



VERMONT LEGISLATIVE
Joint Fiscal Office

1 Baldwin Street • Montpelier, VT 05633-5701 • (802) 828-2295 • <https://jfo.vermont.gov>

Fiscal Note

March 23, 2022

Ted Barnett, Fiscal Analyst

H.276 – An act relating to creating a rental housing registry

As Amended by the House Committee on General and Housing, Draft 8.1¹

Bill Summary

This bill would direct the Department of Housing and Community Development (DHCD) to create a statewide rental housing registry and establish a new rental housing registry with a \$35 annual registration fee per rental unit.

Registration would be required for owners of rental housing and short-term rentals with exemptions for housing properties that already participate in local inspection programs and other isolated cases. Registration fees would be placed in a newly created Rental Housing Safety Special Fund, which could be used by the Department of Public Safety (DPS) and DHCD for staffing and other rental housing registration and inspection-related costs.

The bill also:

- Establishes one and a half (1.5) full-time classified positions within DHCD.
- Includes a General Fund appropriation of \$25,000 to the Agency of Digital Services (ADS) to conduct a project assessment to determine costs to create and maintain a rental housing registry.
- Requires that the Agency of Human Services (AHS) create a working group to conduct a systems analysis of the homelessness response program.

Fiscal Summary

This bill is expected to generate \$896,000 from fee revenue in fiscal year 2026 and up to \$2,240,000 annually thereafter. These revenues will flow to the new Rental Housing Safety Special Fund.

- The maximum amount of revenues the State expects to receive assumes that the owners of 64,000 rental units will pay the \$35 registration fee annually.
- JFO estimates that 40%, or 25,600, of the 64,000 estimated rental units required to register would pay the \$35 registration fee in fiscal year 2026.

¹[https://legislature.vermont.gov/Documents/2024/WorkGroups/House%20General/Bills/H.276/Drafts,%20Amendments%20and%20Legal%20Documents/H.276~David%20Hall~House%20Committee%20on%20General%20and%20Housing%20Committee%20Report%20\(9-2-1\)~3-17-2023.pdf](https://legislature.vermont.gov/Documents/2024/WorkGroups/House%20General/Bills/H.276/Drafts,%20Amendments%20and%20Legal%20Documents/H.276~David%20Hall~House%20Committee%20on%20General%20and%20Housing%20Committee%20Report%20(9-2-1)~3-17-2023.pdf)

- Since it is unlikely that all landlords will register their rental units, the future years column of Table 1 includes a range of 60-80% participation in the registry, or between 38,400 and 51,200 rental units.

Table 1: Fiscal Summary of H.276

Revenues/Appropriations	FY24	FY25	FY26	Future Years: Low participation	Future Years: High participation*
Impact on Special Fund Revenues					
Rental Housing Registration Fee Revenues	n/a	n/a	\$896,000	\$1,344,000	\$1,792,000
State Appropriations					
Section 4: ADS RFI Appropriation	\$25,000	TBD	TBD		

*Future year revenues dependent on outreach and participation. The revenue range reflects different participation rates.

The bill does not include an appropriation for the rental registry, which is scheduled to start in fiscal year 2026. At this time JFO can only estimate the costs of positions in fiscal year 2026, which are likely to be around \$200,000. Remaining program costs will be driven by IT needs to establish and maintain the registry. More information on these costs will be available when ADS has completed a Request For Information (RFI) process regarding a new IT system. When additional information is known about the cost of the program, fees should be reviewed to ensure that revenue aligns with program costs.

Background and Details

Section 1: Rental Housing Registration Fee

According to the US Census Bureau's American Community Survey data, there are approximately 75,000 rental units in Vermont.² A report from the Rental Housing Advisory Board indicates that approx. 21,000 rental units already belong to a registry administered by a municipality or through a Memorandum of Understanding (MOU) with the Department of Public Safety. For the purpose of this analysis, 54,000 rental housing units are assumed to be currently eligible for inclusion in the State registry requirement. These numbers are consistent with findings from the Act 48 of 2019 Rental Housing Advisory Board Final Report.³ Under this bill, 10,000 short-term rental units would also be subject to the State registry requirement, for 64,000 units total.⁴

Since the administrative penalty for failure to register does not take effect until March 1, 2026 – 9 months after the program starts – JFO estimates that only 40% of rental units would be registered in the first year. Future-year revenue growth would depend on new units coming into compliance with the registration requirement through outreach from DHCD and other interested parties. JFO estimates that in future years, the participation rate would fall somewhere between 60 and 80 percent of all units. Future-year forecasts follow program budgets proposed in previous rental registry legislation, which assumed a slow ramp up in participation.⁵

At this time JFO does not have an estimate for the cost to run the rental registry. The major cost drive of

² <https://data.census.gov/table?q=housing+vermont&g=040XX00US50&tid=ACST5Y2017.S2504>

³ https://outside.vermont.gov/agency/ACCD/ACCD_Web_Docs/Housing/Partners/Rental-Housing-Advisory-Board-FINAL-Report-JAN-15-20.pdf

⁴ Information is from AirDNA short-term rental listings accessed through the VHFA website <https://www.housingdata.org/profile/housing-stock/short-term-rentals>

⁵ <https://legislature.vermont.gov/Documents/2022/WorkGroups/House%20General/Bills/S.79/Witness%20Documents/S.79~Sarah%20Carpenter~RHAB%20Recommended%20Budget%20-%20RHHC%20Enforcement%20and%20Rental%20Registry%202012-22-2020~5-5-2021.pdf>

the program is likely to be the construction and maintenance of the IT infrastructure associated with the registry. Additional program costs can be projected once the department has completed the RFI process outlined in Section 4 of the bill has been completed. The cost of two additional staff is outlined in Section 3.

Section 3: Department of Public Safety Authorizations

The bill would authorize DPS to hire an additional 1.5 positions as revenues become available from fees from rental registrations. These positions would create, administer, and enforce the rental housing registration program.

The establishment of positions does not take effect until fiscal year 2026. The bill does not include an appropriation for these positions. It is estimated that the 1.5 positions established would cost approximately \$200,000 annually.

Section 4: Agency of Digital Services Appropriation

ADS would receive a \$25,000 appropriation to conduct a project assessment for building a rental registry through a RFI process. This RFI would determine the costs associated with building the rental registry database.

Section 6: Homelessness Response Systems Analysis

The bill also creates a working group convened by AHS to look at various features of homelessness prevention and response programs in Vermont. The bill does not provide an appropriation for this working group.