

1 H.306

2 Introduced by Representatives Graning of Jericho, Bosch of Clarendon, Boutin
3 of Barre City, Carris-Duncan of Whitingham, Cooper of
4 Pownal, Duke of Burlington, Marcotte of Coventry, Micklus of
5 Milton, and Olson of Starksboro

6 Referred to Committee on

7 Date:

8 Subject: Property; deed restrictions and covenants

9 Statement of purpose of bill as introduced: This bill proposes to prohibit deed
10 restrictions or covenants on property zoned for commercial or industrial uses if
11 the restriction or covenant prohibits or has the effect of prohibiting use of the
12 property for commercial or industrial purposes.

13 An act relating to prohibiting deed restrictions or covenants that prohibit use
14 of property for commercial or industrial purposes

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

16 Sec. 1. 27 V.S.A. § 545 is amended to read:

17 § 545. COVENANTS, CONDITIONS, AND RESTRICTIONS OF

18 SUBSTANTIAL PUBLIC INTEREST

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

4 (b) Deed restrictions or covenants added after July 1, 2023 shall not be
5 valid if they require a minimum dwelling unit size on the property or more
6 than one parking space per dwelling unit if the property is located in an area
7 served by municipal sewer and water infrastructure as defined in 24 V.S.A.
8 § 4303 that allows residential uses or more than 1.5 parking spaces for
9 duplexes and multiunit dwellings in areas not served by sewer and water and in
10 areas that are located more than one-quarter mile away from public parking
11 rounded up to the nearest whole number when calculating the total number of
12 spaces.

13 (c) Deed restrictions or covenants added after July 1, 2025 on property
14 zoned for commercial or industrial uses shall not be valid if they prohibit or
15 have the effect of prohibiting use of the property for commercial or industrial
16 purposes.

17 (d) This section shall not affect the enforceability of any property interest
18 held in whole or in part by a qualified organization or State agency as defined
19 in 10 V.S.A. § 6301a, including any restrictive easements, such as
20 conservation easements and historic preservation rights and interests defined in
21 10 V.S.A. § 822. This section shall not affect the enforceability of any

1 property interest that is restricted by a housing subsidy covenant as defined by
2 section 610 of this title and held in whole or in part by an eligible applicant as
3 defined in 10 V.S.A. § 303(4) or the Vermont Housing Finance Agency.

4 Sec. 2. EFFECTIVE DATE

5 This act shall take effect on July 1, 2025.