

No. 155. An act relating to manufactured homes and limited equity cooperatives.

(H.757)

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

* * * Manufactured Homes * * *

Sec. 1. 9 V.S.A. chapter 72 is amended to read:

CHAPTER 72. MOBILE HOMES

§ 2601. DEFINITIONS

(a) As used in this chapter, unless the context requires otherwise, “mobile home” means:

(1) A mobile home as defined in 10 V.S.A. § 6201.

(2) An unmotorized vehicle, other than a travel or recreational trailer, designed to be towed and designed or equipped for use as sleeping, eating, or living quarters.

(b) A mobile home remains a mobile home for purposes of this chapter even though it may be used for advertising, sales, display, or promotion of merchandise or services, or for any other commercial purposes except the transportation of property.

(c) A mobile home that was financed as residential real estate shall be defined as residential real estate.

(d) “Permanently sited” means the mobile home has become affixed to the land. Factors that tend to show a mobile home is permanently sited include one or more of the following:

(1) The mobile home has been set up on blocks or otherwise stabilized so that the wheels do not form a major part of the structural support.

(2) The mobile home has been connected to utilities such as electricity, sewage, water, gas, or oil.

(3) Skirting has been installed around the base of the mobile home.

(4) The wheels or axles have been removed.

(5) The mobile home has been situated in a place that makes removal unlikely.

* * *

§ 2604. REAL ESTATE DEEDS FOR MOBILE HOMES

(a) Any mobile home purchased from a mobile home dealer on or after July 1, 2008, that is financed as residential real estate pursuant to subsection 2603(b) of this title shall be conveyed by a warranty deed drafted in substantially the form provided in subsection (c) of this section.

(b) An owner of a mobile home shall, upon financing or refinancing a mobile home as residential real estate or selling a mobile home that has been financed as residential real estate or will be so financed by the grantee, issue to the grantee either a warranty deed or a quitclaim deed that is drafted in substantially the form provided in subsection (c) or (d) of this section.

(c) A warranty deed that is substantially in the form provided in this subsection shall, when duly executed and delivered, have the force and effect of a deed in fee simple to the grantee, the heirs, successors, and assigns, to

their own use, with covenants on the part of the grantor, for the grantor, the grantor's heirs, executors, and administrators that, at the time of the delivery of the deed, the grantor was lawfully seized in fee simple of the mobile home; that the mobile home was free from all encumbrances, except as stated; that the grantor had good right to sell and convey the same to the grantee, the grantee's heirs, successors, and assigns; and that the grantor and the grantor's heirs, executors, and administrators shall warrant and defend the same to the grantee and the grantee's heirs, successors, and assigns, against the lawful claims and demands of all persons except as stated. ~~No owner of land on which a mobile home is sited shall unreasonably withhold the consent required by this statutory form.~~

Form for Mobile Home Warranty Deed

_____, of _____, _____ County, State of _____, ("Grantor"), for consideration paid, grants to _____ of Street, Town (City) of _____, _____ County, State of _____ ("Grantee"), with warranty covenants, the _____ (description of mobile home being conveyed: name of manufacturer, model and serial number, and encumbrances, exceptions, reservations, if any) which mobile home is situated, or is to be situated, at _____ (state name of park, if any, and street address), Town (City) of _____, _____ County, State of Vermont.

The tract or parcel of land upon which the mobile home is situated, or is to be situated, is owned by _____ by deed dated and recorded at

Book _____, Page _____ in the land records of the Town (City) of _____.

_____ (wife) (~~husband~~ spouse) of said Grantor, releases to said Grantee all rights and other interests therein.

Signed this _____ day of _____, _____.

(Here add acknowledgment)

_____, owner of the tract or parcel of land upon which the aforesaid mobile home is situated, or is to be situated, hereby consents to the conveyance of the mobile home.

Signed this _____ day of _____, _____.

(Here add acknowledgment)

[] Check box if the mobile home has been relocated from one site to another within Vermont, and attach a Relocation Statement in the form provided in section 2606 of this title.

(d) A quitclaim deed that is substantially in the form provided in this subsection shall, when duly executed and delivered, have the force and effect of a deed in fee simple to the grantee, the heirs, successors, and assigns, to their own use subject to encumbrances of record. ~~No owner of land on which the mobile home is sited shall unreasonably withhold consent required by this statutory form.~~

Form for Mobile Home Quitclaim Deed

_____, of _____, _____ County, State of _____
 (“Grantor”), for consideration paid, grants to _____ of _____
 Street, Town (City) of _____, _____ County, State of _____
 (“Grantee”), with quitclaim covenants, the (description of mobile home being
 conveyed: name of manufacturer, model and serial number, and encumbrances,
 exceptions, reservations, if any) which mobile home is situated, or is to be
 situated, at _____ (state name of park, if any, and street address), Town
 (City) of _____ County, State of Vermont.

The tract or parcel of land upon which the mobile home is situated, or is to
 be situated, is owned by _____ by deed dated _____ and recorded
 at Book _____, Page _____, in the land records of the Town (City)
 of _____.

_____ (~~wife~~) (~~husband~~ spouse) of said Grantor releases to said
 Grantee all rights and other interest therein.

Signed this _____ day of _____, _____.

(Here add acknowledgment)

_____, owner of the parcel of land upon which the aforesaid
 mobile home is situated, or is to be situated, hereby consents to the conveyance
 of the mobile home.

Signed this _____ day of _____, _____.

(Here add acknowledgment)

[] Check box if the mobile home has been relocated from one site to another within Vermont, and attach a relocation statement in the form provided in section 2606 of this title.

* * *

* * * Limited Equity Cooperatives * * *

Sec. 2. 11 V.S.A. § 1583 is amended to read:

§ 1583. DEFINITIONS

The definitions contained in Title 11A shall apply to this chapter. As used in this chapter, the following terms shall have the meanings indicated, unless the context otherwise requires:

* * *

(16) “Mobile home park” has the same meaning as in 10 V.S.A. § 6201.

Sec. 3. 11 V.S.A. § 1598 is amended to read:

§ 1598. LIMITED EQUITY COOPERATIVES

(a) A cooperative housing corporation may organize as a limited equity cooperative in order to fulfill the public purpose of providing and preserving housing for persons and households of low and moderate income at the time that they purchase their memberships. In addition to safeguarding the foregoing public purpose, a limited equity cooperative shall meet the following requirements:

* * *

(6) The articles of incorporation shall require that upon dissolution of the cooperative housing corporation, any assets remaining after retirement of corporate debts and distribution to members shall be distributed to a charitable organization described in Section 501(c)(3) of the Internal Revenue Code of 1986, as amended, a public agency, or another limited equity cooperative whose formula for determining transfer value shall be not less restrictive than that of the cooperative housing corporation being dissolved.

(7) The articles of incorporation shall require that no sublease of a unit shall provide for monthly payments by the sublessee in excess of 110 percent of monthly payments for the unit provided for in the proprietary lease.

(8) Notwithstanding subdivision (7) of this subsection, for a mobile home park organized as a limited equity cooperative, the articles of incorporation shall:

(A) prohibit the subleasing of a unit, unless:

(i) a member demonstrates a hardship, in which case the board of directors may by an affirmative vote of the majority grant an exemption from the prohibition; and

(ii) the unit is subleased to an individual of low or moderate income; and

(B) require that a unit owner shall not sublease a unit under this subdivision (8) for a higher amount than necessary to cover the costs of the unit to the member, including the costs of the monthly payment for the unit

provided for in the proprietary lease, the costs of any mortgage for the unit owner, and any costs of utilities passed on to the sublessee.

(b)(1) A mobile home park organized as a limited equity cooperative shall be treated for the purposes of State funding and grants as if it were incorporated as a State nonprofit corporation for a public purpose and public benefit under the laws of this State. Nothing in this section shall be deemed to alter or change specific funding or grant requirements, including the definition of low or moderate income, as outlined in any program, funding, or grant source.

(2) Nothing in this subsection shall be interpreted to impact or alter the tax treatment of a mobile home park organized as a limited equity cooperative.

Sec. 3a. 11 V.S.A. § 1598 is amended to read:

§ 1598. LIMITED EQUITY COOPERATIVES

* * *

~~(b)(1) A mobile home park organized as a limited equity cooperative shall be treated for the purposes of State funding and grants as if it were incorporated as a State nonprofit corporation for a public purpose and public benefit under the laws of this State. Nothing in this section shall be deemed to alter or change specific funding or grant requirements, including the definition of low or moderate income, as outlined in any program, funding, or grant source.~~

~~(2) Nothing in this subsection shall be interpreted to impact or alter the tax treatment of a mobile home park organized as a limited equity cooperative.~~

[Repealed.]

* * * Municipal Zoning * * *

Sec. 4. 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.

* * *

(B) Except as provided in subdivisions 4414(1)(E) and (F) of this title, no bylaw shall have the effect of excluding mobile homes, modular housing, or prefabricated housing from any district that allows year-round residential development in the municipality, except upon the same terms and conditions as conventional housing is excluded. A municipality may establish specific site standards in the bylaws to regulate individual sites within preexisting mobile home parks with regard to distances between structures and other standards as necessary to ensure public health, safety, and welfare, provided the standards do not have the effect of prohibiting the replacement of mobile homes on existing lots.

* * *

* * * Sales and Use Tax Exemption * * *

Sec. 5. 32 V.S.A. § 9706 is amended to read:

§ 9706. STATUTORY PURPOSE

* * *

(s) The statutory purpose of the exemption for sales of mobile homes and modular housing in subdivision 9741(32) of this title is to create equity between mobile and modular housing and traditional residential construction ~~by providing an exemption for the estimated portion of the cost attributable to labor (versus materials).~~

* * *

(pp) The statutory purpose of the exemption for new energy-efficient mobile homes in subdivision 9741(57) of this title is to create parity with the tax treatment of new energy-efficient mobile homes treated as real property.

Sec. 6. 32 V.S.A. § 9741 is amended to read:

§ 9741. SALES NOT COVERED

Retail sales and use of the following shall be exempt from the tax on retail sales imposed under section 9771 of this title and the use tax imposed under section 9773 of this title:

* * *

(32) ~~Forty~~ Ninety percent of the receipts from sales of mobile homes, as defined in 9 V.S.A. § 2601, and modular housing, when they are sold as tangible personal property.

* * *

(57) New mobile homes, as defined in 10 V.S.A. § 6201, that:

(A) bear a label evidencing, at a minimum, greater energy efficiency under the ENERGY STAR Program established in 42 U.S.C. § 6294a; or

(B) are certified as a Zero Energy Ready Home by the U.S. Department of Energy.

* * * Secretary of State Business Registration * * *

Sec. 7. SECRETARY OF STATE BUSINESS REGISTRATION

The Secretary of State may, upon request from a limited equity cooperative organized in accordance with 11 V.S.A. § 1598, update the limited equity cooperative's registration to ensure proper reflection of the limited equity cooperative's corporate business organization structure within the Secretary of State's systems.

* * * Conforming Revisions * * *

Sec. 8. CONFORMING REVISIONS

When preparing the Vermont Statutes Annotated for publication, the Office of Legislative Counsel shall replace "mobile home" with "manufactured home" throughout the statutes as needed for consistency with this act, provided the revisions have no other effect on the meaning of the affected statutes.

* * * Reports * * *

Sec. 8a. DEPARTMENT OF HOUSING AND COMMUNITY

DEVELOPMENT; MOBILE HOME PARK FUNDING; REPORT

(a) On or before November 15, 2026, the Department of Housing and Community Development, in consultation with the Agency of Administration, the Agency of Natural Resources, and the Agency of Transportation, shall submit a written report to the House Committee on General and Housing and the Senate Committee on Economic Development, Housing and General Affairs identifying all State funding grant and loan programs available to mobile home parks for infrastructure improvements with an analysis on the eligibility and regulatory barriers prohibiting access to the funds for mobile home parks registered as a limited equity cooperative under 11 V.S.A. chapter 14.

(b) The Office of the Secretary of State shall provide technical support as necessary to the Department of Housing and Community Development.

* * * Effective Dates * * *

Sec. 9. EFFECTIVE DATES

This act shall take effect on July 1, 2026, except that:

(1) Sec. 3a (repeal) shall take effect on July 1, 2027; and

(2) Secs. 5 and 6 (sales and use tax exemption) shall take effect on January 1, 2028.

Date Governor signed bill: June 17, 2026