees on Natural Resources, Fish, and Wildlife and on Ways and Means and the Senate Committees on Finance and on Natural Resources and Energy on necessary updates to the Act 250 program.~~

~~(b) The report shall include:~~

~~(1) How to transition to a system in which Act 250 jurisdiction is based on location, which shall encourage development in designated areas, the maintenance of intact rural working lands, and the protection of natural resources of statewide significance, including biodiversity. Location-based jurisdiction would adjust the threshold for Act 250 jurisdiction based on the characteristics of the location. This section of the report shall consider~~



1 ~~(a) Application and approval. A municipality, by resolution of its~~  
2 ~~legislative body, may apply to the Natural Resources Board for an enhanced~~  
3 ~~designation for any designated area. The Natural Resources Board shall issue~~  
4 ~~an affirmative determination on finding that the municipality meets the~~  
5 ~~requirements of subsection (c) of this section.~~

6 ~~(b) Enhanced designation requirements. To obtain an enhanced~~  
7 ~~designation under this section, a municipality must demonstrate that it has each~~  
8 ~~of the following:~~

9 ~~(1) an approved designated area;~~

10 ~~(2) municipal bylaws that are identical or are determined to be~~  
11 ~~consistent with the model bylaws written by the Natural Resources Board~~  
12 ~~pursuant to subsection (f) of this section;~~

13 ~~(3) municipal bylaws that do not include broad exemptions excluding~~  
14 ~~significant private or public land development from requiring a municipal land~~  
15 ~~use permit; and~~

16 ~~(4) adequate municipal staff to support coordinated comprehensive and~~  
17 ~~capital planning, development review, and zoning administration.~~

18 ~~(c) Process for issuing enhanced designation.~~

19 ~~(1) A preapplication meeting shall be held with Department staff to~~  
20 ~~review the program requirements. The meeting shall be held in the~~  
21 ~~municipality unless another location is agreed to by the municipality.~~

1 ~~(2) An application by the municipality shall include the information and~~  
2 analysis required by the Department's guidelines established pursuant to  
3 section 2792 of this title on how to meet the requirements of subsection (b) of  
4 this section.

5 (3) The Department shall establish a procedure for submission of a draft  
6 application that involves review and comment by all the parties to be noticed  
7 in subdivision (4)(A) of this subsection and shall issue a preapplication memo  
8 incorporating the comments to the applicant after receipt of a draft preliminary  
9 application.

10 (4) After receipt of a complete final application, the Natural Resources  
11 Board shall convene a public hearing in the municipality to consider whether  
12 to issue a determination of enhanced designation under this section.

13 (A) Notice.

14 (i) At least 35 days in advance of the Natural Resources Board's  
15 meeting, the Department shall provide notice to the municipality and post it on  
16 the Agency's website.

17 (ii) The municipality shall publish notice of the meeting at least  
18 30 days in advance of the Natural Resources Board's meeting in a newspaper  
19 of general circulation in the municipality, and deliver physically or  
20 electronically, with proof of receipt or by certified mail, return receipt  
21 requested to the Agency of Natural Resources, the State Downtown Board, the

1 ~~Division for Historic Preservation; the Agency of Agriculture, Food and~~  
2 ~~Markets; the Agency of Transportation; the regional planning commission; the~~  
3 ~~regional development corporations; and the entities providing educational,~~  
4 ~~police, and fire services to the municipality.~~

5 (iii) The notice shall also be posted by the municipality in or near  
6 the municipal clerk's office and in at least two other designated public places  
7 in the municipality and on the websites of the municipality and the Agency of  
8 Commerce and Community Development.

9 (iv) The municipality shall also certify in writing that the notice  
10 required by subdivision (4)(A) of this subsection (c) has been published,  
11 delivered, and posted within the specified time.

12 (B) No defect in the form or substance of any requirements of this  
13 subsection (c) shall invalidate the action of the Natural Resources Board where  
14 reasonable efforts are made to provide adequate posting and notice. However,  
15 the action shall be invalid when the defective posting or notice was materially  
16 misleading in content. If an action is ruled to be invalid by the Superior Court  
17 or by the Natural Resources Board itself, the Department shall provide and the  
18 municipality shall issue new posting and notice, and the Board shall hold a  
19 new hearing and take a new action.

20 (5) The Natural Resources Board may recess the proceedings on any  
21 application pending submission of additional information. The Board shall

1 ~~close the proceedings promptly after all parties have submitted the requested~~  
2 ~~information.~~

3 (c) The Board shall issue its determination in writing. The  
4 determination shall include explicit findings on each of the requirements in  
5 subsection (b) of this section.

6 (d) Review of enhanced designation status.

7 (1) Initial determination of an enhanced designation may be made at any  
8 time. Thereafter, review of the enhanced designation shall be concurrent with  
9 the next periodic review of the underlying designated area.

10 (2) The Natural Resources Board, on its motion, may review  
11 compliance with the enhanced designation requirements at more frequent  
12 intervals.

13 (3) If at any time the Board determines that the enhanced designation  
14 area no longer meets the standards for the designation, it shall take one of the  
15 following actions:

16 (A) require corrective action within a reasonable time frame; or

17 (B) terminate the enhanced designation.

18 (4) If the underlying designation is terminated, the enhanced designation  
19 also shall terminate.

20 ~~(e) Appeal.~~

1 ~~(1) An interested person may appeal any act or decision of the Board~~  
2 ~~under this section to the Environmental Division of the Superior Court within~~  
3 ~~30 days following the act or decision.~~

4 ~~(2) As used in this section, an "interested person" means any one of the~~  
5 ~~following:~~

6 ~~(A) a person owning a title to or occupying property within or~~  
7 ~~abutting the designated area;~~

8 ~~(B) the municipality making the application or a municipality that~~  
9 ~~adjoins the municipality making the application; and~~

10 ~~(C) the regional planning commission for the region that includes the~~  
11 ~~designated area or a regional planning commission whose region adjoins the~~  
12 ~~municipality in which the designated center is located.~~

13 ~~(f) Model bylaws. The Natural Resources Board shall publish model~~  
14 ~~bylaws that may be adopted by a municipality seeking an enhanced~~  
15 ~~designation. These bylaws shall address all Act 250 criteria provided for in~~  
16 ~~10 V.S.A. § 6086(a)(1)–(10).~~

17 Sec. 20. 10 V.S.A. § 6001(45) is added to read:

18 ~~(45) "Enhanced designation" means the process by which a designated~~  
19 ~~area demonstrates that it has satisfied the requirements of 24 V.S.A. § 2793f.~~

20 ~~The term shall also refer to the resulting status.~~

21 ~~Sec. 21. ENHANCED DESIGNATION BYLAW ADOPTION~~

1 ~~On or before January 1, 2024, the Natural Resources Board shall publish~~  
2 model bylaws that a municipality may adopt in order to achieve an enhanced  
3 designation. These bylaws shall encompass all of the Act 250 criteria found in  
4 10 V.S.A. § 6086(a)(1)–(10).

5 \* \* \* Covenants \* \* \*

6 Sec. 22. 27 V.S.A. § 545 is amended to read:

7 § 545. COVENANTS, CONDITIONS, AND RESTRICTIONS OF  
8 SUBSTANTIAL PUBLIC INTEREST

9 (a) Deed restrictions, covenants, or similar binding agreements added after  
10 March 1, 2021 that prohibit or have the effect of prohibiting land development  
11 allowed under 24 V.S.A. § 4412(1)(E) and (2)(A) shall not be valid.

12 (b) Deed restrictions or covenants added after July 1, 2023 shall not be  
13 valid if they require a minimum dwelling unit size on the property or more  
14 than one parking space per dwelling unit.

15 (c) This section shall not affect the enforceability of any property interest  
16 held in whole or in part by a qualified organization or State agency as defined  
17 in 10 V.S.A. § 6301a, including any restrictive easements, such as conservation  
18 easements and historic preservation rights and interests defined in 10 V.S.A. §  
19 822. This section shall not affect the enforceability of any property interest  
20 ~~that is restricted by a housing subsidy covenant as defined by section 616 of~~

1 ~~this title and held in whole or in part by an eligible applicant as defined in 10~~

2 V.S.A. § 303(4) or the Vermont Housing Finance Agency.

3 \* \* \* Road Disclosure \* \* \*

4 Sec. 23. 27 V.S.A. § 617 is added to read:

5 § 617. DISCLOSURE OF CLASS 4 ROAD

6 (a) Disclosure of maintenance on class 4 highway. Any property owner  
7 who sells property located on a class 4 highway or legal trail shall disclose to  
8 the buyer that the municipality is not required to maintain the highway or trail  
9 as described in 19 V.S.A. § 310.

10 (b) Marketability of title. Noncompliance with the requirements of this  
11 section shall not affect the marketability of title of a property.

12 ~~10 V.S.A. § 1974. Wastewater Connection Permits~~

13 Sec. 24. 10 V.S.A. § 1974 is amended to read:

14 § 1974. EXEMPTIONS

15 Notwithstanding any other requirements of this chapter, the following  
16 projects and actions are exempt:

17 \* \*

18 (9) A project completed by a person who receives an authorization from  
19 a municipality that administers a program registered with the Secretary  
20 pursuant to section 1983 of this title.

21 ~~Sec. 25. 10 V.S.A. § 1983 is added to read:~~

~~S.1082 AUTHORIZATION FOR MUNICIPAL WASTEWATER SYSTEM~~

AND POTABLE WATER SUPPLY CONNECTIONS

(a) A municipality may issue an authorization for a connection or an existing connection with a change in use to the municipal sanitary sewer collection line via a sanitary sewer service line or a connection to a water main via a new water service line in lieu of permits issued under this chapter, provided that the municipality documents the following in a form prescribed by the Secretary:

(1) The municipality owns or has legal control over connections to a public community water system permitted pursuant to chapter 56 of this title and over connections to a wastewater treatment facility permitted pursuant to chapter 47 of this title.

(2) The municipality shall only issue authorizations for:

(A) a sanitary sewer service line that connects to the sanitary sewer collection line; and

(B) a water service line that connects to the water main.

(3) The building or structure authorized under this section connects to both the sanitary sewer collection line and public community water system.

(4) The authorizations from the municipality comply with the technical standards for sanitary sewer service lines and water service lines in the wastewater system and Potable water Supply Rules.

1 ~~(5) The municipality requires documentation issued by a professional~~  
2 ~~engineer or licensed designer that is filed in the land records that the~~  
3 ~~connection authorized by the municipality was installed in accordance with the~~  
4 ~~technical standards.~~

5 ~~(6) The municipality requires the authorization to be filed in the land~~  
6 ~~records.~~

7 ~~(7) The municipality requires the retention of plans that show the~~  
8 ~~location and design of authorized connections.~~

9 ~~(b) The municipality shall notify the Secretary 30 days in advance of~~  
10 ~~terminating any authorization. The municipality shall provide all~~  
11 ~~authorizations and plans to the Secretary as a part of this termination notice.~~

12 ~~(c) A municipality issuing an authorization under this section shall require~~  
13 ~~the person to whom the authorization is issued to post notice of the~~  
14 ~~authorization as part of the notice required for a permit issued under 24 V.S.A.~~  
15 ~~§ 4449 or other bylaw authorized under this chapter.~~

*\*\*\* Building Energy Code Study Committee \*\*\**

*Sec. 24. FINDINGS*

*The General Assembly finds that:*

*(1) Vermont established the Residential Building Energy Standards (RBES) in 1997 and the Commercial Building Energy Standards (CBES) in 2007. The Public Service Department is responsible for adopting and updating these codes regularly but does not have the capacity to administer or enforce them.*

(2) The RBES and CBES are mandatory, but while municipalities with building departments handle some aspects of review and inspection, there is no State agency or office designated to interpret, administer, and enforce them.

(3) The Division of Fire Safety in the Department of Public Safety is responsible for development, administration, and enforcement of building codes but does not currently have expertise or capacity to add administration or enforcement of energy codes in buildings.

(4) Studies in recent years show compliance with the RBES at about 54 percent and CBES at about 87 percent, with both rates declining. Both codes are scheduled to become more stringent with the goal of “net-zero ready” by 2030.

(5) In December 2022, the U.S. Department of Energy issued the Bipartisan Infrastructure Law: Resilient and Efficient Codes Implementation Funding Opportunity Announcement. The first \$45 million of a five-year \$225 million program is available in 2023. Vermont’s increased code compliance plans should include contingencies for this potential funding.

Sec. 25. ENERGY CODE COMPLIANCE; STUDY COMMITTEE

(a) Creation. There is created the Building Energy Code Study Committee to recommend strategies for increasing compliance with the Residential Building Energy Standards (RBES) and Commercial Building Energy Standards (CBES).

(b) Membership. The Committee shall have 15 members with applicable expertise, to include program design and implementation, building code administration and enforcement, and Vermont’s construction industry. The Speaker of the House shall appoint three members, including up to one legislator. The Committee on Committees shall appoint two members, including up to one legislator. The remaining members shall be the following:

(1) the Commissioner of Public Service, or designee;

(2) the Director of Fire Safety, or designee;

(3) a representative of Efficiency Vermont;

(4) a representative of American Institute of Architects–Vermont;

(5) a representative of the Vermont Builders and Remodelers Association;

(6) a representative the Burlington Electric Department;

(7) a representative of Vermont Gas Systems;

~~(8) a representative of the Association of General Contractors of Vermont;~~

~~(9) a representative of the Vermont League of Cities and Towns; and~~

~~(10) a representative from a regional planning commission.~~

~~(c) Powers and duties. The Committee shall consider and recommend strategies to increase awareness of and compliance with the RBES and CBES, including designation of the Division of Fire Safety (DFS) in the Department of Public Safety as the statewide authority having jurisdiction for administration, interpretation, and enforcement, in conjunction with DFS' existing jurisdiction, over building codes.~~

~~(d) Assistance. The Committee shall have the administrative, technical, and legal assistance of the Department of Public Service. The Department shall hire a third-party consultant to assist and staff the Committee which may be funded by monies appropriated by the General Assembly or any grant funding received.~~

~~(e) Report. On or before December 1, 2023, the Committee shall submit a written report to the General Assembly with its findings and recommendations for legislative action.~~

~~(f) Meetings.~~

~~(1) The Department of Public Service shall call the first meeting of the Committee to occur on or before July 15, 2023.~~

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

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

~~(4) The final meeting shall be held on or before October 31, 2023. The Committee shall cease to exist on December 1, 2023.~~

~~(g) Compensation and reimbursement.~~

~~(1) For attendance at meetings during adjournment of the General Assembly, a legislative member of the Committee serving in the legislator'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 six meetings.~~

~~(2) Other members of the Committee who are not otherwise compensated by their employer shall be entitled to per diem compensation and reimbursement of expenses as permitted under 32 V.S.A. § 1010 for not more than six meetings.~~

~~(3) The payments under this subsection (g) shall be made from monies appropriated by the General Assembly or any grant funding received.~~

~~Sec. 25. STUDY COMMITTEE; APPROPRIATION~~

~~The sum of \$125,000.00 is appropriated from the General Fund to the Department of Public Service in fiscal year 2024 for the purpose of hiring the consultant described in Sec. 25(d) of this act and to pay the Committee member per diem compensation.~~

1 \* \* \* ADU Jurisdiction \* \* \*

2 Sec. 26. 20 V.S.A. § 2730 is amended to read:

3 § 2730. DEFINITIONS

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

5 (1)(A) a building owned or occupied by a public utility, hospital, school,  
6 house of worship, convalescent center or home for elders or persons who have  
7 an infirmity or a disability, nursery, kindergarten, or child care;

8 \* \* \*

9 (D) a building in which people rent accommodations, whether  
10 overnight or for a longer term;

11 \* \* \*

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

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

15 \* \* \*

16 (4) ~~A single-family~~ An owner-occupied single-family residence with an  
17 accessory dwelling unit as permitted under 24 V.S.A. § 4412(1)(E), unless

1 ~~rented overnight or for a longer term as described in subdivision (1)(D) of~~  
2 ~~subsection (a) of this section.~~

3 \* \* \*

4 \* \* \* Enforcement \* \* \*

5 ~~Sec. 27. HUMAN RIGHTS COMMISSION; POSITION; APPROPRIATION~~

6 ~~(a) One new full-time, exempt litigator position is created in the Human~~  
7 ~~Rights Commission to prosecute violations of Vermont's antidiscrimination~~  
8 ~~laws, including the fair housing laws.~~

9 ~~(b) In fiscal year 2024, \$150,000.00 is appropriated from the General Fund~~  
10 ~~to the Human Rights Commission for personal services related to the new~~  
11 ~~litigator position.~~

12 *Sec. 27. [Deleted.]*

13 Sec. 28. 9 V.S.A. § 4507 is amended to read:

14 § 4507. CRIMINAL PENALTY

15 A person who violates a provision of this chapter shall be fined not more  
16 than ~~\$1,000.00~~ \$10,000.00 per violation.

17 \* \* \* Building Safety \* \* \*

18 Sec. 29. VERMONT FIRE AND BUILDING SAFETY CODE; POTENTIAL  
19 REVISIONS; REPORT

20 (a) On or before January 15, 2024, the Executive Director of the Division  
~~of Fire Safety shall submit a written report to the General Assembly that~~

1 ~~identifies and examines provisions from other jurisdictions' fire and life safety~~

2 codes for residential buildings that:

3 (1) would facilitate in Vermont:

4 (A) the increased construction of new residential units;

5 (B) the conversion of existing space into new residential units; or

6 (C) both; and

7 (2) could be incorporated into the Vermont Fire and Building Safety

8 Code.

9 (b) The report shall include recommendations for any legislative action

10 necessary to enable the identified provisions to be incorporated into Vermont's

11 Fire and Building Safety Code.

12 ~~\*\*\* Eviction Rescue Fund \*\*\*~~

13 ~~Sec. 30. HOUSING RISK MITIGATION; EVICTION RESCUE FUND~~

14 ~~In fiscal year 2024, the amount of \$2,500,000.00 is appropriated from the~~

15 ~~General Fund to the Agency of Human Services to provide eviction rescue~~

16 ~~funding on behalf of tenants for rental arrears and prevent eviction for~~

17 ~~nonpayment of rent if such funding will preserve a tenancy.~~

18 ~~\*\*\* HomeShare \*\*\*~~

19 ~~Sec. 31. HOMESHARING OPPORTUNITIES, APPROPRIATION~~

1 ~~In fiscal year 2024, the amount of \$200,000.00 is appropriated from the~~  
2 ~~General Fund to the Department of Housing and Community Development~~  
3 ~~funding to expand home-sharing opportunities throughout the State.~~

4 \* \* \* Mobile Homes and Mobile Home Parks \* \* \*

5 Sec. 32. MOBILE HOMES; MOBILE HOME PARKS; APPROPRIATION

6 (a) In fiscal year 2024 the amount of \$500,000.00 is appropriated from the  
7 General Fund to the Department of Housing and Community Development to  
8 provide financial support for home repair, home improvement, housing  
9 transition, park infrastructure, legal assistance, and technical assistance.

10 (b) On or before January 15, 2024, the Department of Housing and  
11 Community Development, in collaboration with the Central Vermont Office of  
12 Economic Opportunity, shall study and report to the General Assembly  
13 concerning:

14 (1) how to incorporate the considerations and needs of mobile home  
15 owners and mobile home parks, including infrastructure and habitability  
16 enhancements, into all existing State housing programs; and

17 (2) opportunities and barriers to creating new mobile home parks and to  
18 maximizing the efficient use of existing parks.

19 \* \* \* Vermont Housing Finance Agency \* \* \*

20 Sec. 33. 2022 Acts and Resolves No. 182, Sec. 2 is amended to read:

21 ~~SEC. 2. FIRST-GENERATION HOMEBUYER, IMPLEMENTATION,~~

1 APPROPRIATION

2 (a) Guidelines. The Vermont Housing Finance Agency shall adopt  
3 guidelines and procedures for the provision of grants to first-generation  
4 homebuyers pursuant to 32 V.S.A. § 5930u(b)(3)(D) consistent with the  
5 criteria of the Down Payment Assistance Program implemented pursuant to  
6 32 V.S.A. § 5930u(b)(3) and with this section.

7 (b) As used in this section and 32 V.S.A. § 5930u(b)(3)(D), a “first-  
8 generation homebuyer” means ~~an applicant~~ a homebuyer who self-attests that  
9 the ~~applicant~~ homebuyer is an individual:

10 (1)~~(A)~~ whose parents or legal guardians:

11 (A) do not have and during the homebuyer’s lifetime have not had  
12 any present residential ownership interest in any State state; and or

13 (B) whose spouse, or domestic partner, and each member of whose  
14 household has not, during the three-year period ending upon acquisition of the  
15 eligible home to be acquired, had any present ownership interest in a principal  
16 residence in any State lost ownership of a home due to foreclosure, short sale,  
17 or deed-in-lieu of foreclosure and have not owned a home since that loss; or

18 (2) ~~is an individual~~ who has at any time been placed in foster care.

19 \* \* \*

1 ~~In fiscal year 2024, the amount of \$1,000,000.00 is appropriated from the~~  
2 General Fund to the Vermont Housing Finance Agency for grants through the  
3 First Generation Homebuyer Program.

4 \* \* \* Middle-Income Homeownership  
5 Development Program \* \* \*

6 Sec. 35. REPEAL

7 2022 Acts and Resolves No. 182, Sec. 11 is repealed.

8 Sec. 36. 10 V.S.A. § 629 is added to read:

9 § 629. MIDDLE-INCOME HOMEOWNERSHIP DEVELOPMENT  
10 PROGRAM

11 (a) The Vermont Housing Finance Agency shall establish a Middle-Income  
12 Homeownership Development Program pursuant to this section.

13 (b) As used in this section:

14 (1) "Affordable owner-occupied housing" means owner-occupied  
15 housing identified in 26 U.S.C. § 143(c)(1) or that qualifies under Vermont  
16 Housing Finance Agency criteria governing owner-occupied housing.

17 (2) "Income-eligible homebuyer" means a Vermont household with  
18 annual income that does not exceed 150 percent of area median income.

19 (c) The Agency shall use the funds appropriated in this section to provide  
20 subsidies for new construction or acquisition and substantial rehabilitation of

1 ~~affordable owner occupied housing for purchase by income eligible~~

2 homebuyers.

3 (d) The total amount of subsidies for a project shall not exceed 35 percent  
4 of eligible development costs, as determined by the Agency, which the Agency  
5 may allocate consistent with the following:

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

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

13 (A) the Agency includes conditions in the subsidy, or uses another  
14 legal mechanism, to ensure that, to the extent the home value has risen, the  
15 amount of the subsidy remains with the home to offset the cost to future  
16 homebuyers; or

17 (B) the subsidy is subject to a housing subsidy covenant, as defined  
18 in 27 V.S.A. § 610, that preserves the affordability of the home for a period of  
19 99 years or longer.

1 ~~(2) The Agency shall allocate not less than 22 percent of the funds~~  
2 ~~available through the Program to projects that include a housing subsidy~~  
3 ~~covenant consistent with subdivision (2)(B) of this subsection.~~

4 ~~(e) The Agency shall adopt a Program plan that establishes application and~~  
5 ~~selection criteria, including:~~

6 ~~(1) project location;~~

7 ~~(2) geographic distribution;~~

8 ~~(3) leveraging of other programs;~~

9 ~~(4) housing market needs;~~

10 ~~(5) project characteristics, including whether the project includes the use~~  
11 ~~of existing housing as part of a community revitalization plan;~~

12 ~~(6) construction standards, including considerations for size;~~

13 ~~(7) priority for plans with deeper affordability and longer duration of~~  
14 ~~affordability requirements;~~

15 ~~(8) sponsor characteristics;~~

16 ~~(9) energy efficiency of the development; and~~

17 ~~(10) the historic nature of the project.~~

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

20 ~~(2) The Program shall include:~~

21 ~~(A) a streamlined and appropriately scaled application process,~~

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

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

6 (i) geographic distribution;

7 (ii) community size;

8 (iii) community economic need; and

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

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

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

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

18 (g) The Agency may assign its rights under any investment or subsidy  
19 made under this section to the Vermont Housing and Conservation Board or  
20 any State agency or nonprofit organization qualifying under 26 U.S.C. §

1 ~~501(e)(2) provided such assignee acknowledges and agrees to comply with the~~  
2 ~~provisions of this section.~~

3 ~~(h) The Department shall report to the House Committee on General and~~  
4 ~~Housing and the Senate Committee on Economic Development, Housing and~~  
5 ~~General Affairs on the status of the Program annually, on or before January 15.~~

6 Sec. 37. MIDDLE INCOME HOMEOWNERSHIP; APPROPRIATION

7 ~~In fiscal year 2024, the amount of \$20,000,000.00 is appropriated from the~~  
8 ~~General Fund to the Vermont Housing Finance Agency for the Middle-Income~~  
9 ~~Homeownership Development Program.~~

10 \* \* \* Rental Housing Revolving Loan Program \* \* \*

11 Sec. 38. 10 V.S.A. § 629a is added to read:

12 § 629a. RENTAL HOUSING REVOLVING LOAN PROGRAM

13 (a) Creation; administration. The Vermont Housing Finance Agency shall  
14 design and implement a Rental Housing Revolving Loan Program and shall  
15 create and administer a revolving loan fund to provide subsidized loans for  
16 rental housing developments that serve middle-income households.

17 (b) Loans; eligibility; criteria.

18 (1) The Agency shall adopt processes, procedures, and guidelines to  
19 implement the Program consistent with this section, including a simple  
20 application process that is accessible to small developers, builders, and  
21 contractors.

1 ~~(2)(A) To be eligible for a subsidized loan through the Program, a~~  
2 project shall create two or more new rental housing units, which may include  
3 market rate and affordable units, provided that at least 25 percent of the units  
4 in the project are affordable to a household earning between 65 and 150  
5 percent of the applicable area median income.

6 (B) Projects may include new construction, acquisition with  
7 substantial rehabilitation, and preservation of naturally occurring affordable  
8 housing.

9 (3) A loan is available only for the costs of the project allocable to the  
10 affordable units.

11 (4)(A) The Agency shall calculate the maximum amount of a loan,  
12 which shall not exceed the lesser of:

13 (i) 35 percent of the costs of the project allocable to the affordable  
14 units; or

15 (ii) the following amounts based on area median income bands:

16 (I) \$150,000.00 per unit for each unit that is affordable to a  
17 household earning from 65 percent to 80 percent of area median income; and

18 (II) \$100,000.00 per unit for each unit that is affordable to a  
19 household earning not from 81 to 150 percent of area median income.

20 (B) The Agency shall adopt and implement a method to adjust the  
21 values specified in this subdivision (4)(A)(ii) of this section at least

1 ~~annually for inflation and may adopt a smoothing mechanism to adjust the~~  
2 ~~maximum loan values within each band based on levels of affordability.~~

3 ~~(5) The Agency shall determine the term and interest rate of a loan. The~~  
4 ~~Agency may adopt one or more mechanisms to provide an enhanced subsidy to~~  
5 ~~incentivize projects, including:~~

6 ~~(A) a lower interest rate;~~

7 ~~(B) an interest-only option with deferred principal repayment; and~~

8 ~~(C) partial loan forgiveness.~~

9 ~~(6) The Agency shall adopt a Program plan that allows for an enhanced~~  
10 ~~subsidy for a project that meets one or more of the following:~~

11 ~~(A) The project receives five percent or more of the total funding~~  
12 ~~from an employer or employer-capitalized loan or grant.~~

13 ~~(B) The project receives five percent or more of the total funding~~  
14 ~~from a municipal or regional housing fund, local fiscal recovery fund, or other~~  
15 ~~form of community investment.~~

16 ~~(C) The project utilizes tax-exempt bond funding or Federal low-~~  
17 ~~income housing tax credits for at least 20 percent of the project's total units.~~

18 ~~(D) The project is small in scale and provides infill development~~  
19 ~~within a historic settlement pattern.~~

20 ~~(7) The Agency shall use one or more legal mechanisms to ensure that.~~

1 ~~(A) a subsidized unit remains affordable to a household earning the~~  
2 applicable percent of area median income for the longer of:

3 (i) seven years; or

4 (ii) full repayment of the loan plus three years; and

5 (B) during the affordability period determined pursuant to  
6 subdivision (A) of this subdivision (7), the annual increase in rent for a  
7 subsidized unit does not exceed three percent.

8 (c) Program design.

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

11 (2) The Program shall include:

12 (A) a streamlined and appropriately scaled application process;

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

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

18 (i) geographic distribution;

19 (ii) community size;

20 (iii) community economic need, and

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

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

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

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

9 ~~(d) Revolving funds. The Agency shall retain payments of principal,~~  
10 ~~interest, and any fees in a revolving loan fund, the amounts of which it shall~~  
11 ~~use to issue future loans through the Program.~~

12 ~~(e) The Agency shall report to the House Committee on General and~~  
13 ~~Housing and the Senate Committee on Economic Development, Housing and~~  
14 ~~General Affairs on the status of the Program annually, on or before January 15.~~

15 Sec. 39. RENTAL HOUSING REVOLVING LOAN PROGRAM;

16 APPROPRIATION

17 ~~In fiscal year 2024, the amount of \$20,000,000.00 is appropriated from the~~  
18 ~~General Fund to the Vermont Housing Finance Agency to implement the~~  
19 ~~Rental Housing Revolving Loan Program created in 10 V.S.A. § 629.~~

*Secs. 30–39. [Deleted.]*

20 \* \* \* Vermont Rental Housing Improvement Program \* \* \*

21 ~~Sec. 40. 10 V.S.A. § 699 is amended to read.~~

~~§ 600. 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, 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.

(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 shall include terms and conditions to avoid displacement of the current residents.

1           ~~(2) New accessory dwelling units. The unit will be:~~

2                     ~~(A) a newly created accessory dwelling unit that meets the~~

3 requirements of 24 V.S.A. § 4412(1)(E);

4                     ~~(B) a newly created unit within an existing structure;~~

5                     ~~(C) a newly created residential structure that is a single unit; or~~

6                     ~~(D) a newly created unit within a newly created structure that~~

7 contains five or fewer residential units.

8           (c) Administration. The Department shall require a housing organization

9 that receives funding under the Program to adopt:

10                   (1) a standard application form that describes the application process

11 and includes instructions and examples to help landlords apply;

12                   (2) an award process that ensures equitable selection of landlords,

13 subject to a housing organization's exercise of discretion based on the factors

14 adopted by the Department pursuant to subsection (c) of this section; and

15                   (3) a grant and loan management system that ensures accountability for

16 funds awarded.

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

18                   (1) A grant or loan shall not exceed \$50,000.00 per unit. In determining

19 the amount of a grant or loan, a housing organization shall consider the

20 number of bedrooms in the unit and whether the unit is being rehabilitated or

21 newly created.

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

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

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

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

9 (6) The identity of a recipient and the amount of a grant or forgivable  
10 loan are public records that shall be available for public copying and  
11 inspection and the Department shall publish this information at least quarterly  
12 on its website.

13 (e) Program requirements applicable to grants. For a grant awarded ~~under~~  
14 ~~subdivision (b)(1) of this section for a unit that is non-code compliant through~~  
15 the Program, the following requirements apply for a minimum period of five  
16 years:

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

19 (2)(A) Except as provided in subdivision (2)(B) of this subsection (e), a  
20 landlord shall lease the unit to a household that is exiting homelessness or  
21 ~~actively working with an immigrant or refugee resettlement program.~~

1 ~~(B) If, upon petition of the landlord, the Department or the housing~~  
2 organization that issued the grant determines that a household exiting  
3 homelessness is not available to lease the unit, then the landlord shall lease the  
4 unit:

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

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

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

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

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

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

1 ~~(f) Requirements applicable to forgivable loans. For a forgivable loan~~  
2 ~~awarded under subdivision (b)(1) of this section for a unit that is non-code~~  
3 ~~compliant through the Program, the following requirements apply for a~~  
4 ~~minimum period of 10 years:~~

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

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

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

13 (g) Requirements for an accessory dwelling unit.

14 ~~(1) For a grant or forgivable loan awarded under subdivision (b)(2) of~~  
15 ~~this section for a unit that is a new accessory dwelling unit, the total cost of rent~~  
16 ~~for the unit, including utilities not covered by rent payments, shall not exceed~~  
17 ~~the applicable fair market rent established by the Department of Housing and~~  
18 ~~Urban Development.~~

19 ~~(2) A landlord shall not offer an accessory dwelling unit created through~~  
20 ~~the Program as a short-term rental, as defined in 16 v.S.A. § 4501. [Repealed.]~~

1 ~~(1) Lien priority. A lien for a grant converted to a loan or for a forgivable~~  
2 loan issued pursuant to this section is subordinate to:

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

6 (2) a first mortgage on the property that is refinanced and recorded after  
7 the lien for rehabilitation and weatherization of the rental housing unit is filed  
8 in the land records.

9 ~~Sec. 41. VHIP; APPROPRIATION~~

10 ~~In fiscal year 2024 the amount of \$20,000,000.00 is appropriated from the~~  
11 ~~General Fund to the Department of Housing and Community Development for~~  
12 ~~the Vermont Rental Housing Improvement Program.~~

13 Sec. 42. VERMONT HOUSING AND CONSERVATION BOARD;

14 APPROPRIATION

15 ~~In fiscal year 2024, the amount of \$25,000,000.00 is appropriated from the~~  
16 ~~General Fund to the Vermont Housing and Conservation Board to provide~~  
17 ~~affordable mixed-income income rental housing and homeownership units;~~  
18 ~~improvements to manufactured homes and communities; recovery residences;~~  
19 ~~and, if determined eligible, housing available to farm workers and refugees.~~

20 ~~VHCB shall also use the funds for shelter and permanent homes for those~~

1 ~~experiencing homelessness in consultation with the Secretary of Human~~  
2 ~~Services.~~

*Secs. 41–42. [Deleted.]*

3 \* \* \* Housing Permitting and Approval Process; Performance Audit \* \* \*

4 Sec. 43. HOUSING PERMITTING AND APPROVAL PROCESS;  
5 PERFORMANCE AUDIT

6 (a) On or before January 15, 2024, the Auditor of Accounts shall prepare  
7 and submit to the Senate Committee on Economic Development, Housing and  
8 General Affairs and to the House Committee on General and Housing a plan,  
9 cost estimate, and timetable to conduct a performance audit of the residential  
10 housing development and approval process.

11 (b) The planned audit will be designed to identify measures, including  
12 potential legislative and policy changes, that will improve the timeliness,  
13 economy, and efficiency of Vermont’s residential housing development and  
14 approval process.

15 (c) The Auditor’s plan may allow for some or all of the audit to be  
16 conducted through a contract with a third party.

17 \* \* \* Effective Dates \* \* \*

18 Sec. 44. EFFECTIVE DATES

19 This act shall take effect on July 1, 2023, except that Secs. 1 (24 V.S.A.  
20 ~~§ 4414), 2 (24 V.S.A. § 4412) except for subdivision (D), 3 (24 V.S.A.~~

1 ~~§ 4413) and 4 (24 V.S.A. § 4303) shall take effect on December 1, 2024 and~~  
2 ~~secs. 18–20 (enhanced designation) shall take effect on January 1, 2024.~~

*\* \* \* Municipal Zoning \* \* \**

*Sec. 1. 24 V.S.A. § 4414 is amended to read:*

*§ 4414. ZONING; PERMISSIBLE TYPES OF REGULATIONS*

*\* \* \**

*(4) Parking and loading facilities. A municipality may adopt provisions setting forth standards for permitted and required facilities for off-street parking and loading, which may vary by district and by uses within each district. In any district that is served by municipal sewer and water infrastructure that allows residential uses, a municipality shall not require more than one parking space per dwelling unit. However, a municipality may require 1.5 parking spaces for duplexes and multiunit dwellings in areas not served by sewer and water and in areas that are located more than one-quarter mile away from public parking rounded up to the nearest whole number when calculating the total number of spaces. These bylaws may also include provisions covering the location, size, design, access, landscaping, and screening of those facilities. In determining the number of parking spaces for nonresidential uses and size of parking spaces required under these regulations, the appropriate municipal panel may take into account the existence or availability of employer “transit pass” and rideshare programs, public transit routes, and public parking spaces in the vicinity of the development. ~~However, a municipality shall not require an accessory dwelling unit to have more than one parking space per bedroom.~~*

*\* \* \**

*Sec. 2. 24 V.S.A. § 4412 is amended to read:*

*§ 4412. REQUIRED PROVISIONS AND PROHIBITED EFFECTS*

*Notwithstanding any existing bylaw, the following land development provisions shall apply in every municipality:*

*(1) Equal treatment of housing and required provisions for affordable housing.*

*\* \* \**

*(D) Bylaws shall designate appropriate districts and reasonable regulations for multiunit or multifamily dwellings. No bylaw shall have the effect of excluding these multiunit or multifamily dwellings from the*

municipality. In any district that allows year-round residential development, duplexes shall be an allowed use with the same dimensional standards as a single-unit dwelling. In any district that is served by municipal sewer and water infrastructure that allows residential development, multiunit dwellings with four or fewer units shall be a permitted use, unless that district specifically requires multiunit structures to have more than four dwelling units.

(E) Except for flood hazard and fluvial erosion area bylaws adopted pursuant to section 4424 of this title, no bylaw shall have the effect of excluding as a permitted use one accessory dwelling unit that is located within or appurtenant to a single-family dwelling on an owner-occupied lot. A bylaw may shall require a single-family dwelling with an accessory dwelling unit to be subject to the same review, dimensional, or other controls as required for a single-family dwelling without an accessory dwelling unit. An accessory dwelling unit means a distinct unit that is clearly subordinate to a single-family dwelling, and has facilities and provisions for independent living, including sleeping, food preparation, and sanitation, provided there is compliance with all the following: The criteria for conversion of an existing detached nonresidential building to habitable space for an accessory dwelling unit shall not be more restrictive than the criteria used for a single-family dwelling without an accessory dwelling unit.

(i) The property has sufficient wastewater capacity.

(ii) The unit does not exceed 30 percent of the total habitable floor area of the single-family dwelling or 900 square feet, whichever is greater.

\* \* \*

(H) No bylaw shall have the effect of prohibiting or penalizing a hotel from renting rooms to provide housing assistance through the State of Vermont's General Assistance program, or to any person whose room is rented with public funds. In this subsection, the term "hotel" has the same meaning as in 32 V.S.A. 9202(3).

\* \* \*

(12) In any area served by municipal sewer and water infrastructure that allows residential development, bylaws shall establish lot and building dimensional standards that allow five or more dwelling units per acre for each allowed residential use, and density standards for multiunit dwellings shall not be more restrictive than those required for single-family dwellings.

(13) In any area served by municipal sewer and water infrastructure that allows residential development, bylaws shall permit any affordable housing development, as defined in subdivision 4303(2) of this title, including mixed-use development, to exceed density limitations for residential

developments by an additional 40 percent, which shall include exceeding maximum height limitations by one floor, provided that the structure complies with the Vermont Fire and Building Safety Code.

Sec. 3. 24 V.S.A. § 4413 is amended to read:

§ 4413. LIMITATIONS ON MUNICIPAL BYLAWS

(a)(1) *The following uses may be regulated only with respect to location, size, height, building bulk, yards, courts, setbacks, density of buildings, off-street parking, loading facilities, traffic, noise, lighting, landscaping, and screening requirements, and only to the extent that regulations do not have the effect of interfering with the intended functional use:*

(A) *State- or community-owned and ~~operated~~ operated institutions and facilities;*

(B) *public and private schools and other educational institutions certified by the Agency of Education;*

(C) *churches and other places of worship, convents, and parish houses;*

(D) *public and private hospitals;*

(E) *regional solid waste management facilities certified under 10 V.S.A. chapter 159;*

(F) *hazardous waste management facilities for which a notice of intent to construct has been received under 10 V.S.A. § 6606a; and*

(G) *emergency shelters.*

(2) *Except for State-owned and -operated institutions and facilities, a municipality may regulate each of the land uses listed in subdivision (1) of this subsection for compliance with the National Flood Insurance Program and for compliance with a municipal ordinance or bylaw regulating development in a flood hazard area or river corridor, consistent with the requirements of subdivision 2291(25) and section 4424 of this title. These regulations shall not have the effect of interfering with the intended functional use.*

(3) For purposes of this subsection, regulating the daily or seasonal hours of operation of an emergency shelter shall constitute interfering with the intended functional use.

\* \* \*

Sec. 4. 24 V.S.A. § 4303 is amended to read:

§ 4303. DEFINITIONS

The following definitions shall apply throughout this chapter unless the context otherwise requires:

\* \* \*

(38) “Accessory dwelling unit” means a distinct unit that is clearly subordinate to a single-family dwelling and has facilities and provisions for independent living, including sleeping, food preparation, and sanitation, provided there is compliance with all the following:

(A) the property has sufficient wastewater capacity; and

(B) the unit does not exceed 30 percent of the total habitable floor area of the single-family dwelling or 900 square feet, whichever is greater.

(39) “Duplex” means a residential building that has two dwelling units in the same building and neither unit is an accessory dwelling unit.

(40) “Emergency shelter” means any facility, the primary purpose of which is to provide a temporary shelter for the homeless in general or for specific populations of the homeless and that does not require occupants to sign leases or occupancy agreements.

(41) “Multiunit or multifamily dwelling” means a building that contains three or more dwelling units in the same building.

(42)(A) An area “served by municipal sewer and water infrastructure” means:

(i) an area where residential connections and expansions are available to municipal water and direct and indirect discharge wastewater systems and not prohibited by:

(I) State regulations or permits;

(II) identified capacity constraints; or

(III) municipally adopted service and capacity agreements; or

(ii) an area established by the municipality by ordinance or bylaw where residential connections and expansions are available to municipal water and direct and indirect discharge wastewater systems and which may exclude:

(I) flood hazard or inundation areas as established by statute, river corridors or fluvial erosion areas as established by statute, shorelands, areas within a zoning district or overlay district the purpose of which is

natural resource protection, and wherever year-round residential development is not allowed;

(II) areas with identified service limits established by State regulations or permits, identified capacity constraints, or municipally adopted service and capacity agreements;

(III) areas served by sewer and water to address an identified community-scale public health hazard or environmental hazard;

(IV) areas serving a mobile home park that is not within an area planned for year-round residential growth;

(V) areas serving an industrial site or park;

(VI) areas where service lines are located to serve the areas described in subdivisions (III)–(V) of this subdivision (ii), but no connections or expansions are permitted; or

(VII) areas that, through an approved Planned Unit Development under section 4417 of this title or Transfer of Development Rights under section 4423 of this title, prohibit year-round residential development.

(B) Municipally adopted areas served by municipal sewer and water infrastructure that limit sewer and water connections and expansions shall not result in the unequal treatment of housing by discriminating against a year-round residential use or housing type otherwise allowed in this chapter.

Sec. 5. 24 V.S.A. § 4441 is amended to read:

§ 4441. PREPARATION OF BYLAWS AND REGULATORY TOOLS;  
AMENDMENT OR REPEAL

\* \* \*

(c) When considering an amendment to a bylaw, the planning commission shall prepare and approve a written report on the proposal. A single report may be prepared so as to satisfy the requirements of this subsection concerning bylaw amendments and subsection 4384(c) of this title concerning plan amendments. ~~The Department of Housing and Community Development shall provide all municipalities with a form for this report.~~ The report shall provide a brief explanation of the proposed bylaw, amendment, or repeal and shall include a statement of purpose as required for notice under section 4444 of this title; and shall include findings regarding how the proposal:

(1) ~~Conforms~~ conforms with or furthers the goals and policies contained in the municipal plan, including the effect of the proposal on the availability of safe and affordable housing-, and sections 4412, 4413, and 4414 of this title;

*(2) ~~Is~~ is compatible with the proposed future land uses and densities of the municipal plan-; and*

*(3) ~~Carries~~ carries out, as applicable, any specific proposals for any planned community facilities.*

\* \* \*

*(h) Upon adoption or amendment of a bylaw, the planning commission shall prepare an adoption report in form and content provided by the Department of Housing and Community Development that:*

*(1) confirms that zoning districts' GIS data has been submitted to the Department and that the data complies with the Vermont Zoning GIS Data Standard adopted pursuant to 10 V.S.A. § 123;*

*(2) confirms that the complete bylaw has been uploaded to the Municipal Plan and Bylaw Database;*

*(3) demonstrates conformity with sections 4412, 4413, and 4414 of this title; and*

*(4) provides information on the municipal application of subchapters 7 (bylaws), 9 (administration), and 10 (panels) of this chapter for the Municipal Planning Data Center and the prospective development of a statewide zoning atlas.*

*Sec. 6. 24 V.S.A. § 4465 is amended to read:*

*§ 4465. APPEALS OF DECISIONS OF THE ADMINISTRATIVE OFFICER*

*(a) An interested person may appeal any decision or act taken by the administrative officer in any municipality by filing a notice of appeal with the secretary of the board of adjustment or development review board of that municipality or with the clerk of that municipality if no such secretary has been elected. This notice of appeal must be filed within 15 days ~~of~~ following the date of that decision or act, and a copy of the notice of appeal shall be filed with the administrative officer.*

*(b) ~~For the purposes of~~ As used in this chapter, an "interested person" means any one of the following:*

*(1) A person owning title to property, or a municipality or solid waste management district empowered to condemn it or an interest in it, affected by a bylaw, who alleges that the bylaw imposes on the property unreasonable or inappropriate restrictions of present or potential use under the particular circumstances of the case.*

(2) *The municipality that has a plan or a bylaw at issue in an appeal brought under this chapter or any municipality that adjoins that municipality.*

(3) *A person owning or occupying property in the immediate neighborhood of a property that is the subject of any decision or act taken under this chapter, who can demonstrate a physical or environmental impact on the person's interest under the criteria reviewed, and who alleges that the decision or act, if confirmed, will not be in accord with the policies, purposes, or terms of the plan or bylaw of that municipality.*

(4) *Any ~~ten~~ 10 persons who may be any combination of voters, residents, or real property owners within a municipality listed in subdivision (2) of this subsection who, by signed petition to the appropriate municipal panel of a municipality, the plan or a bylaw of which is at issue in any appeal brought under this title, allege that any relief requested by a person under this title, if granted, will not be in accord with the policies, purposes, or terms of the plan or bylaw of that municipality. This petition to the appropriate municipal panel must designate one person to serve as the representative of the petitioners regarding all matters related to the appeal. For purposes of this subdivision, an appeal shall not include the character of the area affected if the project has a residential component that includes affordable housing.*

(5) *Any department and administrative subdivision of this State owning property or any interest in property within a municipality listed in subdivision (2) of this subsection, and the Agency of Commerce and Community Development of this State.*

\* \* \*

\* \* \* Subdivisions \* \* \*

*Sec. 7. 24 V.S.A. § 4463 is amended to read:*

*§ 4463. SUBDIVISION REVIEW*

*(a) Approval of plats. Before ~~any~~ a plat for a major subdivision is approved, a public hearing on the plat shall be held by the appropriate municipal panel after public notice. A bylaw may provide for the administrative officer to approve minor subdivisions. A copy of the notice shall be sent to the clerk of an adjacent municipality, in the case of a plat located within 500 feet of a municipal boundary, at least 15 days prior to the public hearing.*

*(b) Plat; record. The approval of the appropriate municipal panel or administrative officer, if the bylaws provide for their approval of minor subdivisions, shall expire 180 days from that approval or certification unless, within that 180-day period, that plat shall have been duly filed or recorded in*

*the office of the clerk of the municipality. After an approved plat or certification by the clerk is filed, no expiration of that approval or certification shall be applicable.*

*(1) The bylaw may allow the administrative officer to extend the date for filing the plat by an additional 90 days; if final local or State permits or approvals are still pending.*

*(2) No plat showing a new street or highway may be filed or recorded in the office of the clerk of the municipality until it has been approved by the appropriate municipal panel, or administrative officer if allowed under the bylaws, pursuant to subsection (a) of this section, and that approval is endorsed in writing on the plat, or the certificate of the clerk of the municipality showing the failure of the appropriate municipal panel to take action within the 45-day period is attached to the plat and filed or recorded with the plat. After that filing or recording, the plat shall be a part of the official map of the municipality.*

\* \* \*

*Sec. 8. 24 V.S.A. § 4418 is amended to read:*

*§ 4418. SUBDIVISION BYLAWS*

\* \* \*

*(2) Subdivision bylaws may include:*

*(A) ~~Provisions~~ provisions allowing the appropriate municipal panel to waive or modify, subject to appropriate conditions, the provision of any or all improvements and requirements as in its judgment of the special circumstances of a particular plat or plats are not requisite in the interest of the public health, safety, and general welfare, or are inappropriate because of inadequacy or lack of connecting facilities adjacent or in proximity to the subdivision-;*

*(B) ~~Proceedures~~ procedures for conceptual, preliminary, partial, and other reviews preceding submission of a subdivision plat, including any administrative reviews-;*

*(C) ~~Speeifte~~ specific development standards to promote the conservation of energy or to permit the utilization of renewable energy resources, or both-;*

*(D) State standards and criteria under 10 V.S.A. § 6086(a); and*

*(E) provisions to allow the administrative officer to approve minor subdivisions.*

*\* \* \* Appeals \* \* \**

*Sec. 9. 24 V.S.A. § 4471 is amended to read:*

*§ 4471. APPEAL TO ENVIRONMENTAL DIVISION*

*\* \* \**

*(e) ~~Neighborhood development area~~ Designated areas. Notwithstanding subsection (a) of this section, a determination by an appropriate municipal panel that a residential development will not result in an undue adverse effect on the character of the area affected shall not be subject to appeal if the determination is that a proposed residential development seeking conditional use approval under subdivision 4414(3) of this title is within a designated downtown development district, designated growth center, designated Vermont neighborhood, or designated neighborhood development area seeking conditional use approval will not result in an undue adverse effect on the character of the area affected under subdivision 4414(3) of this title. Other elements of the determination made by the appropriate municipal panel may be appealed.*

*\* \* \* By Right \* \* \**

*Sec. 10. 24 V.S.A. § 4464(b) is amended to read:*

*(b) Decisions.*

*\* \* \**

*(7)(A) A decision rendered by the appropriate municipal panel for a housing development or the housing portion of a mixed-use development shall not:*

*(i) require a larger lot size than the minimum as determined in the municipal bylaws;*

*(ii) require more parking spaces than the minimum as determined in the municipal bylaws and in section 4414 of this title;*

*(iii) limit the building size to less than that allowed in the municipal bylaws, including reducing the building footprint or height;*

*(iv) limit the density of dwelling units to below that allowed in the municipal bylaws; and*

*(v) otherwise disallow a development to abide by the minimum or maximum applicable municipal standards.*

*(B) However, a decision may require adjustments to the applicable municipal standards listed in subdivision (A) of this subdivision (7) if the panel or officer issues a written finding stating:*

(i) why the modification is necessary to comply with a prerequisite State or federal permit, municipal permit, or a nondiscretionary standard in a bylaw or ordinance, including requirements related to wetlands, setbacks, and flood hazard areas and river corridors; and

(ii) how the identified restrictions do not result in an unequal treatment of housing or an unreasonable exclusion of housing development otherwise allowed by the bylaws.

Sec. 11. 24 V.S.A. § 4348a is amended to read:

§ 4348a. ELEMENTS OF A REGIONAL PLAN

(a) A regional plan shall be consistent with the goals established in section 4302 of this title and shall include the following:

\* \* \*

(9) A housing element that identifies the regional and community-level need for housing for all economic groups in the region and communities. In establishing the identified need, due consideration shall be given to that will result in an adequate supply of building code and energy code compliant homes where most households spend not more than 30 percent of their income on housing and not more than 15 percent on transportation. To establish housing needs, the Department of Housing and Community Development shall publish statewide and regional housing targets or ranges as part of the Statewide Housing Needs Assessment. The regional planning commission shall consult the Statewide Housing Needs Assessment; current and expected demographic data; the current location, quality, types, and cost of housing; other local studies related to housing needs; and data gathered pursuant to subsection 4382(c) of this title. If no such data has been gathered, the regional planning commission shall gather it. The regional planning commission's assessment shall estimate the total needed housing investments in terms of price, quality, unit size or type, and zoning district as applicable and shall disaggregate regional housing targets or ranges by municipality. The housing element shall include a set of recommended actions to satisfy the established needs.

\* \* \*

Sec. 12. 24 V.S.A. § 4382 is amended to read:

§ 4382. THE PLAN FOR A MUNICIPALITY

(a) A plan for a municipality ~~may~~ shall be consistent with the goals established in section 4302 of this title and compatible with approved plans of other municipalities in the region and with the regional plan and shall include the following:

\* \* \*

~~(10) A housing element that shall include a recommended program for addressing low and moderate income persons' public and private actions to address housing needs as identified by the regional planning commission pursuant to subdivision 4348a(a)(9) of this title. The program should use data on year-round and seasonal dwellings and include specific actions to address the housing needs of persons with low income and persons with moderate income and account for permitted accessory dwelling units, as defined in subdivision 4412(1)(E) of this title, which provide affordable housing residential development as described in section 4412 of this title.~~

\* \* \*

Sec. 13. 24 V.S.A. § 4442 is amended to read:

§ 4442. **ADOPTION OF BYLAWS AND RELATED REGULATORY TOOLS; AMENDMENT OR REPEAL**

\* \* \*

(c) *Routine adoption.*

~~(1) A bylaw, bylaw amendment, or bylaw repeal shall be adopted by a majority of the members of the legislative body at a meeting that is held after the final public hearing, and shall be effective 21 days after adoption unless, by action of the legislative body, the bylaw, bylaw amendment, or bylaw repeal is warned for adoption by the municipality by Australian ballot at a special or regular meeting of the municipality.~~

~~(2) However, a rural town as defined in section 4303 of this chapter, by vote of that town at a special or regular meeting duly warned on the issue, may elect to require that bylaws, bylaw amendments, or bylaw repeals shall be adopted by vote of the town by Australian ballot at a special or regular meeting duly warned on the issue. That procedure shall then apply until rescinded by the voters at a regular or special meeting of the town.~~

\* \* \*

Sec. 14. 24 V.S.A. § 4306 is amended read:

§ 4306. **MUNICIPAL AND REGIONAL PLANNING FUND**

\* \* \*

(b)(1) *Allocations for performance contract funding to regional planning commissions shall be determined according to a formula to be adopted by rule under 3 V.S.A. chapter 25 by the Department for the assistance of the regional planning commissions. Disbursement of funding to regional planning*

*commissions shall be predicated upon meeting performance goals and targets pursuant to the terms of the performance contract.*

*(2) Disbursement to municipalities shall be awarded annually on or before December 31 through a competitive program administered by the Department providing the opportunity for any eligible municipality or municipalities to compete regardless of size, provided that to receive funds, a municipality:*

*(A) shall be confirmed under section 4350 of this title; or*

*(B)(i) shall use the funds for the purpose of developing a municipal plan to be submitted for approval by the regional planning commission, as required for municipal confirmation under section 4350 of this title; and*

*(ii) shall have voted at an annual or special meeting to provide local funds for municipal and regional planning purposes.*

*(3) Of the annual disbursement to municipalities, an amount not to exceed 20 percent of the total may be disbursed to the Department to administer a program providing direct technical consulting assistance under retainer on a rolling basis to any eligible municipality to meet the requirements for designated neighborhood development area under chapter 76A of this title, provided that the municipality is eligible for funding under subdivision (2) and meets funding guidelines established by the Department to ensure accessibility for lower capacity communities, municipal readiness, and statewide coverage.*

*(4) Of the annual disbursement to municipalities, the Department may allocate funding as bylaw modernization grants under 4307.*

*\* \* \**

*~~(d) New funds allocated to municipalities under this section may take the form of Municipal Bylaw Modernization Grants in accordance with section 4307 of this title.~~*

*\* \* \* Regional Planning \* \* \**

#### *Sec. 15. REGIONAL PLANNING REPORT*

*(a) On or before December 15, 2023, the Vermont Association of Planning and Development Agencies shall report on statutory recommendations to better integrate and implement municipal, regional, and State plans, policies, and investments by focusing on regional future land use maps and policies. In the process of creating the Regional Planning Report, the Vermont Association of Planning and Development Agencies shall consider possible new methods of public engagement that promote equity and expand opportunity for meaningful*

participation by impacted communities in the decisions affecting their physical and social environment.

(b) The recommendations shall address how to accomplish the following:

(1) Aligning policies and implementation between municipalities, regional planning commissions, and State entities to better address climate change, climate resiliency, natural resources, housing, transportation, economic development, other social determinants of health, and other place-based issues.

(2) Building upon municipal and regional enhanced energy plans and their implementation.

(3) Evaluating place-based policy and project decisions by the State, regional planning commissions, and municipalities related to implementing regional future land use maps and policies and recommending changes to which of those governmental levels those decisions should occur, if necessary.

(4) Ensuring that State agency investment and policy decisions that relate to land development are consistent with regional and local plans. The investments assessed should include, at a minimum:

(A) drinking water;

(B) wastewater;

(C) stormwater;

(D) transportation;

(E) community and economic development;

(F) housing;

(G) energy; and

(H) telecommunications.

(5) Achieving statewide consistency of future land use maps and policies to better support Act 250 and 30 V.S.A. § 248.

(6) How Act 250 and 30 V.S.A. § 248 could better support implementation of regional future land use maps and policies.

(7) Better support implementation of regional future land use maps and policies in the State designation program under 24 V.S.A. chapter 76A.

(8) Improving the quality and effectiveness of future land use maps in regional and municipal plans through changes to 24 V.S.A. chapter 117 including:

(A) future land use map area delineations, definitions, statements, and policies;

(B) existing settlement definitions and their relationship to future land use maps;

(C) the role of regional plans in the review and approval of municipal plans and planning processes; and

(D) a review mechanism to ensure bylaws are consistent with municipal plans.

(c) The report should also discuss how best to implement the recommendations, including the following:

(1) how best to phase in the recommendations;

(2) how to establish a mechanism for the independent review of regional plans to ensure consistency with statutory requirements;

(3) what guidance and training will be needed to implement the recommendations; and

(4) what incentives and accountability mechanisms are necessary to accomplish these changes at all levels of government.

(d) The Vermont Association of Planning and Development Agencies shall consult with the Agency of Transportation, the Agency of Natural Resources, the Agency of Commerce and Community Development, the Department of Public Service, Vermont Emergency Management, the Natural Resources Board, the regional development corporations, the Vermont League of Cities and Towns, statewide environmental organizations, and other interested parties in developing the report and shall summarize comments.

(e) On or before December 15, 2023, the Vermont Association of Planning and Development Agencies shall submit the report to the following committees: the Senate Committees on Economic Development, Housing and General Affairs, on Government Operations, on Natural Resources and Energy, and on Transportation and the House Committees on Commerce and Economic Development, on Environment and Energy, on General and Housing, on Government Operations and Military Affairs, and on Transportation.

(f) The Vermont Association of Planning and Development Agencies shall be funded in fiscal year 2023 and fiscal year 2024 for this study through the regional planning grant established in 24 V.S.A. § 4306.

*Sec. 15a. HOUSING RESOURCE NAVIGATOR FOR REGIONAL  
PLANNING COMMISSIONS*

*(a) The Vermont Association of Planning and Development Agencies shall hire Housing Resource Navigators to work with municipalities, regional and local housing organizations, and private developers to identify housing opportunities, match communities with funding resources, and provide project management support.*

*(b) The duty to implement this section is contingent upon an appropriation in fiscal year 2024 from the General Fund to the Vermont Association of Planning and Development Agencies for the purpose of hiring the Housing Navigators as described in subsection (a) of this section.*

*\* \* \* Act 250 \* \* \**

*Sec. 16. 10 V.S.A. § 6001 is amended to read:*

*§ 6001. DEFINITIONS*

*As used in this chapter:*

*\* \* \**

*(3)(A) “Development” means each of the following:*

*\* \* \**

*(iv) The construction of housing projects such as cooperatives, condominiums, or dwellings, or construction or maintenance of mobile homes or mobile home parks, with 10 or more units, constructed or maintained on a tract or tracts of land, owned or controlled by a person, within a radius of five miles of any point on any involved land and within any continuous period of five years. However:*

*\* \* \**

*(xi) Notwithstanding any other provision of law to the contrary, until July 1, 2026, the construction of housing projects such as cooperatives, condominiums, dwellings, or mobile homes, with 25 or more units, constructed or maintained on a tract or tracts of land, located entirely within a designated downtown development district, a designated neighborhood development area, a designated village center with permanent zoning and subdivision bylaws, or a designated growth center, owned or controlled by a person, within a radius of five miles of any point on any involved land and within any continuous period of five years. For purposes of this subsection, the construction of four units or fewer of housing in an existing structure shall only count as one unit towards the total number of units*

\* \* \*

*(D) The word “development” does not include:*

\* \* \*

*(viii)(I) The construction of a priority housing project in a municipality with a population of 10,000 or more.*

*(II) If the construction of a priority housing project in this subdivision (3)(D)(viii) involves demolition of one or more buildings that are listed or eligible to be listed on the State or National Register of Historic Places, this exemption shall not apply unless the Division for Historic Preservation has made the determination described in subdivision (A)(iv)(I)(ff) of this subdivision (3) and any imposed conditions are enforceable in the manner set forth in that subdivision.*

*(III) Notwithstanding any other provision of law to the contrary, until July 1, 2026, the construction of a priority housing project located entirely within a designated downtown development district, designated neighborhood development area, or a designated growth center.*

\* \* \*

#### *Sec. 16a. ACT 250 EXEMPTION REQUIREMENTS*

*In order to qualify for the exemptions established in 10 V.S.A. § 6001 (3)(A)(xi) and (3)(D)(viii)(III), a person shall request a jurisdictional opinion under 10 V.S.A. § 6007 on or before June 30, 2026. The jurisdictional opinion shall require the project to substantially complete construction on or before June 30, 2029 in order to remain exempt.*

*Sec. 17. 10 V.S.A. § 6086b is amended to read:*

#### *§ 6086b. DOWNTOWN DEVELOPMENT; FINDINGS; MASTER PLAN PERMITS*

*(a) Findings and conclusions. Notwithstanding any provision of this chapter to the contrary, each of the following shall apply to a development or subdivision that is completely within a downtown development district designated under 24 V.S.A. chapter 76A and for which a permit or permit amendment would otherwise be required under this chapter:*

*(1) In lieu of obtaining a permit or permit amendment, a person may request findings and conclusions from the District Commission, which shall approve the request if it finds that the development or subdivision will meet subdivisions 6086(a)(1) (air and water pollution), (2) (sufficient water available), (3) (burden on existing water supply), (4) (soil erosion), (5) (traffic), (8) (aesthetics, historic sites, rare and irreplaceable natural areas),*

*(8)(A) (endangered species; necessary wildlife habitat), (9)(B) (primary agricultural soils), (9)(C) (productive forest soils), (9)(F) (energy conservation), and (9)(K) (public facilities, services, and lands) of this title.*

*\* \* \**

*(b) Master plan permits.*

*(1) Any municipality within which a downtown development district or neighborhood development area has been formally designated pursuant to 24 V.S.A. chapter 76A may apply to the District Commission for a master plan permit for that area or any portion of that area pursuant to the rules of the Board. Municipalities making an application under this subdivision are not required to exercise ownership of or control over the affected property.*

*(2) Subsequent development of an individual lot within the area of the master plan permit that requires a permit under this chapter shall take the form of a permit amendment.*

*(3) In neighborhood development areas, subsequent master plan permit amendments shall only be issued for development that is housing.*

*(4) In approving a master plan permit and amendments, the District Commission may include specific conditions that an applicant for an individual project permit shall be required to meet.*

*(5) For a master plan permit issued pursuant to this section, an application for an amendment may use the findings issued in the master plan permit as a rebuttable presumption to comply within any applicable criteria under subsection 6086(a) of this title.*

*Sec. 18. 10 V.S.A. § 6083a is amended to read:*

*§ 6083a. ACT 250 FEES*

*(a) All applicants for a land use permit under section 6086 of this title shall be directly responsible for the costs involved in the publication of notice in a newspaper of general circulation in the area of the proposed development or subdivision and the costs incurred in recording any permit or permit amendment in the land records. In addition, applicants shall be subject to each of the following fees for the purpose of compensating the State of Vermont for the direct and indirect costs incurred with respect to the administration of the Act 250 program:*

*(1) For applications for projects involving construction, \$6.65 for each \$1,000.00 of the first \$15,000,000.00 of construction costs, and \$3.12 for each \$1,000.00 of construction costs above \$15,000,000.00. An additional \$0.75 for each \$1,000.00 of the first \$15,000,000.00 of construction costs shall be*

*paid to the Agency of ~~National~~ Natural Resources to account for the Agency of Natural Resources' review of Act 250 applications.*

*(2) For applications for projects involving the creation of lots, \$125.00 for each lot.*

*(3) For applications for projects involving exploration for or removal of oil, gas, and fissionable source materials, a fee as determined under subdivision (1) of this subsection or \$1,000.00 for each day of Commission hearings required for such projects, whichever is greater.*

*(4) For applications for projects involving the extraction of earth resources, including sand, gravel, peat, topsoil, crushed stone, or quarried material, the greater of: a fee as determined under subdivision (1) of this subsection; or a fee equivalent to the rate of \$0.02 per cubic yard of the first million cubic yards of the total volume of earth resources to be extracted over the life of the permit, and \$.01 per cubic yard of any such earth resource extraction above one million cubic yards. Extracted material that is not sold or does not otherwise enter the commercial marketplace shall not be subject to the fee. The fee assessed under this subdivision for an amendment to a permit shall be based solely upon any additional volume of earth resources to be extracted under the amendment.*

*(5) For applications for projects involving the review of a master plan, a fee equivalent to \$0.10 per \$1,000.00 of total estimated construction costs in current dollars in addition to the fee established in subdivision (1) of this subsection for any portion of the project seeking construction approval.*

*~~(6) In no event shall a permit application fee exceed \$165,000.00.~~*

*(b) Notwithstanding the provisions of subsection (a) of this section, there shall be a minimum fee of \$187.50 for original applications and \$62.50 for amendment applications, in addition to publication and recording costs. These costs shall be in addition to any other fee established by statute, unless otherwise expressly stated. In addition, in no event shall the fee for an individual permit or permit amendment application, including each individual permit or permit amendment application seeking approval for any portion of a project involving a master plan, exceed \$165,000.00.*

\* \* \*

#### *Sec. 18a. REPORT; ACT 250 MUNICIPAL DELEGATION*

*(a) The Vermont Association of Planning and Development Agencies, in consultation with the Natural Resources Board, shall develop a proposed framework for delegating administration of Act 250 permits to municipalities. They shall consult with other relevant stakeholders, including those with*

experience issuing Act 250 permits under 10 V.S.A. chapter 151, environmental organizations, State agencies, and municipal planning and zoning officials. Each regional planning commission shall hold one public meeting on the framework.

(b) On or before December 31, 2023, the Vermont Association of Planning and Development Agencies shall report to the House Committee on Environment and Energy and the Senate Committee on Natural Resources and Energy on the proposed framework to delegate Act 250 permit administration to municipalities.

Sec. 19. 2022 Acts and Resolves No. 182, Sec. 41 is amended to read:

Sec. 41. REPORT; NATURAL RESOURCES BOARD

(a) On or before December 31, 2023, the Chair of the Natural Resources Board shall report to the House Committees on ~~Natural Resources, Fish, and Wildlife~~ Environment and Energy and on Ways and Means and the Senate Committees on Finance and on Natural Resources and Energy on necessary updates to the Act 250 program.

(b) The report shall include:

(1) How to transition to a system in which Act 250 jurisdiction is based on location, which shall encourage development in designated areas; the maintenance of intact rural working lands; and the protection of natural resources of statewide significance, including biodiversity. Location-based jurisdiction would adjust the threshold for Act 250 jurisdiction based on the characteristics of the location. This section of the report shall consider whether to develop thresholds and tiers of jurisdiction as recommended in the Commission on Act 250: the Next 50 Years Report.

(2) How to use the Capability and Development Plan to meet the statewide planning goals.

(3) An assessment of the current level of staffing of the Board and District Commissions, including whether there should be a district coordinator located in every district.

(4) Whether the permit fees are sufficient to cover the costs of the program and, if not, a recommendation for a source of revenue to supplement the fees.

(5) Whether the permit fees are effective in providing appropriate incentives.

(6) Whether the Board should be able to assess its costs on applicants.

(7) Whether increasing jurisdictional thresholds for housing development to 25 units under 10 V.S.A. § 6001(3)(A)(iv) would affect housing affordability, especially for primary homeownership, and what the potential impact of increasing those thresholds to 25 units would have on natural and community resources addressed under existing Act 250 criteria.

Sec. 19a. 2022 Acts and Resolves No. 182, Sec. 40 is amended to read:

Sec. 40. DESIGNATED AREA REPORT; APPROPRIATION

\* \* \*

(3) On or before July 15, 2023, December 31, 2023, the consultant shall submit a written report to the General Assembly with its findings and any recommendations for legislative action.

Sec. 19b. 10 V.S.A. § 6081(y) is added to read:

(y) No permit or permit amendment is required for a retail electric distribution utility's rebuilding of existing electrical distribution lines and related facilities to improve reliability and service to existing customers, through overhead or underground lines in an existing corridor, road, or State or town road right-of-way. Nothing in this section shall be interpreted to exempt projects under this subsection from other required permits or the conditions on lands subject to existing permits required by this section.

Sec. 19c. EXEMPTION REPEAL

10 V.S.A. § 6081(y) is repealed on January 1, 2026.

Sec. 19d. ELECTRIC DISTRIBUTION UTILITY PROJECT REPORT

On or before January 15, 2024, and annually until 2026, any distribution utility that takes an action exempt under 10 V.S.A. § 6081(y) shall report to the House Committee on Environment and Energy and the Senate Committees on Finance and on Natural Resources and Energy on the projects completed pursuant to that exemption in the preceding year. The report shall address: the location of the projects, including whether it is located in a "1-acre town" or a "10-acre town"; how many customers are affected by the project; whether the project involved lines being hardened in place, buried underground, or relocated to the right-of-way; how many poles were removed and how many poles were set; and what permits the projects were required to receive.

\* \* \* Covenants \* \* \*

Sec. 20. 27 V.S.A. § 545 is amended to read:

§ 545. COVENANTS, CONDITIONS, AND RESTRICTIONS OF  
SUBSTANTIAL PUBLIC INTEREST

*(a) Deed restrictions, covenants, or similar binding agreements added after March 1, 2021 that prohibit or have the effect of prohibiting land development allowed under 24 V.S.A. § 4412(1)(E) and (2)(A) shall not be valid.*

*(b) Deed restrictions or covenants added after July 1, 2023 shall not be valid if they require a minimum dwelling unit size on the property or more than one parking space per dwelling unit if the property is located in an area served by municipal sewer and water infrastructure as defined in 24 V.S.A. § 4303 that allows residential uses or more than 1.5 parking spaces for duplexes and multiunit dwellings in areas not served by sewer and water and in areas that are located more than one-quarter mile away from public parking rounded up to the nearest whole number when calculating the total number of spaces.*

*(c) This section shall not affect the enforceability of any property interest held in whole or in part by a qualified organization or State agency as defined in 10 V.S.A. § 6301a, including any restrictive easements, such as conservation easements and historic preservation rights and interests defined in 10 V.S.A. § 822. This section shall not affect the enforceability of any property interest that is restricted by a housing subsidy covenant as defined by section 610 of this title and held in whole or in part by an eligible applicant as defined in 10 V.S.A. § 303(4) or the Vermont Housing Finance Agency.*

*\* \* \* Road Disclosure \* \* \**

*Sec. 21. 27 V.S.A. § 617 is added to read:*

*§ 617. DISCLOSURE OF CLASS 4 ROAD*

*(a) Disclosure of maintenance on class 4 highway. Any property owner who sells property located on a class 4 highway or legal trail shall disclose to the buyer that the municipality is not required to maintain the highway or trail as described in 19 V.S.A. § 310.*

*(b) Marketability of title. Noncompliance with the requirements of this section shall not affect the marketability of title of a property.*

*\* \* \* Building Energy Code Study Committee \* \* \**

*Sec. 22. FINDINGS*

*The General Assembly finds that:*

*(1) Vermont established the Residential Building Energy Standards (RBES) in 1997 and the Commercial Building Energy Standards (CBES) in 2007. The Public Service Department is responsible for adopting and updating these codes regularly but does not have the capacity to administer or enforce them.*

(2) The RBES and CBES are mandatory, but while municipalities with building departments handle some aspects of review and inspection, there is no State agency or office designated to interpret, administer, and enforce them.

(3) The Division of Fire Safety in the Department of Public Safety is responsible for development, administration, and enforcement of building codes but does not currently have expertise or capacity to add administration or enforcement of energy codes in buildings.

(4) Studies in recent years show compliance with the RBES at about 54 percent and CBES at about 87 percent, with both rates declining. Both codes are scheduled to become more stringent with the goal of “net-zero ready” by 2030.

(5) In December 2022, the U.S. Department of Energy issued the Bipartisan Infrastructure Law: Resilient and Efficient Codes Implementation Funding Opportunity Announcement. The first \$45 million of a five-year \$225 million program is available in 2023. Vermont’s increased code compliance plans should include contingencies for this potential funding.

Sec. 23. ENERGY CODE COMPLIANCE; STUDY COMMITTEE

(a) Creation. There is created the Building Energy Code Study Committee to recommend strategies for increasing compliance with the Residential Building Energy Standards (RBES) and Commercial Building Energy Standards (CBES).

(b) Membership. The Committee shall have 15 members with applicable expertise, to include program design and implementation, building code administration and enforcement, and Vermont’s construction industry. The Speaker of the House shall appoint three members, including up to one legislator. The Committee on Committees shall appoint two members, including up to one legislator. The remaining members shall be the following:

(1) the Commissioner of Public Service or designee;

(2) the Director of Fire Safety or designee;

(3) a representative of Efficiency Vermont;

(4) a representative of American Institute of Architects–Vermont;

(5) a representative of the Vermont Builders and Remodelers Association;

(6) a representative the Burlington Electric Department;

(7) a representative of Vermont Gas Systems;

(8) a representative of the Association of General Contractors of Vermont;

(9) a representative of the Vermont League of Cities and Towns; and

(10) a representative from a regional planning commission.

(c) Powers and duties. The Committee shall:

(1) consider and recommend strategies to increase awareness of and compliance with the RBES and CBES, including the potential designation of the Division of Fire Safety (DFS) in the Department of Public Safety as the statewide authority having jurisdiction for administration, interpretation, and enforcement, in conjunction with DFS' existing jurisdiction, over building codes;

(2) evaluate current cost-effectiveness analyses for the RBES and the CBES, whether they include or should include nonenergy benefits such as public health benefits and the cost of carbon, and how that impacts the affordability of housing projects and provide recommendations; and

(3) assess how the building energy codes interact with the fire and building safety codes.

(d) Assistance. The Committee shall have the administrative, technical, and legal assistance of the Department of Public Service. The Department shall hire a third-party consultant to assist and staff the Committee, which may be funded by monies appropriated by the General Assembly or any grant funding received.

(e) Report. On or before December 1, 2023, the Committee shall submit a written report to the General Assembly with its findings and recommendations for legislative action.

(f) Meetings.

(1) The Department of Public Service shall call the first meeting of the Committee to occur on or before July 15, 2023.

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

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

(4) The final meeting shall be held on or before October 31, 2023. The Committee shall cease to exist on December 1, 2023.

(g) Compensation and reimbursement.

(1) For attendance at meetings during adjournment of the General Assembly, a legislative member of the Committee serving in the legislator'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 six meetings.

(2) Other members of the Committee who are not otherwise compensated by their employer shall be entitled to per diem compensation and reimbursement of expenses as permitted under 32 V.S.A. § 1010 for not more than six meetings.

(3) The payments under this subsection (g) shall be made from monies appropriated by the General Assembly or any grant funding received.

#### Sec. 24. RURAL RECOVERY COORDINATION COUNCIL

(a) Goals. The Rural Recovery Coordination Council is created to study and make recommendations on how to strengthen coordination between agencies and stakeholders involved in rural community development.

(b) Purposes. The Council shall consider and identify strategies to:

(1) prioritize areas of investment into Vermont's rural communities in order to ensure necessary resources to meet Vermont's climate goals, rural community development objectives, and environmental sustainability requirements;

(2) build long-term emergency and disaster preparedness and recovery;

(3) ensure intergovernmental and regional communications and coordination; and

(4) improve access to technical assistance and support from regional and statewide agencies and programs.

(c) Powers and duties. The Council shall identify structural changes and improve coordination across all levels of government to support rural community development, including addressing the following issues:

(1) a permanent structure for ensuring rural community development programming within State government;

(2) how to better include rural voices in regional collaboration and prioritization projects;

(3) how municipal, regional, and State plans, policies, and investments can be integrated and mutually supportive;

(4) where to establish an office of Rural Community Development and how long the office should be authorized for; and

(5) how to support capacity at the municipal level and how to support multitown coordination and collaboration.

(d) Report. On or before December 15, 2023, the Council shall report to the General Assembly and to the Agency of Administration with its findings, recommendations, and draft legislation.

(e) Members. The Council shall comprise the following members:

(1) the Vermont Chief Performance Officer or designee;

(2) the Secretary of Commerce and Community Development or designee;

(3) the Commissioner of Public Service or designee;

(4) the Secretary of Transportation or designee;

(5) the Director of Racial Equity or designee;

(6) one or more representatives from the regional planning commissions appointed by the Vermont Association of Planning and Development Agencies;

(7) one or more representatives from the regional development corporations appointed by the Regional Development Corporations of Vermont;

(8) the Executive Director of the Vermont League of Cities and Towns or designee;

(9) a member, appointed by the Vermont Communications Union Districts Association;

(10) the Secretary of Natural Resources or designee;

(11) a member, appointed by the University of Vermont Office of Engagement;

(12) a member, appointed by the Vermont Housing and Conservation Board;

(13) a member of the House of Representatives, appointed by the Speaker of the House; and

(14) a member of the Senate, appointed by the Committee on Committees.

(f) Compensation and reimbursement.

(1) For attendance at meetings during adjournment of the General Assembly, a legislative member of the Council shall be entitled to per diem compensation and reimbursement of expenses pursuant to 2 V.S.A. § 23.

(2) Other members of the Council shall be entitled to per diem compensation and reimbursement of expenses as permitted under 32 V.S.A. § 1010.

(g) Meetings; administration.

(1) The Council shall meet at least five times and take testimony from a variety of stakeholders, including from representatives from municipalities of variety of sizes and from those with experience in state land use planning, regional planning, municipal planning, economic planning, or strategic planning.

(2) The Vermont Council on Rural Development shall convene the first meeting the Rural Recovery Coordination Council, facilitate the meetings, and provide administrative support.

(3) The Committee shall cease to exist on March 31, 2024.

(h) The duty to implement this section is contingent upon an appropriation in fiscal year 2024 from the General Fund to the Agency of Commerce and Community Development to provide funding for the Council as follows:

(1) an appropriation to the Vermont Council on Rural Development to convene meetings of the Council and provide administrative and policy support; and

(2) an appropriation to provide per diem compensation and reimbursement of expenses for members of the Council.

**Sec. 25. ANR REVIEW OF PERMITTING OF POTABLE WATER AND WASTEWATER CONNECTION PERMITS**

(a) The Agency of Natural Resources (ANR) shall review the statutory requirements, regulatory requirements, and ANR processes governing ANR's issuance of potable water and wastewater connection permits in order to identify approaches for reducing the administrative burden and costs incurred by municipalities and permit applicants. In conducting its review, ANR shall consult with the Agency of Commerce and Community Development, representatives of municipalities, professional engineers and licensed designers, and environmental organizations regarding alternatives for improving permitting of potable water and wastewater connections.

(b) In conducting the review required by this section, ANR shall:

(1) review and analyze the permitting standards and permit processes for potable water and wastewater connections in other jurisdictions;

(2) identify any State permitting requirements or ANR processes that may be duplicated under State and local permits and propose how to eliminate such redundancies;

(3) assess how to simplify and expedite the permitting process for potable water and wastewater connection permits;

(4) identify data and document sharing and management solutions for potable water and wastewater connections connection permits, including how to make municipal and State permits available to the public in an electronic format or on a statewide platform; and

(5) propose revised criteria for the issuance of potable water and wastewater connections connection permits, including criteria to address public interest, public health and safety, and environmental impacts of connections.

(c) ANR shall complete the review required by this section on or before July 1, 2025. The Agency is authorized to implement or revise any permitting processes or criteria that do not require or conflict with statutory or regulatory authority. On or before January 31, 2025, the Agency shall present to the House Committee on Environment and Energy and the Senate Committee on Natural Resources and Energy a written report or oral testimony on the status of the review required under this section, including potential recommended statutory or regulatory changes.

**Sec. 25a. UTILITY DISCONNECTION; LANDLORD NOTIFICATION;  
PUBLIC UTILITY COMMISSION; RULEMAKING**

(a) For the purpose of promoting safety, the protection of property, and providing assistance to tenants, the Public Utility Commission shall revise its rules concerning utility service disconnection to:

(1) require that a utility provide notice to the property owner of residential or nonresidential rental property if utility service to the property has been disconnected, even if the tenant is the ratepayer; and

(2) allow a utility to disconnect utility service remotely.

(b) As used in this section, "utility service" means gas, electric, water, and wastewater service subject to the jurisdiction of the Public Utility Commission.

(c) The rules adopted pursuant to subdivision (a)(1) of this section shall:

(1) establish the form, content, time, and manner of the notification required by subdivision (a)(1) of this section;

(2) include a process whereby a property owner can request that the notification is provided to a property manager or other appropriate third party; and

(3) ensure that the notification does not include personal or confidential information pertaining to the tenant or the tenant's account, except that the utility may disclose information necessary to enable the property owner or other applicable third party to reconnect utility service to the property.

(d) On or before January 1, 2024, the Public Utility Commission shall submit to the House Committees on General and Housing and on Environment and Energy and the Senate Committees on Economic Development, Housing and General Affairs and on Finance a proposal in the form of draft legislation that incorporates, as the Commission deems appropriate, the rules adopted by the Commission pursuant to this section and that applies to utility disconnections not subject to the jurisdiction of the Commission, including water and sewer service provided by a water or sewer system owned by a municipality, fire district, or private company subject to the uniform water and sewer disconnection requirements in 24 V.S.A. chapter 129.

\* \* \* ADU Jurisdiction \* \* \*

Sec. 26. 20 V.S.A. § 2730 is amended to read:

§ 2730. DEFINITIONS

(a) As used in this subchapter, "public building" means:

(1)(A) a building owned or occupied by a public utility, hospital, school, house of worship, convalescent center or home for elders or persons who have an infirmity or a disability, nursery, kindergarten, or child care;

\* \* \*

(D) a building in which people rent accommodations, whether overnight or for a longer term;

\* \* \*

(b) The term "public building" does not include:

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

\* \* \*

(4) ~~A single-family~~ An owner-occupied single-family residence with an accessory dwelling unit as permitted under 24 V.S.A. § 4412(1)(E), unless rented overnight or for a longer term as described in subdivision (1)(D) of subsection (a) of this section.

\* \* \*

\* \* \* Enforcement \* \* \*

Sec. 27. [Deleted.]

Sec. 28. 9 V.S.A. § 4507 is amended to read:

§ 4507. CRIMINAL PENALTY

*A person who violates a provision of this chapter shall be fined not more than ~~\$1,000.00~~ \$10,000.00 per violation.*

\* \* \* Building Safety \* \* \*

Sec. 29. VERMONT FIRE AND BUILDING SAFETY CODE; POTENTIAL REVISIONS; REPORT

(a) On or before January 15, 2024, the Executive Director of the Division of Fire Safety shall submit a written report to the General Assembly that identifies and examines provisions from other jurisdictions' fire and life safety codes for residential buildings that:

(1) would facilitate in Vermont:

(A) the increased construction of new residential units;

(B) the conversion of existing space into new residential units; or

(C) both; and

(2) could be incorporated into the Vermont Fire and Building Safety Code.

(b) The report shall include recommendations for any legislative action necessary to enable the identified provisions to be incorporated into Vermont's Fire and Building Safety Code.

\* \* \* Eviction Rescue Fund \* \* \*

Sec. 30. [Deleted.]

\* \* \* HomeShare \* \* \*

Sec. 31. HOMESHARING OPPORTUNITIES

In fiscal year 2024, it is the intent of the General Assembly to appropriate funds, if available, from the General Fund to the Department of Housing and Community Development funding to expand home-sharing opportunities throughout the State.

*\* \* \* Mobile Homes and Mobile Home Parks \* \* \**

*Sec. 32. MOBILE HOMES; MOBILE HOME PARKS; APPROPRIATION*

*(a) Creation. There is created the Mobile Home Task Force.*

*(b) Membership. The Task Force is composed of the following members:*

*(1) one current member of the House of Representatives, appointed by the Speaker of the House;*

*(2) one current member of the Senate, appointed by the Committee on Committees;*

*(3) one member, appointed by the Department of Housing and Community Development;*

*(4) one member, appointed by the Champlain Valley Office of Economic Opportunity;*

*(5) one member, appointed by The Housing Foundation Inc.;*

*(6) one member, appointed by the Speaker of the House, representing mobile home cooperative owners; and*

*(7) one member, appointed by the Vermont Housing and Conservation Board.*

*(c) Powers and duties. The Task Force shall study the current landscape for mobile homes and mobile home parks in this State, including the following issues:*

*(1) the status of mobile homes and mobile home parks within Vermont's housing portfolio;*

*(2) the condition and needs for mobile home park infrastructure among parks of various sizes;*

*(3) the current statutory treatment of mobile homes either as personal or real property;*

*(4) modern construction, energy efficiency, and durability of manufactured housing, and the availability, affordability, and suitability of alternative types of manufactured, modular, or other housing;*

*(5) the type and scope of data and information collected concerning mobile home residents, mobile homes, and mobile home parks and opportunities to make the data and information more centralized, accessible, and useful for informing policy decisions; and*

*(6) conversion to cooperative ownership and technical assistance available to prospective and new cooperative owners, including the*

availability of guidance concerning governance structures, operation, and conflict resolution.

(d) Assistance. For purposes of scheduling meetings and preparing a report and recommendations, the Task Force shall have the assistance of the Office of Legislative Operations, the Office of Legislative Counsel, and the Joint Fiscal Office.

(e) Report. On or before January 15, 2024, the Task Force shall submit a written 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.

(f) Meetings.

(1) The House of Representatives' member shall call the first meeting of the Task Force to occur on or before September 1, 2023.

(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 Task Force shall cease to exist on January 15, 2024.

(g) Compensation and reimbursement.

(1) For attendance at meetings during adjournment of the General Assembly, a legislative member of the Task Force shall be entitled to per diem compensation and reimbursement of expenses pursuant to 2 V.S.A. § 23 for not more than six meetings.

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

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

(h) In fiscal year 2024, it is the intent of the General Assembly to appropriate funds, if available, from the General Fund to the Department of Housing and Community Development to provide financial support for home repair, home improvement, housing transition, park infrastructure, legal assistance, and technical assistance.

\* \* \* Vermont Housing Finance Agency \* \* \*

Sec. 33. 2022 Acts and Resolves No. 182, Sec. 2 is amended to read:

Sec. 2. FIRST-GENERATION HOMEBUYER; IMPLEMENTATION;  
APPROPRIATION

*(a) Guidelines. The Vermont Housing Finance Agency shall adopt guidelines and procedures for the provision of grants to first-generation homebuyers pursuant to 32 V.S.A. § 5930u(b)(3)(D) consistent with the criteria of the Down Payment Assistance Program implemented pursuant to 32 V.S.A. § 5930u(b)(3) and with this section.*

*(b) As used in this section and 32 V.S.A. § 5930u(b)(3)(D), a “first-generation homebuyer” means ~~an applicant~~ a homebuyer who self-attests that the ~~applicant~~ homebuyer is an individual:*

*(1)~~(A)~~ whose parents or legal guardians:*

*(A) do not have and during the homebuyer’s lifetime have not had any present residential ownership interest in any State state; and or*

*(B) whose spouse, or domestic partner, and each member of whose household has not, during the three-year period ending upon acquisition of the eligible home to be acquired, had any present ownership interest in a principal residence in any State lost ownership of a home due to foreclosure, short sale, or deed-in-lieu of foreclosure and have not owned a home since that loss; or*

*(2) ~~is an individual~~ who has at any time been placed in foster care.*

*\* \* \**

*Sec. 34. FIRST GENERATION HOMEBUYER; APPROPRIATION*

*In fiscal year 2024, it is the intent of the General Assembly to appropriate funds, if available, from the General Fund to the Vermont Housing Finance Agency for grants through the First Generation Homebuyer Program.*

*\* \* \* Middle-Income Homeownership  
Development Program \* \* \**

*Sec. 35. REPEAL*

*2022 Acts and Resolves No. 182, Sec. 11 is repealed.*

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

*(a) The Vermont Housing Finance Agency shall establish a Middle-Income Homeownership Development Program pursuant to this section.*

*(b) As used in this section:*

*(1) “Affordable owner-occupied housing” means owner-occupied housing identified in 26 U.S.C. § 143(c)(1) or that qualifies under Vermont Housing Finance Agency criteria governing owner-occupied housing.*

(2) "Income-eligible homebuyer" means a Vermont household with annual income that does not exceed 150 percent of area median income.

(c) The Agency shall use the funds appropriated in this section to provide subsidies for new construction or acquisition and substantial rehabilitation of affordable owner-occupied housing for purchase by income-eligible homebuyers.

(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 Agency may allocate 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, or uses another legal mechanism, to ensure that, to the extent the home value has risen, the amount of the subsidy remains with the home to offset the cost to future homebuyers; 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.

(e) The Agency shall adopt a Program plan that establishes application and selection criteria, including:

(1) project location;

(2) geographic distribution;

(3) leveraging of other programs;

(4) housing market needs;

(5) project characteristics, including whether the project includes the use of existing housing as part of a community revitalization plan;

(6) construction standards, including considerations for size;

(7) priority for plans with deeper affordability and longer duration of affordability requirements;

(8) sponsor characteristics;

(9) energy efficiency of the development; and

(10) the historic nature of the project.

(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.

(g) The Agency may assign its rights under any investment or subsidy made under this section to the Vermont Housing and Conservation Board or any State agency or nonprofit organization qualifying under 26 U.S.C. § 501(c)(3), provided such assignee acknowledges and agrees to comply with the provisions of this section.

(h) The Department shall report to the House Committee on General and Housing and the Senate Committee on Economic Development, Housing and General Affairs on the status of the Program annually, on or before January 15.

*Sec. 37. MIDDLE-INCOME HOMEOWNERSHIP; IMPLEMENTATION*

The duty to implement Sec. 36 of this act is contingent upon an appropriation of funds in fiscal year 2024 from the General Fund to the Department of Housing and Community Development for a subgrant to the Vermont Housing Finance Agency for the Middle-Income Homeownership Development Program.

*\* \* \* Rental Housing Revolving Loan Program \* \* \**

*Sec. 38. RENTAL HOUSING REVOLVING LOAN PROGRAM*

(a) Creation; administration. The Vermont Housing Finance Agency shall design and implement a Rental Housing Revolving Loan Program and shall create and administer a revolving loan fund to provide subsidized loans for rental housing developments that serve middle-income households.

(b) Loans; eligibility; criteria.

(1) The Agency shall adopt processes, procedures, and guidelines to implement the Program consistent with this section, including a simple application process that is accessible to small developers, builders, and contractors.

(2)(A) To be eligible for a subsidized loan through the Program, a project shall create two or more new rental housing units, which may include market rate and affordable units, provided that at least 25 percent of the units in the project are affordable to a household earning between 65 and 150 percent of the applicable area median income.

(B) Projects may include new construction, acquisition with substantial rehabilitation, and preservation of naturally occurring affordable housing.

(3) A loan is available only for the costs of the project allocable to the affordable units.

(4)(A) The Agency shall calculate the maximum amount of a loan, which shall not exceed the lesser of:

(i) 35 percent of the costs of the project allocable to the affordable units; or

(ii) the following amounts based on area median income bands:

(I) \$150,000.00 per unit for each unit that is affordable to a household earning from 65 percent to 80 percent of area median income; and

(II) \$100,000.00 per unit for each unit that is affordable to a household earning from 81 to 150 percent of area median income.

(B) The Agency shall adopt and implement a method to adjust the values specified in subdivision (A)(ii) of this subdivision (4) at least annually for inflation and may adopt a smoothing mechanism to adjust the maximum loan values within each band based on levels of affordability.

(5) The Agency shall determine the term and interest rate of a loan. The Agency may adopt one or more mechanisms to provide an enhanced subsidy to incentivize projects, including:

(A) a lower interest rate;

(B) an interest-only option with deferred principal repayment; and

(C) partial loan forgiveness.

(6) The Agency shall adopt a Program plan that allows for an enhanced subsidy for a project that meets one or more of the following:

(A) The project receives five percent or more of the total funding from an employer or employer-capitalized loan or grant.

(B) The project receives five percent or more of the total funding from a municipal or regional housing fund, local fiscal recovery fund, or other form of community investment.

(C) The project utilizes tax-exempt bond funding or federal low-income housing tax credits for at least 20 percent of the project's total units.

(D) The project is small in scale and provides infill development within a historic settlement pattern.

(7) The Agency shall use one or more legal mechanisms to ensure that:

(A) a subsidized unit remains affordable to a household earning the applicable percent of area median income for the longer of:

(i) seven years; or

(ii) full repayment of the loan plus three years; and

(B) during the affordability period determined pursuant to subdivision (A) of this subdivision (7), the annual increase in rent for a subsidized unit does not exceed three percent.

(c) Program design.

(1) When designing and 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 investment 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 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.

(d) Revolving funds. The Agency shall retain payments of principal, interest, and any fees in a revolving loan fund, the amounts of which it shall use to issue future loans through the Program.

(e) The Agency shall report to the House Committee on General and Housing and the Senate Committee on Economic Development, Housing and General Affairs on the status of the Program annually, on or before January 15.

**Sec. 39. RENTAL HOUSING REVOLVING LOAN PROGRAM;  
IMPLEMENTATION**

The duty to implement Sec. 38 of this act is contingent upon an appropriation of funds in fiscal year 2024 from the General Fund to the Department of Housing and Community Development for a subgrant to the Vermont Housing Finance Agency for the Rental Housing Revolving Loan Program.

*\*\*\* Vermont Rental Housing Improvement Program \*\*\**

**Sec. 40. 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.*

(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:*

(i) *that prohibit permanent, involuntary displacement of the current residents;*

(ii) *that provide for the temporary relocation of the current residents if necessary to perform the rehabilitation; and*

(iii) *that ensure that the landlord complies with the affordability requirements of the Program following the rehabilitation.*

(2) *New ~~accessory~~ dwelling units. The unit will be:*

(A) *a newly created accessory dwelling unit that meets the requirements of 24 V.S.A. § 4412(1)(E);*

(B) *a newly created unit within an existing structure;*

(C) *a newly created residential structure that is a single unit; or*

(D) *a newly created unit within a newly created structure that contains five or fewer residential units.*

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

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

*(2) an award process that ensures equitable selection of landlords, subject to a housing organization's exercise of discretion based on the factors adopted by the Department pursuant to subsection (a) of this section; and*

*(3) a grant and loan management system that ensures accountability for funds awarded.*

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

*(1) A grant or loan shall not exceed \$50,000.00 per unit. 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.*

*(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 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.*

*(e) Program requirements applicable to grants. For a grant awarded ~~under subdivision (b)(1) of this section for a unit that is non-code compliant 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 exiting homelessness or actively working with an immigrant or refugee resettlement program.*

*(B) If, upon petition of the landlord, the Department or the housing organization that issued the grant determines that a household exiting*

*homelessness 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 credit for loan forgiveness for each year in which the landlord participates in the grant program.*

*(f) Requirements applicable to forgivable loans. For a forgivable loan awarded under ~~subdivision (b)(1) of this section for a unit that is non-code compliant through the Program~~, the following requirements apply for a minimum period of 10 years:*

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

*(g) Requirements for an accessory dwelling unit.*

*~~(1) For a grant or forgivable loan awarded under subdivision (b)(2) of this section for a unit that is a new accessory dwelling unit 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.~~*

~~(2) A landlord shall not offer an accessory dwelling unit created through the Program as a short-term rental, as defined in 18 V.S.A. § 4301. [Repealed.]~~

~~(h) Lien priority. A lien for a grant converted to a loan or for a forgivable loan issued pursuant to this section is subordinate to:~~

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

~~(2) a first mortgage on the property that is refinanced and recorded after the lien for rehabilitation and weatherization of the rental housing unit is filed in the land records.~~

*Sec. 41. VHIP; IMPLEMENTATION*

~~*In fiscal year 2024 it is the intent of the General Assembly to appropriate funding, if available, from the General Fund to the Department of Housing and Community Development for the Vermont Rental Housing Improvement Program.*~~

*Sec. 42. VERMONT HOUSING AND CONSERVATION BOARD;  
APPROPRIATION OF AVAILABLE FUNDING*

~~*In fiscal year 2024, it is the intent of the General Assembly to appropriate additional funding, if available, from the General Fund to the Vermont Housing and Conservation Board to provide affordable mixed-income rental housing and homeownership units; improvements to manufactured homes and communities; recovery residences; and, if determined eligible, housing available to farm workers and refugees. VHCB shall also use the funds for shelter and permanent homes for those experiencing homelessness in consultation with the Secretary of Human Services.*~~

~~*\* \* \* Housing Stabilization \* \* \**~~

*Sec. 43. RENTAL HOUSING STABILIZATION SERVICES*

~~*(a) Creation; purpose. The Champlain Valley Office of Economic Opportunity shall create and administer a Rental Housing Stabilization Services Program to provide tenants and landlords with access to services and programs that assist in preserving a tenancy and avoid eviction, including eligibility screening, direct referral, and follow-up services.*~~

~~*(b) Eligibility. A tenant or landlord is eligible to contact the Office at any time prior to the filing of a summons and complaint for eviction or through court referral.*~~

(c) Screening. The Office shall employ resource specialists who shall assess landlords and tenants for availability and eligibility for statewide or local assistance, including:

(1) repair funds;

(2) the Rent Arrears Assistance Fund established;

(3) Housing Opportunity Grant Program funds;

(4) the Vermont Housing Improvement Program;

(5) existing State or federally funded project- or tenant-based subsidies;

(6) existing Economic Service Division programs;

(7) legal counsel at Vermont Legal Aid or Legal Services Vermont for tenants and through the Vermont Lawyer Referral Service for tenants or landlords;

(8) voluntary mediation;

(9) housing education and skills-building programs; and

(10) other available housing resources as needed.

(d) Referral. The Office shall:

(1) assist callers in contacting organizations operating programs or available resources for which the caller may be eligible; and

(2) provide support and follow-up services and work with partner organizations to ensure effective participation in identified programs and services.

(e) Implementation. The duty to implement this section is contingent upon an appropriation in fiscal year 2024 from the General Fund to the Office of Economic Opportunity within the Department for Children and Families for a subgrant to Champlain Valley Office of Economic Opportunity to administer the Rental Housing Stabilization Services Program pursuant to this section.

#### *Sec. 44. TENANT REPRESENTATION PILOT PROGRAM*

(a) Creation; purpose. Vermont Legal Aid shall create and administer a two-year Tenant Representation Pilot Program:

(1) to provide full representation to eligible and consenting tenants in Lamoille and Windsor counties who have been served with a summons and complaint for eviction; and

(2) to determine the impact of representation on the issuance of writs of possession and homelessness prevention.

(b) Tenant eligibility. Vermont Legal Aid may enter a notice of appearance on behalf of a residential tenant in Lamoille or Windsor County who is served with a summons and complaint in an ejectment action, consents to the representation, and meets the following criteria:

(1) household income equals or is less than 120 percent of State area median income;

(2) the cost of rent equals or exceeds 30 percent of household income;  
or

(3) household expenses exceed income.

(c) Scope of representation.

(1) Full representation through the Program is limited to eviction.

(2) The pursuit of counterclaims shall be at the discretion of appointed counsel.

(d) Conflicts of interest.

(1) Vermont Legal Aid may subcontract to Legal Services Vermont if it is unable to provide tenant representation due to a conflict of interest as defined by the Vermont Rules of Professional Conduct.

(2) If Legal Services Vermont also has a conflict of interest, Vermont Legal Aid may subcontract to one or more private counsels who are members in good standing of the Vermont Bar.

(e) Report. Vermont Legal Aid shall provide interim reports on the progress of the Program on or before November 15, 2023 and November 15, 2024 and a final report on or before July 30, 2025, which shall describe:

(1) the number of tenants represented;

(2) case outcomes, including:

(A) the number of cases fully or partially resolved through access to the Rent Arrears Assistance Fund;

(B) the number of cases fully or partially resolved through the Vermont Landlord's Association mediation program; and

(C) the number of cases fully or partially resolved through access to another resource identified through the Rental Housing Stabilization Services Program; and

(3) recommendations for policy changes and for pilot expansion.

(f) Implementation. The duty to implement this section is contingent upon an appropriation in fiscal year 2024 from the General Fund to the Agency of

Human Services for a subgrant to Vermont Legal Aid to provide representation in eligible eviction cases in the two pilot counties of Lamoille and Windsor beginning on July 1, 2023.

**Sec. 45. RENT ARREARS ASSISTANCE FUND**

(a) Creation; purpose. The Vermont State Housing Authority shall create and administer a Rent Arrears Assistance Fund to provide funds to prevent eviction in cases involving nonpayment of rent from residential rental units subject to 9 V.S.A. chapter 137 and mobile home lot rentals subject to 10 V.S.A. chapter 153.

(b) Tenant eligibility. The Vermont State Housing Authority shall establish eligibility guidelines for the Fund that ensure a streamlined application process, including certification of past due rent and that tenants are at risk of eviction, which shall address the following:

(1) Eligibility. Financial eligibility criteria that consider area median income, rent burden, and ratio of household expenses to income up to 100 percent of area median income for the current federal fiscal year.

(2) Sustainability. Standards for assessing whether the tenancy is sustainable while retaining a simple and straightforward application.

(3) Referral. If the tenancy is not sustainable, the parties shall be referred to the Rental Housing Stabilization Services Program for assistance in exploring other resources or services and to apply for a housing choice voucher.

(c) Funds available.

(1) The Fund shall disburse only the amount necessary to cure the tenant's rent arrears, and, if necessary, court costs, and attorney's fees capped at an amount set by the Authority.

(2) The Fund is available on a first-come, first-served basis to eligible tenants until the Fund is exhausted.

(d) Application.

(1) The Authority shall create a plain language form to collect only information necessary to assess eligibility and provide clear instructions to help tenants and landlords apply.

(2) The tenant shall certify all information on the application.

(3) The Authority shall provide assistance in completing the application, either directly or through referral to Vermont Legal Aid.

(4) The Authority shall adopt guidelines and implement a process that ensures:

(A) equitable and prompt approval of applications;

(B) notice of grant decisions within 10 days; and

(C) decisions on appeals within 10 days.

(e) Status of eviction pending application.

(1) If an eviction case is filed, the tenant or the landlord shall notify the court when an application for Fund assistance is pending.

(2) Upon receiving notice that an application for Fund assistance is pending, the court shall set a status conference within 30 days.

(3) While the application is pending, the landlord shall not issue a new notice to quit or file or serve a new summons and complaint.

(f) Disbursement. The Authority shall disburse amounts from the Fund directly to the landlord.

(g) Conditions for disbursement of funds. The Authority shall establish guidelines for ensuring habitability, limitation on rent increases, documentation for direct deposit, and dismissal of cases, including the following:

(1) Habitability. The Authority shall adopt guidelines for identifying violations of the Rental Housing Health Code and certifying that necessary repairs to remediate the violations will be completed within 30 days or pursuant to a plan developed for the remediation and approved by the Authority.

(2) Documentation for direct deposit. The landlord shall provide the Authority, on a form provided by the Authority, necessary banking information to enable direct deposit of monies from the Fund.

(3) Dismissal. The Authority shall adopt guidelines for disbursement to ensure that complaints based on nonpayment of rent and complaints for no cause are dismissed, whether there is a single or multiple pending complaints.

(4) Notification form.

(A) The Authority shall adopt and provide to landlords and tenants a standardized notification form that shows amounts paid for each category of disbursement and date of payment.

(B) The form shall allow the landlord or tenant to easily notify the court and request a dismissal due to payment.

(C) The form shall outline any certifications established in Authority guidance that both parties have made as a part of their application, along with the date of those certifications.

(h) Implementation. The duty to implement this section is contingent upon an appropriation in fiscal year 2024 from the General Fund to the Vermont State Housing Authority to create and administer the Rent Arrears Assistance Fund pursuant to this section.

*\* \* \* Lead Inspectors; Financial Responsibility \* \* \**

*Sec. 46. 18 V.S.A. § 1764 is amended to read:*

*§ 1764. LEAD INSPECTORS; FINANCIAL RESPONSIBILITY*

(a) The Commissioner shall require that a licensee or an applicant for a license under subsection 1752(e) of this chapter provide evidence of ability to indemnify properly a person who suffers damage from lead-based paint activities or RRPM activities such as proof of effective liability insurance coverage or a surety bond in an amount to be determined by the Commissioner, which shall not be less than \$300,000.00. This section shall not restrict or enlarge the liability of any person under any applicable law.

(b) Owners of rental target housing who personally perform all work under this chapter on properties in which they have an interest shall be exempt from subsection (a) of this section.

*\* \* \* Effective Dates \* \* \**

*Sec. 47. EFFECTIVE DATES*

This act shall take effect on July 1, 2023, except that:

(1) Secs. 1 (24 V.S.A. § 4414) and 2 (24 V.S.A. § 4412) shall take effect on December 1, 2024, except for subdivision (1)(D) of Sec. 2, which shall take effect on July 1, 2023.

(2) Sec. 3 (24 V.S.A. § 4413) shall take effect on September 1, 2023.

(3) Sec. 46 (lead inspectors) shall take effect on passage.