

House General & Housing Committee,

On October 1, 2022, the Vermont Health Department adopted new regulations concerning lead in pre-1978 housing and childcare facilities. Vermont's new Lead Paint Regulations impose new and much higher expenses on Vermont's small landlords who operate Rental Target Housing (apartments, owner occupied duplexes, condominiums, Accessory Dwelling Units).

Small landlords of Rental Target Housing used to be able to take a 2 hour Essential Maintenance Practices (EMP) course in lead safety, pass a test to be EMP certified, annually inspect their properties and file an EMP inspection report with the State. If a small landlord's inspection discovered any deteriorated surfaces, they were required to use lead-safe work practices to make repairs, repaint walls, etc. If a landlord repainted an apartment between tenants, they were required to use lead-safe work practices.

The EMP certification has been replaced with Inspection, Repair and Cleaning (IRC) certification. The 2 hour training class and test are the same. Small landlords can still conduct annual inspections and file the new IRC reports with the State -- but they 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 a rental unit, small landlords (typically sole proprietors or single member LLCs) must now obtain both a Repair, Renovation, Painting and Maintenance (RRPM) Firm license and a RRPM Supervisor license as well as professional liability insurance.**

This means that in order to repaint/maintain a rental unit, small landlords must now:

1. Take an 8-hour training class (cost \$250-\$300)
2. Pass a written test
3. Pay a \$300 RRPM Firm licensing fee (5 yrs);
4. Pay an annual \$50 RRPM Supervisor licensing fee;
5. Obtain professional liability painter's insurance with at least \$300,000 in liability coverage (cost ~\$2,500 /yr – if they can even get it)

With respect to additional training and passing a written test (items 1 & 2) every 5 years, most landlords would have no problem with that, as it is part of keeping both them and their tenants safe.

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.

The RRPM Firm and Supervisor licensing fees are not required by Federal or State law for landlords who only work on their own properties, and do not hold themselves out for hire to others. Neither is the minimum professional liability insurance. 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, a 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 a small landlord wants to paint the interior or exterior of their rental property, their other option is to hire a professional painter who has the necessary insurance and RRPM licenses. As of January 1, 2023, there are 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.

These costs and mandates will be a significant burden on small landlords. According to the Health Department – it is just another “cost of doing business.” Frustratingly, they appear to be completely tone deaf to the notion of attempting to keep market rate workforce housing reasonably affordable, obviously a major issue statewide.

H.184 seeks to provide small residential landlords who do not hold themselves out for hire to perform RRPM activities with the same exemption from licensure and mandatory insurance that owner operated childcare facilities enjoy. I respectfully urge you and the House Committee on General and Housing to support passing the bill.

As a small landlord myself, these new costs would be a significant financial burden on me, my family, and ultimately (and unfortunately) my tenants. I'm sure that exacerbating the financial strain on renters during a housing crisis was not the State's intent when the initial regulations were passed last year, and passing H.184 would remedy that oversight while still upholding the vast majority of the regulations that were passed last year.

I ask that this letter please be placed into the Committee's public record for consideration of H.184. Thank you for your time and consideration of this matter.

Sincerely,
Zach Campbell