

Laurie and Mark Kotorman

Burlington, VT 05401

Chair House General & House Committee

Dear Rep. Thomas Stevens,

October 1, 2022, the Vermont Health Department adopted new regulations concerning lead in pre-1978 housing and childcare facilities. Together these units are defined as Rental Target Housing. Vermont's new Lead Paint Regulations impose new and much higher expenses on Vermont's small landlords who operate Rental Target Housing. We are writing to ask for your help to change the new Regulations to reduce the financial burden on those Landlords who are typically providing the bulk of the most affordable, market rate workforce housing in the State.

As you know, the EMP certification has been replaced with Inspection, Repair and Cleaning (IRC) certification. The 2 hour training class and test are the same. You can still conduct annual inspections and file the new IRC reports with the State. But you can no longer repair, repaint or disturb any surface in the rental unit of more than 1 square foot whether the unit is occupied or not. In order to perform such maintenance on your rental unit, you must now obtain both a Repair, Renovation, Painting and Maintenance (RRPM) Firm license and a RRPM Supervisor license as well as professional liability insurance.

In order to repaint/maintain your own rental unit, you must now:

Take an 8-hour training class (cost \$250-\$300)

Pass a written test

Pay a \$300 RRPM Firm licensing fee (5 yrs);

Pay an annual \$50 RRPM Supervisor licensing fee;

Obtain professional liability painters insurance with at least \$300,000 in liability coverage (cost ~\$2,500 /yr if you can get it)

With respect to additional training and passing a written test (items 1 & 2) every 5 years, most people have no problem with that as it is part of keeping both you and your tenants safer.

The other requirements of the new Regulation are expensive, unnecessary and will cause even more upward pressure on rents that must be charged to maintain a quality rental unit and a reasonable return on investment.

Both the licensing fees and the liability insurance requirements are waived for owner operated childcare facilities that are subject to the same Federal Regulations as Rental Target Housing.

With regard to the mandatory liability insurance, your conventional general/umbrella property insurance policy most likely does not provide the required professional painters liability insurance coverage mandated by the new Regulation. You may also find that small landlords are unable to purchase

professional painters liability insurance unless they are in fact, full time professional painters. As you may know, Vermont law exempts owners of Rental housing from lead poisoning liability if they complete the EMP (now IRC) annual inspection, cleaning and lead-safe work practices. So the new regulation mandates that small landlords who maintain their own buildings purchase insurance that is not available, to them to insure against liability that they are already exempt from.

If you want to paint the interior or exterior of your rental property your other option is to hire a professional painter who has the necessary insurance and RRPM licenses. A likely impossible Task. As of January 1, 2023, you had the choice of less than 35 licensed contractors statewide licensed to perform the work. Those authorized to perform the work numbered only 7 in all of Chittenden County, 2 in Addison County and 2 in Franklin County. There were no licensed contractors in Grand Isle, Orange or Windsor Counties. Washington County has one: Capstone Community Action, which is not available for hire to private landlords. One of the two contractors in Addison County is Middlebury College-again, not offering services to the general public. Thirty-five licensed providers for 60,000 Rental Target Housing units is only one contractor for every 1,700 rental units.

Why did the State decide to impose these costs and mandates on small Landlords? According to the Health Department-it is just another “cost of doing business.” At least in Burlington where our properties are located, the property taxes are very close to making our rentals unprofitable as it is. These new regulations will be a major backslide to the notion of attempting to keep market rate workforce housing reasonably affordable.

This will in fact devastate the ability of small landlords like myself to maintain and offer reasonable rents. It will force a large number of us to consider selling our properties, contributing to the housing affordability crisis.

Please vote for H.184

With appreciation for your time and consideration,
Laurie and Mark Kotorman