

1 H.479

2 An act relating to housing

3 The Senate proposes to the House to amend the bill by striking out all after
4 the enacting clause and inserting in lieu thereof the following:

5 * * * Vermont Rental Housing Improvement Program * * *

6 Sec. 1. 10 V.S.A. § 699 is amended to read:

7 § 699. VERMONT RENTAL HOUSING IMPROVEMENT PROGRAM

8 (a) Creation of Program.

9 * * *

10 (5)(A) The Department may cooperate with and subgrant funds to State
11 agencies and governmental subdivisions and public and private organizations
12 in order to carry out the purposes of this subsection.

13 (B) Solely with regards to actions undertaken pursuant to this
14 subdivision, entities carrying out the provisions of this section, including
15 grantees, subgrantees, and contractors of the State, shall be exempt from the
16 provisions of 8 V.S.A. chapter 73 (licensed lenders, mortgage brokers,
17 mortgage loan originators, sales finance companies, and loan solicitation
18 companies).

19 * * *

20 (d) Program requirements applicable to grants and forgivable loans.

21 (1)(A) A grant or loan shall not exceed:

1 (iii) composed of at least one individual with a disability who
2 ~~receives or is eligible approved~~ to receive Medicaid-funded ~~home- and~~
3 ~~community-based home- and community-based~~ services or Social Security
4 Disability Insurance;
5 (iv) displaced due to a natural disaster; or
6 (v) with approval from the Department in writing, an organization
7 that will hold a master lease that explicitly states the unit will be used in
8 service of the populations described in this subsection (e).

9 * * *

10 (4)(A) A landlord may convert a grant to a forgivable loan upon
11 approval of the Department and the housing organization that approved the
12 grant.

13 (B) A landlord who converts a grant to a forgivable loan shall receive
14 a ~~10-percent~~ prorated credit for loan forgiveness for each year in which the
15 landlord participates in the Program.

16 (f) Requirements applicable to 10-year forgivable loans. For a 10-year
17 forgivable loan awarded through the Program, the following requirements
18 apply for a minimum period of 10 years:

19 (1) ~~A landlord shall coordinate with nonprofit housing partners and local~~
20 ~~coordinated entry organizations to identify potential tenants~~ The total cost of
21 rent for the unit, including utilities not covered by rent payments, shall not

1 exceed the applicable fair market rent established by the Department of
2 Housing and Urban Development, except that a landlord may accept a housing
3 voucher that exceeds fair market rent, if available.

4 ~~(2)(A) Except as provided in subdivision (2)(B) of this subsection (f), a~~
5 ~~landlord shall lease the unit to a household that is:~~

6 ~~(i) exiting homelessness, including any individual under 25 years~~
7 ~~of age who secures housing through a master lease held by a youth service~~
8 ~~provider on behalf of individuals under 25 years of age;~~

9 ~~(ii) actively working with an immigrant or refugee resettlement~~
10 ~~program; or~~

11 ~~(iii) composed of at least one individual with a disability who is~~
12 ~~eligible to receive Medicaid-funded home and community-based services.~~

13 ~~(B) If, upon petition of the landlord, the Department or the housing~~
14 ~~organization that issued the grant determines that a household under~~
15 ~~subdivision (2)(A) of this subsection (f) is not available to lease the unit, then~~
16 ~~the landlord shall lease the unit:~~

17 ~~(i) to a household with an income equal to or less than 80 percent~~
18 ~~of area median income; or~~

19 ~~(ii) if such a household is unavailable, to another household with~~
20 ~~the approval of the Department or housing organization.~~

1 ~~(3)(A)~~ A landlord shall accept any housing vouchers that are available to
2 pay all, or a portion of, the tenant's rent and utilities.

3 ~~(B) If no housing voucher or federal or State subsidy is available, the~~
4 ~~cost of rent for the unit, including utilities not covered by rent payments, shall~~
5 ~~not exceed the applicable fair market rent established by the Department of~~
6 ~~Housing and Urban Development.~~

7 ~~(4)~~(3) The Department shall forgive ~~40 percent of the~~ a prorated amount
8 of a forgivable loan for each year a landlord participates in the loan program.

9 (g) Minimum funding for grants and five-year forgivable loans.

10 (1) Annually, the Department shall establish a minimum allocation of
11 funding set aside to be used for five-year grants or forgivable loans to serve
12 eligible households pursuant to subsection (e) of this section. Remaining funds
13 may be used for either five-year grants or forgivable loans or 10-year
14 forgivable loans pursuant to subsection (f) of this section. The set aside shall
15 be a minimum of 30 percent of funds disbursed annually.

16 (2) The Department shall consult with the Agency of Human Services to
17 evaluate factors in establishing the amount of the set aside, including:

18 (A) the availability of housing vouchers;

19 (B) the current need for housing for eligible households;

20 (C) the ability and desire of landlords to house eligible households;

21 (D) the support services available for landlords; and

1 financial assistance or awards to manufactured homeowners and manufactured
2 home park owners to improve existing homes, incentivize new slab placement
3 for prospective homeowners, and incentivize park improvements for infill of
4 more homes.

5 (b) The following projects are eligible for funding through the Program:

6 (1) The Department may award up to \$20,000.00 to owners of
7 manufactured housing communities to complete small-scale capital needs to
8 help infill vacant lots with homes, including disposal of abandoned homes, lot
9 grading and preparation, the siting and upgrading of electrical boxes,
10 enhancing E-911 safety issues, transporting homes out of flood zones, and
11 improving individual septic systems. Costs awarded under this subdivision
12 may also cover legal fees and marketing to help make it easier for home-
13 seekers to find vacant lots around the State.

14 (2) The Department may award funding to manufactured homeowners
15 for which the home is their primary residence to address habitability and
16 accessibility issues to bring the home into compliance with safe living
17 conditions.

18 (3) The Department may award up to \$15,000.00 per grant to a
19 homeowner to pay for a foundation or federal Department of Housing and
20 Urban Development-approved slab, site preparation, skirting, tie-downs, and
21 utility connections on vacant lots within a manufactured home community.

1 (c) The Department may adopt rules, policies, and guidelines to aid in
2 enacting the Program.

3 * * * Vermont Infrastructure Sustainability Fund * * *

4 Sec. 3. 24 V.S.A. chapter 119, subchapter 6 is amended to read:

5 Subchapter 6. Special Funds

6 * * *

7 § 4686. VERMONT INFRASTRUCTURE SUSTAINABILITY FUND

8 (a) Creation. There is created the Vermont Infrastructure Sustainability
9 Fund within the Vermont Bond Bank.

10 (b) Purpose. The purpose of the Fund is to provide capital to extend and
11 increase capacity of water and sewer service and other public infrastructure in
12 municipalities where lack of extension or capacity is a barrier to housing
13 development.

14 (c) Administration. The Vermont Bond Bank may administer the Fund in
15 coordination with and support from other State agencies, government
16 component parts, and quasi-governmental agencies.

17 (d) Program parameters.

18 (1) The Vermont Bond Bank, in consultation with the Department of
19 Housing and Community Development, shall develop program guidelines to
20 effectively implement the Fund.

- 1 (2) The program shall provide low-interest loans or purchase bonds
2 from municipalities to expand infrastructure capacity. Eligible activities
3 include:
- 4 (A) preliminary engineering and planning;
5 (B) engineering design and bid specifications;
6 (C) construction for municipal water and wastewater systems;
7 (D) transportation investments, including those required by municipal
8 regulation, the municipality's official map, designation requirements, or other
9 planning or engineering identifying complete streets and transportation and
10 transit related improvements, including improvements to existing streets; and
11 (E) other eligible activities as determined by the guidelines produced
12 by the Vermont Bond Bank in consultation with the Department of Housing
13 and Community Development.
- 14 (e) Application requirements. Eligible project applications shall
15 demonstrate:
- 16 (1) the project will create reserve capacity necessary for new housing
17 unit development;
- 18 (2) the project has a direct link to housing unit production; and
19 (3) the municipality has a commitment to own and operate the project
20 throughout its useful life.

1 (f) Application criteria. In addition to any criteria developed in the
2 program guidelines, project applications shall be evaluated using the following
3 criteria:

4 (1) whether there is a direct connection to proposed or in-progress
5 housing development with demonstrable progress toward regional housing
6 targets;

7 (2) whether the project is an expansion of an existing system and the
8 proximity to a designated area;

9 (3) the project readiness and estimated time until the need for financing;
10 and

11 (4) the demonstration of financing for project completion or completion
12 of a project component.

13 (g) Award terms. The Vermont Bond Bank, in consultation with the
14 Department of Housing and Community Development, shall establish award
15 terms that may include:

16 (1) the maximum loan or bond amount;

17 (2) the maximum term of the loan or bond amount;

18 (3) the time by which amortization shall commence;

19 (4) the maximum interest rate;

20 (5) whether the loan is eligible for forgiveness and to what percentage or
21 amount;

- 1 (6) the necessary security for the loan or bond; and
2 (7) any additional covenants required to further secure the loan or bond.

3 (h) Revolving fund.

4 (1) Any funds repaid or returned from the Infrastructure Sustainability
5 Fund shall be deposited into the Fund and used to continue the program
6 established in this section.

7 (2) The Bank may use the funds in conjunction with other Bank
8 programs to accomplish the policy objectives outlined in this section.

9 * * * VHFA Rental Housing Revolving Loan Program * * *

10 Sec. 4. 2023 Acts and Resolves No. 47, Sec. 38 is amended to read:

11 Sec. 38. RENTAL HOUSING REVOLVING LOAN PROGRAM

12 (a) Creation; administration. The Vermont Housing Finance Agency shall
13 design and implement a Rental Housing Revolving Loan Program and shall
14 create and administer a revolving loan fund to provide subsidized loans for
15 rental housing developments that serve middle-income households.

16 (b) Loans; eligibility; criteria.

17 * * *

18 (7) The Agency shall use one or more legal mechanisms to ensure that:

19 (A) a subsidized unit remains affordable to a household earning the
20 applicable percent of area median income for the longer of:

1 (i) seven years; or

2 (ii) full repayment of the loan plus three years; and

3 (B) during the affordability period determined pursuant to

4 subdivision (A) of this subdivision (7), the annual increase in rent for a

5 subsidized unit does not exceed three percent or an amount otherwise

6 authorized by the Agency.

7 * * *

8 * * * Housing and Residential Services Planning Committee * * *

9 Sec. 5. STATE HOUSING AND RESIDENTIAL SERVICES PLANNING

10 COMMITTEE; REPORT

11 (a) Creation. There is created the State Housing and Residential Services

12 Planning Committee to generate a State plan to develop housing for individuals

13 with developmental disabilities.

14 (b) Membership. The Committee shall be composed of the following

15 members:

16 (1) one current member of the House of Representatives, who shall be

17 appointed by the Speaker of the House;

18 (2) one current member of the Senate, who shall be appointed by the

19 Committee on Committees;

20 (3) the Secretary of Human Services or designee;

- 1 (4) the Commissioner of Disabilities, Aging, and Independent Living or
2 designee;
- 3 (5) the Commissioner of Housing and Community Development or
4 designee;
- 5 (6) the State Treasurer or designee;
- 6 (7) one member, appointed by the Developmental Disabilities Housing
7 Initiative;
- 8 (8) the Executive Director of the Vermont Developmental Disabilities
9 Council;
- 10 (9) one member, appointed by Green Mountain Self-Advocates;
- 11 (10) one member, appointed by Vermont Care Partners;
- 12 (11) one member, appointed by the Vermont Housing and Conservation
13 Board; and
- 14 (12) one member, appointed by the Associated General Contractors of
15 Vermont.
- 16 (c) Powers and duties. The Committee shall create an actionable plan to
17 develop housing for individuals with developmental disabilities that reflects
18 the diversity of needs expressed by those individuals and their families,
19 including individuals with high-support needs who require 24-hour care and
20 those with specific communication needs. The plan shall include:

1 (1) a schedule for the creation of at least 600 additional units of service-
2 supported housing;

3 (2) the number and description of the support needs of individuals with
4 developmental disabilities anticipated to be served annually;

5 (3) anticipated funding needs; and

6 (4) recommendations for changes in State laws or policies that are
7 obstacles to the development of housing needed by individuals with Medicaid-
8 funded home-and community-based services.

9 (d) Assistance.

10 (1) The Committee shall have the administrative, technical, and legal
11 assistance of the Department of Housing and Community Development.

12 (2) Upon request of the Committee, the Department of Disabilities,
13 Aging, and Independent Living shall provide an analysis of the current state of
14 housing in Vermont for individuals with development disabilities and, to the
15 extent available, an analysis of the level of community support needed for
16 these individuals.

17 (e) Report. On or before November 15, 2025, the Committee shall submit
18 a written report to the House Committees on General and Housing and on
19 Human Services and the Senate Committees on Economic Development,
20 Housing and General Affairs and on Health and Welfare with its findings and
21 any recommendations for legislative action.

1 (f) Meetings.

2 (1) The Secretary of Human Services shall call the first meeting of the
3 Committee to occur on or before July 15, 2025.

4 (2) The Committee shall select a chair from among its members at the
5 first meeting.

6 (3) A majority of the membership shall constitute a quorum.

7 (4) The Committee shall cease to exist on November 30, 2025.

8 (g)(1) Compensation and reimbursement. For attendance at meetings
9 during adjournment of the General Assembly, a legislative member of the
10 Committee serving in the member's capacity as a legislator shall be entitled to
11 per diem compensation and reimbursement of expenses pursuant to 2 V.S.A.
12 § 23 for not more than six meetings. These payments shall be made from
13 monies appropriated to the General Assembly.

14 (2) Members of the Committee who are not otherwise compensated for
15 their time shall be entitled to per diem compensation as permitted under
16 32 V.S.A. § 1010 for not more than six meetings. These payments shall be
17 made from monies appropriated to the Department of Housing and Community
18 Development for that purpose.

19 (h) Intent to appropriate. Notwithstanding subsection (g)(2) of this section,
20 per diems for the cost of attending meetings shall only be available in the event

1 an appropriation is made in fiscal year 2026 from the General Fund to the
2 Department of Housing and Community Development for that purpose.

3 * * * Tax Department Housing Data Access * * *

4 Sec. 6. 32 V.S.A. § 5404 is amended to read:

5 § 5404. DETERMINATION OF EDUCATION PROPERTY TAX GRAND
6 LIST

7 * * *

8 (b) Annually, on or before August 15, the clerk of a municipality, or the
9 supervisor of an unorganized town or gore, shall transmit to the Director in an
10 electronic or other format as prescribed by the Director: education and
11 municipal grand list data, including exemption information and grand list
12 abstracts; tax rates; an extract of the assessor database also referred to as a
13 Computer Assisted Mass Appraisal (CAMA) system or Computer Assisted
14 Mass Appraisal database; and the total amount of taxes assessed in the town or
15 unorganized town or gore. The data transmitted shall identify each parcel by a
16 parcel identification number assigned under a numbering system prescribed by
17 the Director. Municipalities may continue to use existing numbering systems
18 in addition to, but not in substitution for, the parcel identification system
19 prescribed by the Director. If changes or additions to the grand list are made
20 by the listers or other officials authorized to do so after such abstract has been
21 so transmitted, such clerks shall forthwith certify the same to the Director.

* * *

* * * Landlord Certificate * * *

Sec. 7. REPEAL; ACT 181 PROSPECTIVE LANDLORD CERTIFICATE
CHANGES

2024 Acts and Resolves No. 181, Secs. 98 (landlord certificate
amendments) and 114(5) (effective date of landlord certificate amendments)
are repealed.

Sec. 8. 32 V.S.A. § 6069 is amended to read:

§ 6069. LANDLORD CERTIFICATE

* * *

(b) The owner of each rental property shall, on or before January 31 of each
year, furnish a certificate of rent to the Department of Taxes.

(c) A certificate under this section shall be in a form prescribed by the
Commissioner and shall include the following:

(1) the name of the each renter;

(2) the address and any property tax parcel identification number of the
homestead, the information required under subsection (f) of this section, the
School Property Account Number of the rental property;

(3) the name of the owner or landlord of the rental property;

(4) the phone number, email address, and mailing address of the owner
or landlord of the rental property, as available;

6 * * *

11 ~~(1) name of owner or landlord;~~
12 ~~(2) mailing address of landlord;~~
13 ~~(3) location of rental unit;~~
14 ~~(4) type of rental unit;~~
15 ~~(5) number of units in building; and~~

~~(6) School Property Account Number.~~ Annually on or before December 15, the Department shall submit a report on the aggregated data collected under this section to the House Committee on General and Housing and the Senate Committee on Economic Development, Housing and General Affairs.

* * * Land Bank Report * * *

Sec. 9. DHCD LAND BANK REPORT

(a) On or before November 1, 2026, the Department of Housing and Community Development shall issue a report to the House Committee on General and Housing and the Senate Committee on Economic Development, Housing and General Affairs outlining a legal framework for implementation of a State land bank. The report shall include proposed legislative language specific to:

(1) the creation and ongoing administration of a statewide land bank;
(2) the authorization of regional or municipal land banks; and
(3) the identification of funding proposals to support the establishment and sustainability of each separate model.

(b) The report shall include an analysis on which option, the creation of a statewide land bank or the authorization of regional or municipal land banks, best serves the interest of Vermont communities, including rural communities.

(c) On or before January 15, 2026, the Department of Housing and Community Development shall provide a written update to the House Committee on General and Housing and the Senate Committee on Economic Development, Housing and General Affairs on progress made, including a preliminary assessment of the information required in the final report.

(ii) terms, conditions, privileges, or protections in the sale or rental of a dwelling or other real estate, or in the provision of services or facilities in connection with a dwelling or other real estate, because of the person's race, sex, sexual orientation, gender identity, age, marital status, religious creed, color, national origin, citizenship, immigration status, or disability, or because the person intends to occupy a dwelling with one or more minor children, or because the person is a recipient of public assistance, or because the person is a victim of abuse, sexual assault, or stalking.

* * *

16 § 4502. PUBLIC ACCOMMODATIONS

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1 deny to that person any of the accommodations, advantages, facilities, and
2 privileges of the place of public accommodation.

3 * * *

4 Sec. 13. 9 V.S.A. § 4503 is amended to read:

5 § 4503. UNFAIR HOUSING PRACTICES

6 (a) It shall be unlawful for any person:

7 (1) To refuse to sell or rent, or refuse to negotiate for the sale or rental
8 of, or otherwise make unavailable or deny, a dwelling or other real estate to
9 any person because of the race, sex, sexual orientation, gender identity, age,
10 marital status, religious creed, color, national origin, citizenship, immigration
11 status, or disability of a person, or because a person intends to occupy a
12 dwelling with one or more minor children, or because a person is a recipient of
13 public assistance, or because a person is a victim of abuse, sexual assault, or
14 stalking.

15 (2) To discriminate against, or to harass, any person in the terms,
16 conditions, privileges, and protections of the sale or rental of a dwelling or
17 other real estate, or in the provision of services or facilities in connection with
18 a dwelling or other real estate, because of the race, sex, sexual orientation,
19 gender identity, age, marital status, religious creed, color, national origin,
20 citizenship, immigration status, or disability of a person, or because a person
21 intends to occupy a dwelling with one or more minor children, or because a

1 person is a recipient of public assistance, or because a person is a victim of
2 abuse, sexual assault, or stalking.

3 (3) To make, print, or publish, or cause to be made, printed, or published
4 any notice, statement, or advertisement, with respect to the sale or rental of a
5 dwelling or other real estate that indicates any preference, limitation, or
6 discrimination based on race, sex, sexual orientation, gender identity, age,
7 marital status, religious creed, color, national origin, citizenship, immigration
8 status, or disability of a person, or because a person intends to occupy a
9 dwelling with one or more minor children, or because a person is a recipient of
10 public assistance, or because a person is a victim of abuse, sexual assault, or
11 stalking.

12 (4) To represent to any person because of the race, sex, sexual
13 orientation, gender identity, age, marital status, religious creed, color, national
14 origin, citizenship, immigration status, or disability of a person, or because a
15 person intends to occupy a dwelling with one or more minor children, or
16 because a person is a recipient of public assistance, or because a person is a
17 victim of abuse, sexual assault, or stalking, that any dwelling or other real
18 estate is not available for inspection, sale, or rental when the dwelling or real
19 estate is in fact so available.

20 * * *

1 (6) To discriminate against any person in the making or purchasing of
2 loans or providing other financial assistance for real-estate-related transactions
3 or in the selling, brokering, or appraising of residential real property, because
4 of the race, sex, sexual orientation, gender identity, age, marital status,
5 religious creed, color, national origin, citizenship, immigration status, or
6 disability of a person, or because a person intends to occupy a dwelling with
7 one or more minor children, or because a person is a recipient of public
8 assistance, or because a person is a victim of abuse, sexual assault, or stalking.

9 (7) To engage in blockbusting practices, for profit, which may include
10 inducing or attempting to induce a person to sell or rent a dwelling by
11 representations regarding the entry into the neighborhood of a person or
12 persons of a particular race, sex, sexual orientation, gender identity, age,
13 marital status, religious creed, color, national origin, citizenship, immigration
14 status, or disability of a person, or because a person intends to occupy a
15 dwelling with one or more minor children, or because a person is a recipient of
16 public assistance, or because a person is a victim of abuse, sexual assault, or
17 stalking.

18 (8) To deny any person access to or membership or participation in any
19 multiple listing service, real estate brokers' organization, or other service,
20 organization, or facility relating to the business of selling or renting dwellings,
21 or to discriminate against any person in the terms or conditions of such access,

1 membership, or participation, on account of race, sex, sexual orientation,
2 gender identity, age, marital status, religious creed, color, national origin,
3 citizenship, immigration status, or disability of a person, or because a person is
4 a recipient of public assistance, or because a person is a victim of abuse, sexual
5 assault, or stalking.

6 * * *

7 (12) To discriminate in land use decisions or in the permitting of
8 housing because of race, sex, sexual orientation, gender identity, age, marital
9 status, religious creed, color, national origin, citizenship, immigration status,
10 disability, the presence of one or more minor children, income, or because of
11 the receipt of public assistance, or because a person is a victim of abuse, sexual
12 assault, or stalking, except as otherwise provided by law.

13 * * *

14 (d) If required by federal law, the verification of immigration status or
15 differential treatment on the basis of citizenship or immigration status shall not
16 constitute a violation of subsection (a) of this section with respect to the sale
17 and rental of dwellings.

18 (e) For purposes of subdivision (a)(6) of this section, it shall not constitute
19 unlawful discrimination for a lender to consider a credit applicant's
20 immigration status to the extent such status has bearing on the lender's rights

1 and remedies regarding loan repayment and further provided such
2 consideration is consistent with any applicable federal law or regulation.

3 * * * LURB Study * * *

4 Sec. 14. 2024 Acts and Resolves No. 181, Sec. 11a is amended to read:

5 Sec. 11a. ACT 250 APPEALS STUDY

6 (a) On or before ~~January 15, 2026~~ November 15, 2025, the Land Use
7 Review Board shall issue a report evaluating whether to transfer appeals of
8 permit decisions and jurisdictional opinions issued pursuant to 10 V.S.A.
9 chapter 151 to the Land Use Review Board or whether they should remain at
10 the Environmental Division of the Superior Court. The Board shall convene a
11 stakeholder group that at a minimum shall be composed of a representative of
12 environmental interests, attorneys that practice environmental and
13 development law in Vermont, the Vermont League of Cities and Towns, the
14 Vermont Association of Planning and Development Agencies, the Vermont
15 Chamber of Commerce, the Land Access and Opportunity Board, the Office of
16 Racial Equity, the Vermont Association of Realtors, a representative of non-
17 profit housing development interests, a representative of for-profit housing
18 development interests, a representative of commercial development interests,
19 an engineer with experience in development, the Agency of Commerce and
20 Community Development, and the Agency of Natural Resources in preparing

1 the report. The Board shall provide notice of the stakeholder meetings on its
2 website and each meeting shall provide time for public comment.

3 (b) The report shall at minimum recommend:

4 (1) whether to allow consolidation of appeals at the Board, or with the
5 Environmental Division of the Superior Court, and how, including what
6 resources the Board would need, if transferred to the Board, appeals of permit
7 decisions issued under 24 V.S.A. chapter 117 and the Agency of Natural
8 Resources can be consolidated with Act 250 appeals;

9 (2) how to prioritize and expedite the adjudication of appeals related to
10 housing projects, including the use of hearing officers to expedite appeals and
11 the setting of timelines for processing of housing appeals;

12 (3) procedural rules to govern the Board's administration of Act 250 and
13 the adjudication of appeals of Act 250 decisions. These rules shall include
14 procedures to create a firewall and eliminate any potential for conflicts with
15 the Board managing appeals and issuing permit decisions and jurisdictional
16 opinions; and

17 (4) other actions the Board should take to promote the efficient and
18 effective adjudication of appeals, including any procedural improvements to
19 the Act 250 permitting process and jurisdictional opinion appeals.

1 (c) The report shall be submitted to the Senate Committees on Economic
2 Development, Housing and General Affairs and on Natural Resources and
3 Energy and the House Committee on Environment ~~and Energy~~.

4 * * * Brownfields * * *

5 Sec. 15. 10 V.S.A. § 6604c is amended to read:

6 § 6604c. MANAGEMENT OF DEVELOPMENT SOILS

7 (a) Management of development soils. Notwithstanding any other
8 requirements of this chapter to the contrary, development soils may be
9 managed at a location permitted pursuant to an insignificant waste event
10 approval authorization issued pursuant to the Solid Waste Management Rules
11 that contains, at a minimum, the following:

12 (1) the development soils are generated from a hazardous materials site
13 managed pursuant to a corrective action plan or a soil management plan
14 approved by the Secretary;

15 (2) the development soils have been tested for arsenic, lead, and
16 polyaromatic hydrocarbons pursuant to a monitoring plan approved by the
17 Secretary that ensures that the soils do not leach above groundwater
18 enforcement standards;

19 (3) the location where the soils are managed is appropriate for the
20 amount and type of material being managed;

21 (4) the soils are capped in a manner approved by the Secretary;

4 (6) the permittee files a record notice of where the soils are managed in
5 the land records.

6 * * *

7 Sec. 16. REPORT ON THE STATUS OF MANAGEMENT OF
8 DEVELOPMENT SOILS

9 (a) As part of the biennial report to the House Committee on Environment
10 and the Senate Committee on Natural Resources and Energy under 10 V.S.A.
11 § 6604(c), the Secretary of Natural Resources shall report on the status of the
12 management of development soils in the State under 10 V.S.A. § 6604c. The
13 report shall include:

14 (1) the number of insignificant waste event approval authorizations
15 issued by the Secretary in the previous two years for the management of
16 development soils;

17 (2) the number of certified categorical solid waste facilities operating in
18 the State for the management of development soils;

19 (3) a summary of how the majority of development soils in the State are
20 being managed;

1 Sec. 18. BROWNFIELDS PROCESS IMPROVEMENT; REPORT

2 On or before November 1, 2025, the Secretary of Natural Resources shall
3 report to the House Committees on Environment and on General and Housing
4 and the Senate Committees on Economic Development, Housing and General
5 Affairs and on Natural Resources and Energy with proposals to make the
6 Program established pursuant to 10 V.S.A. chapter 159, subchapter 3
7 (brownfields reuse and liability limitation) substantially more efficient. At a
8 minimum, the report shall include both of the following:

9 (1) A survey of stakeholders in the brownfields program to identify
10 areas that present challenges to the redevelopment of contaminated properties,
11 with a focus on redevelopment for housing. The Secretary shall provide
12 recommendations to resolve these challenges.

13 (2) An analysis of strengths and weaknesses of implementing a licensed
14 site professional program within the State. The Secretary shall make a
15 recommendation on whether such a program should be implemented. If the
16 Secretary recommends implementation, the report shall include any changes to
17 statute or budget needed to implement this program.

18 Sec. 19. FISCAL YEAR 2026 ENVIRONMENTAL CONTINGENCY FUND

19 DISBURSEMENT FOR BROWNFIELDS

1 In fiscal year 2026, the Secretary of Natural Resources is authorized to
2 disburse up to \$2,000,000.00 from the Environmental Contingency Fund for
3 the assessment, planning, and cleanup of brownfields sites.

4 * * * Smoke and Carbon Monoxide Alarms * * *

5 Sec. 20. 9 V.S.A. chapter 77 is amended to read:

6 CHAPTER 77. SMOKE ~~DETECTORS~~ ALARMS AND CARBON
7 MONOXIDE ~~DETECTORS~~ ALARMS

8 § 2881. DEFINITIONS

9 As used in this chapter:

10 * * *

11 (2) “Smoke ~~detector~~ alarm” means a device that detects visible or
12 invisible particles of combustion and sounds a warning alarm, is operated from
13 a power supply within the unit or wired to it from an outside source, and is
14 approved or listed for the purpose by Underwriters Laboratory or by another
15 nationally recognized independent testing laboratory.

16 (3) “Carbon monoxide ~~detector~~ alarm” means a device with an assembly
17 that incorporates a sensor control component and an alarm notification that
18 detects elevations in carbon monoxide levels and sounds a warning alarm, is
19 operated from a power supply within the unit or wired to it from an outside
20 source, and is approved or listed for the purpose by Underwriters Laboratory or
21 by another nationally recognized independent testing laboratory.

1 § 2882. INSTALLATION

2 (a) A person who constructs a single-family dwelling shall install
3 ~~photoelectric only type~~ photoelectric-type or UL 217 compliant smoke
4 ~~detectors~~ alarms in the vicinity of any bedrooms and on each level of the
5 dwelling, and one or more carbon monoxide ~~detectors~~ alarms in the vicinity of
6 any bedrooms in the dwelling in accordance with the manufacturer's
7 instructions. In a dwelling provided with electrical power, ~~detectors~~ alarms
8 shall be powered by the electrical service in the building and by battery.

9 (b) Any single-family dwelling when transferred by sale or exchange shall
10 contain ~~photoelectric only type~~ photoelectric-type or UL 217 compliant smoke
11 ~~detectors~~ alarms in the vicinity of any bedrooms and on each level of the
12 dwelling installed in accordance with the manufacturer's instructions and one
13 or more carbon monoxide ~~detectors~~ alarms installed in accordance with the
14 manufacturer's instructions. A single-family dwelling constructed before
15 January 1, 1994 may contain smoke ~~detectors~~ alarms powered by the electrical
16 service in the building or by battery, or by a combination of both. In a single-
17 family dwelling newly constructed after January 1, 1994 that is provided with
18 electrical power, smoke ~~detectors~~ alarms shall be powered by the electrical
19 service in the building and by battery. In a single-family dwelling newly
20 constructed after July 1, 2005 that is provided with electrical power, carbon

1 monoxide ~~detectors~~ alarms shall be powered by the electrical service in the
2 building and by battery.

3 (c) Nothing in this section shall require an owner or occupant of a single-
4 family dwelling to maintain or use a smoke ~~detector~~ alarm or a carbon
5 monoxide ~~detector~~ alarm after installation.

6 § 2883. REQUIREMENTS FOR TRANSFER OF DWELLING

7 (a) The seller of a single-family dwelling, including one constructed for
8 first occupancy, whether the transfer is by sale or exchange, shall certify to the
9 buyer at the closing of the transaction that the dwelling is provided with
10 ~~photoelectric-only type~~ photoelectric-type or UL 217 compliant smoke
11 ~~detectors~~ alarms and carbon monoxide ~~detectors~~ alarms in accordance with this
12 chapter. This certification shall be signed and dated by the seller.

13 (b) If the buyer notifies the seller within 10 days by certified mail from the
14 date of conveyance of the dwelling that the dwelling lacks any ~~photoelectric-~~
15 ~~only type~~ photoelectric-type or UL 217 compliant smoke ~~detectors~~ alarms, or
16 any carbon monoxide ~~detectors~~ alarms, or that any ~~detector~~ alarm is not
17 operable, the seller shall comply with this chapter within 10 days after
18 notification.

19 * * *

1 Sec. 21. 20 V.S.A. § 2731 is amended to read:

2 § 2731. RULES; INSPECTIONS; VARIANCES

3 * * *

4 (j) ~~Detectors~~ Alarms. Rules adopted under this section shall require that
5 information written, approved, and distributed by the Commissioner on the
6 type, placement, and installation of ~~photoelectric~~ photoelectric-type or UL 217
7 compliant smoke ~~detectors~~ alarms and carbon monoxide ~~detectors~~ alarms be
8 conspicuously posted in the retail sales area where the ~~detectors~~ alarms are
9 sold.

10 * * *

11 * * * Positive Rental Payment Pilot Program * * *

12 Sec. 22. POSITIVE RENTAL PAYMENT CREDIT REPORTING PILOT

13 (a) Definitions. As used in this section:

14 (1) “Contractor” means the third-party vendor that the State Treasurer’s
15 Office contracts with to administer the pilot program described in this section.

16 (2) “Dwelling unit” has the same meaning as in 9 V.S.A. § 4451(3).

17 (3) “Participant property owner” means a landlord that has agreed in
18 writing to participate in the pilot program and has satisfied the requirements
19 described in subsection (c) of this section.

20 (4) “Participant tenant” means a tenant that has elected to participate in
21 the pilot program and whose landlord is a participant property owner.

1 (5) “Rental payment information” means information concerning a
2 participating tenant’s timely payment of rent. “Rent payment information”
3 does not include information concerning a participating tenant’s payment or
4 nonpayment of fees.

5 (b) Pilot program creation.

6 (1) The State Treasurer shall create and implement a two-year positive
7 rental payment reporting pilot program to facilitate the reporting of rent
8 payment information from participating tenants to consumer reporting
9 agencies.

10 (2) On or before May 1, 2026, the State Treasurer shall contract with a
11 third party to administer a positive rental payment pilot program and facilitate
12 the transmission of rent reporting information from a participant property
13 owner to a consumer reporting agency. The third-party administrator shall be
14 required to:

15 (A) enter into an agreement with one or more participant property
16 owners in the State in accordance with the requirements of this section for
17 participation in the pilot program;

18 (B) ensure that information to a credit reporting agency includes only
19 rent payment information after the date on which the participant tenant elected
20 to participate in the pilot program;

1 (C) develop and implement a process for removal of participant
2 tenants for failure to comply with program requirements, including failure
3 make timely rental payments;

4 (D) establish a standard form for a participant tenant to use to elect to
5 participate or cease participation in the pilot program, which shall include a
6 statement that the tenant's participation is voluntary and that a participant may
7 cease participating in the pilot program at any time and for any reason by
8 providing notice to the participant's landlord and that the tenant may be
9 removed from the program for failure to comply with program requirements,
10 including failure to make timely rental payments; and

11 (E) offer an optional financial education course for participant
12 tenants.

13 (c) Program agreements. A participant property owner shall agree in
14 writing:

15 (1) to participate in the pilot program for the duration of the program;

16 (2) not to charge a participant tenant for participation in the pilot
17 program;

18 (3) to comply with the requirements of the program;

19 (4) to provide information as required by the State Treasurer concerning
20 the implementation of the pilot program; and

1 (5) to assist in the recruitment of tenants to participate in the pilot
2 program.

3 (d) Program participants. On or before June 1, 2026, the Contractor shall,
4 in coordination with the State Treasurer, recruit not more than 10 participant
5 property owners and, to the extent practicable, not less than 100 participant
6 tenants, to participate in the pilot program. The Contractor shall seek to select
7 participant tenants from populations that are under-served and under-
8 represented in home ownership. The Contractor shall also seek to recruit
9 participant landlords who offer:

10 (1) a variety of types of dwelling units for rent, including dwelling units
11 of various sizes;

12 (2) dwelling units for rent that are located in geographically diverse
13 areas of the State; and

14 (3) at least five dwelling units for rent.

15 (e) Termination. The State Treasurer may terminate the pilot program at
16 any time in the Treasurer's sole discretion or terminate participation of a
17 participant property owner for failure to comply with the requirements of the
18 program.

19 (f) Reports.

20 (1) On or before November 1, 2027, the State Treasurer shall submit an
21 interim report to the Senate Committee on Economic Development, Housing

1 and General Affairs and the House Committee on General and Housing
2 regarding the findings of the pilot program. The report shall include:

3 (A) the number of participant tenants, including information
4 regarding the demographic makeup of participant tenants, such as race,
5 ethnicity, gender, income, and age, as voluntarily provided by the participant;

6 (B) the number of participant tenants who ceased participating in the
7 program voluntarily;

8 (C) the number of participant tenants who were removed from the
9 program and the reasons why;

10 (D) a breakdown of costs of administering the program, including the
11 monthly costs associated with rent reporting;

12 (E) a description of challenges faced by the participating property
13 owners and participating tenants during the pilot program;

14 (F) an analysis of the outcomes of rent reporting on participant
15 tenant's credit scores; and

16 (G) recommendations for legislative action, including proposed
17 statutory language and an appropriation for associated costs.

18 (2) On or before November 1, 2028, the State Treasurer shall submit a
19 final report to the Senate Committee on Economic Development, Housing and
20 General Affairs and the House Committee on General and Housing regarding

1 the findings of the pilot program. The report shall include an update to the
2 information required in the interim report.

3 Sec. 22a. POSITIVE RENTAL PAYMENT CREDIT REPORTING PILOT;
4 IMPLEMENTATION

5 The duty to implement Sec. 26 of this act shall be contingent upon an
6 appropriation of funds in fiscal year 2026 from the General Fund to the Office
7 of the State Treasurer for the purposes of carryout that section.

8 * * * Tax Increment Financing * * *

9 Sec. 23. 24 V.S.A. chapter 53, subchapter 7 is added to read:

10 Subchapter 7. Community and Housing Infrastructure Program

11 § 1906. DEFINITIONS

12 As used in this subchapter:

13 (1) “Brownfield” means a property on which the presence or potential
14 presence of a hazardous material, pollutant, or contaminant complicates the
15 expansion, development, redevelopment, or reuse of the property.

16 (2) “Committed” means pledged and appropriated for the purpose of the
17 current and future payment of financing and related costs.

18 (3) “Developer” means the person undertaking to construct a housing
19 development.

20 (4) “Financing” means debt, including principal, interest, and any fees
21 or charges directly related to that debt, incurred by a sponsor, or other

1 instruments or borrowing used by a sponsor, to pay for a housing infrastructure
2 project and, in the case of a sponsor that is a municipality, authorized by the
3 municipality pursuant to section 1910a of this subchapter.

4 (5) “Housing development” means the construction of one or more
5 buildings that includes housing.

6 (6) “Housing development site” means the parcel or parcels
7 encompassing a housing development as authorized by a municipality pursuant
8 to section 1908 of this subchapter.

9 (7) “Housing infrastructure agreement” means a legally binding
10 agreement to finance and develop a housing infrastructure project and to
11 construct a housing development among a municipality, a developer, and, if
12 applicable, a third-party sponsor.

13 (8) “Housing infrastructure project” means one or more improvements
14 authorized by a municipality pursuant to section 1908 of this subchapter.

15 (9) “Improvements” means:

16 (A) the installation or construction of infrastructure that will serve a
17 public good and fulfill the purpose of housing infrastructure tax increment
18 financing as stated in section 1907 of this subchapter, including utilities, digital
19 infrastructure, transportation, public recreation, parking, public facilities and
20 amenities, land and property acquisition and demolition, brownfield
21 remediation, site preparation, and flood remediation and mitigation; and

1 (B) the funding of debt service interest payments for a period of up to
2 four years, beginning on the date on which the debt is first incurred.

3 (10) “Legislative body” means the mayor and alderboard, the city
4 council, the selectboard, and the president and trustees of an incorporated
5 village, as appropriate.

6 (11) “Municipality” means a city, town, or incorporated village.

7 (12) “Original taxable value” means the total valuation as determined in
8 accordance with 32 V.S.A. chapter 129 of all taxable real property located
9 within a housing development site as of its creation date, provided that no
10 parcel within the housing development site shall be divided or bisected.

11 (13) “Related costs” means expenses incurred and paid by a
12 municipality, exclusive of the actual cost of constructing and financing
13 improvements, that are directly related to the creation and implementation of
14 the municipality’s housing infrastructure project, including reimbursement of
15 sums previously advanced by the municipality for those purposes. Related
16 costs may include direct municipal expenses such as departmental or personnel
17 costs related to creating or administering the housing infrastructure project to
18 the extent they are paid from the tax increment realized from municipal and not
19 education taxes and using only that portion of the municipal increment above
20 the percentage required for serving debt as determined in accordance with
21 subsection 1910c(c) of this subchapter.

1 (14) “Sponsor” means the person undertaking to finance a housing
2 infrastructure project. Any of a municipality, a developer, or an independent
3 agency that meets State lending standards may serve as a sponsor for a housing
4 infrastructure project.

5 § 1907. PURPOSE

6 The purpose of housing infrastructure tax increment financing is to provide
7 revenues for improvements and related costs to encourage the development of
8 primary residences for households of low or moderate income.

9 § 1908. CREATION OF HOUSING INFRASTRUCTURE PROJECT AND
10 HOUSING DEVELOPMENT SITE

11 (a) The legislative body of a municipality may create within its jurisdiction
12 a housing infrastructure project, which shall consist of improvements that
13 stimulate the development of housing, and a housing development site, which
14 shall consist of the parcel or parcels on which a housing development is
15 installed or constructed and any immediately contiguous parcels.

16 (b) To create a housing infrastructure project and housing development
17 site, a municipality, in coordination with stakeholders, shall:

18 (1) develop a housing development plan, including:

19 (A) a description of the proposed housing infrastructure project, the
20 proposed housing development, and the proposed housing development site;

21 (B) identification of a sponsor;

1 (C) a tax increment financing plan meeting the standards of
2 subsection 1910(f) of this subchapter;

3 (D) a pro forma projection of expected costs of the proposed housing
4 infrastructure project;

5 (E) a projection of the tax increment to be generated by the proposed
6 housing development; and

7 (F) a development schedule that includes a list, a cost estimate, and a
8 schedule for the proposed housing infrastructure project and the proposed
9 housing development;

10 (2) develop a plan describing the housing development site by its
11 boundaries and the properties therein, entitled “Proposed Housing
12 Development Site (municipal name), Vermont”;

13 (3) hold one or more public hearings, after public notice, on the
14 proposed housing infrastructure project, including the plans developed
15 pursuant to this subsection; and

16 (4) adopt by act of the legislative body of the municipality the plan
17 developed under subdivision (2) of this subsection, which shall be recorded
18 with the municipal clerk and lister or assessor.

19 (c) The creation of a housing development site shall occur at 12:01 a.m. on
20 April 1 of the calendar year in which the Vermont Economic Progress Council

1 approves the use of tax increment financing for the housing infrastructure
2 project pursuant to section 1910 of this subchapter.

3 § 1909. HOUSING INFRASTRUCTURE AGREEMENT

4 (a) The housing infrastructure agreement for a housing infrastructure
5 project shall:

6 (1) clearly identify the sponsor for the housing infrastructure project;

7 (2) clearly identify the developer and the housing development for the
8 housing development site;

9 (3) obligate the tax increments retained pursuant to section 1910c of this
10 subchapter for not more than the financing and related costs for the housing
11 infrastructure project; and

12 (4) provide for performance assurances to reasonably secure the
13 obligations of all parties under the housing infrastructure agreement.

14 (b) A municipality shall provide notice of the terms of the housing
15 infrastructure agreement for the municipality's housing infrastructure project
16 to the legal voters of the municipality and shall provide the same information
17 as set forth in subsection 1910a(e) of this subchapter.

1 § 1910. HOUSING INFRASTRUCTURE PROJECT APPLICATION;

2 VERMONT ECONOMIC PROGRESS COUNCIL

3 (a) Application. A municipality, upon approval of its legislative body, may
4 apply to the Vermont Economic Progress Council to use tax increment
5 financing for a housing infrastructure project.

6 (b) Review. The Vermont Economic Progress Council may approve only
7 applications that:

8 (1) meet the process requirements, the project criterion, and any of the
9 location criteria of this section; and

10 (2) are submitted on or before December 31, 2035.

11 (c) Process requirements. The Vermont Economic Progress Council shall
12 review a municipality's housing infrastructure project application to determine
13 whether the municipality has:

14 (1) created a housing infrastructure project and housing development
15 site pursuant to section 1908 of this subchapter;

16 (2) executed a housing infrastructure agreement for the housing
17 infrastructure project adhering to the standards of section 1909 of this
18 subchapter with a developer and, if the municipality is not financing the
19 housing infrastructure project itself, a sponsor; and

1 (3) approved or pledged to use incremental municipal tax revenues for
2 the housing infrastructure project in the proportion provided for municipal tax
3 revenues in section 1910c of this subchapter.

4 (d) Project criterion. The Vermont Economic Progress Council shall
5 review a municipality's housing infrastructure project application to determine
6 whether the projected housing development includes housing.

7 (e) Location criteria. The Vermont Economic Progress Council shall
8 review a municipality's housing infrastructure project application to determine
9 whether the housing development site is located within one of the following
10 areas:

11 (1) an area designated Tier 1A or Tier 1B pursuant to 10 V.S.A. chapter
12 151 (State land use and development plans) or an area exempt from the
13 provisions of that chapter pursuant to 10 V.S.A. § 6081(dd) (interim housing
14 exemptions);

15 (2) an area designated Tier 2 pursuant to 10 V.S.A. chapter 151 (State
16 land use and development plans) or an area in which the housing development
17 site is compatible with regional and town land use plans as evidenced by a
18 letter of support from the regional planning commission for the municipality;
19 or

20 (3) an existing settlement or an area within one-half mile of an existing
21 settlement, as that term is defined in 10 V.S.A. § 6001(16).

1 (f) Tax increment financing plan. The Vermont Economic Progress
2 Council shall approve a municipality's tax increment financing plan prior to a
3 sponsor's incurrence of debt for the housing infrastructure project, including, if
4 the sponsor is a municipality, prior to a public vote to pledge the credit of the
5 municipality under section 1910a of this subchapter. The tax increment
6 financing plan shall include:

- 7 (1) a statement of costs and sources of revenue;
8 (2) estimates of assessed values within the housing development site;
9 (3) the portion of those assessed values to be applied to the housing
10 infrastructure project;
11 (4) the resulting tax increments in each year of the financial plan;
12 (5) the amount of bonded indebtedness or other financing to be incurred;
13 (6) other sources of financing and anticipated revenues; and
14 (7) the duration of the financial plan.

15 § 1910a. INDEBTEDNESS

16 (a) A municipality approved for tax increment financing under section
17 1910 of this subchapter may incur indebtedness against revenues of the
18 housing development site at any time during a period of up to five years
19 following the creation of the housing development site. The Vermont
20 Economic Progress Council may extend this debt incursion period by up to
21 three years. If no debt is incurred for the housing infrastructure project during

1 the debt incursion period, whether by the municipality or sponsor, the housing
2 development site shall terminate.

3 (b) Notwithstanding any provision of any municipal charter, each instance
4 of borrowing by a municipality to finance or otherwise pay for a housing
5 infrastructure project shall occur only after the legal voters of the municipality,
6 by a majority vote of all voters present and voting on the question at a special
7 or annual municipal meeting duly warned for the purpose, authorize the
8 legislative body to pledge the credit of the municipality, borrow, or otherwise
9 secure the debt for the specific purposes so warned.

10 (c) Any indebtedness incurred under this section may be retired over any
11 period authorized by the legislative body of the municipality.

12 (d) The housing development site shall continue until the date and hour the
13 indebtedness is retired or, if no debt is incurred, five years following the
14 creation of the housing development site.

15 (e) A municipal legislative body shall provide information to the public
16 prior to the public vote required under subsection (b) of this section. This
17 information shall include the amount and types of debt and related costs to be
18 incurred, including principal, interest, and fees; terms of the debt; the housing
19 infrastructure project to be financed; the housing development projected to
20 occur because of the housing infrastructure project; and notice to the voters
21 that if the tax increment received by the municipality from any property tax

1 source is insufficient to pay the principal and interest on the debt in any year,
2 the municipality shall remain liable for the full payment of the principal and
3 interest for the term of the indebtedness. If interfund loans within the
4 municipality are used, the information must also include documentation of the
5 terms and conditions of the loan.

6 (f) If interfund loans within the municipality are used as the method of
7 financing, no interest shall be charged.

8 (g) The use of a bond anticipation note shall not be considered a first
9 incurrence of debt pursuant to subsection (a) of this section.

10 § 1910b. ORIGINAL TAXABLE VALUE; TAX INCREMENT

11 (a) As of the date the housing development site is created, the lister or
12 assessor for the municipality shall certify the original taxable value and shall
13 certify to the legislative body in each year thereafter during the life of the
14 housing development site the amount by which the total valuation as
15 determined in accordance with 32 V.S.A. chapter 129 of all taxable real
16 property within the housing development site has increased or decreased
17 relative to the original taxable value.

18 (b) Annually throughout the life of the housing development site, the lister
19 or assessor shall include not more than the original taxable value of the real
20 property in the assessed valuation upon which the treasurer computes the rates
21 of all taxes levied by the municipality and every other taxing district in which

1 the housing development site is situated, but the treasurer shall extend all rates
2 so determined against the entire assessed valuation of real property for that
3 year.

4 (c) Annually throughout the life of the housing development site, a
5 municipality shall remit not less than the aggregate education property tax due
6 on the original taxable value to the Education Fund.

7 (d) Annually throughout the life of the housing development site, the
8 municipality shall hold apart, rather than remit to the taxing districts, that
9 proportion of all taxes paid that year on the real property within the housing
10 development site that the excess valuation bears to the total assessed valuation.
11 The amount held apart each year is the “tax increment” for that year. The tax
12 increment shall only be used for financing and related costs.

13 (e) Not more than the percentages established pursuant to section 1910c of
14 this subchapter of the municipal and State education tax increments received
15 with respect to the housing development site and committed for the payment
16 for financing for improvements and related costs shall be segregated by the
17 municipality in a special tax increment financing account and in its official
18 books and records until all capital indebtedness incurred for the housing
19 infrastructure project has been fully paid. The final payment shall be reported
20 to the treasurer, who shall thereafter include the entire assessed valuation of the
21 housing development site in the assessed valuations upon which the municipal

1 and other tax rates are computed and extended, and thereafter no taxes from
2 the housing development site shall be deposited in the special tax increment
3 financing account.

4 (f) Notwithstanding any charter provision or other provision, all property
5 taxes assessed within a housing development site shall be subject to the
6 provisions of this section. Special assessments levied under chapter 76A or 87
7 of this title or under a municipal charter shall not be considered property taxes
8 for the purpose of this section if the proceeds are used exclusively for
9 operating expenses related to properties within the housing development site
10 and not for improvements within the housing development site.

11 § 1910c. USE OF TAX INCREMENT; RETENTION PERIOD

12 (a) Uses of tax increments. A municipality may apply tax increments
13 retained pursuant to this subchapter to debt incurred within the period
14 permitted under section 1910a of this subchapter, to related costs, and to the
15 direct payment of the cost of a housing infrastructure project. Any direct
16 payment shall be subject to the same public vote provisions of section 1910a of
17 this subchapter as apply to debt.

18 (b) Education property tax increment. Up to 80 percent of the education
19 property tax increment may be retained for up to 20 years, beginning the first
20 year in which debt is incurred for the housing infrastructure project. Upon
21 incurring the first debt, a municipality shall notify the Department of Taxes

1 and the Vermont Economic Progress Council of the beginning of the retention
2 period of the education property tax increment.

3 (c) Municipal property tax increment. Not less than 100 percent of the
4 municipal property tax increment may be retained, beginning the first year in
5 which debt is incurred for the housing infrastructure project.

6 (d) Excess tax increment.

7 (1) Of the municipal and education property tax increments received in
8 any tax year that exceed the amounts committed for the payment of the
9 financing and related costs for a housing infrastructure project, equal portions
10 of each increment may be retained for the following purposes:

11 (A) to prepay principal and interest on the financing;

12 (B) to place in a special tax increment financing account required
13 pursuant to subsection 1910b(e) of this subchapter and use for future financing
14 payments; or

15 (C) to use for defeasance of the financing.

16 (2) Any remaining portion of the excess education property tax
17 increment shall be distributed to the Education Fund. Any remaining portion
18 of the excess municipal property tax increment shall be distributed to the city,
19 town, or village budget in the proportion that each budget bears to the
20 combined total of the budgets unless otherwise negotiated by the city, town, or
21 village.

1 § 1910d. INFORMATION REPORTING

2 (a) A municipality with an active housing infrastructure project shall:

3 (1) develop a system, segregated for the housing infrastructure project,
4 to identify, collect, and maintain all data and information necessary to fulfill
5 the reporting requirements of this section;

6 (2) provide timely notification to the Department of Taxes and the
7 Vermont Economic Progress Council of any housing infrastructure project
8 debt, public vote, or vote by the municipal legislative body immediately
9 following the debt incurrence or public vote on a form prescribed by the
10 Council, including copies of public notices, agendas, minutes, vote tally, and a
11 copy of the information provided to the public pursuant to subsection 1910a(e)
12 of this subchapter; and

13 (3) annually on or before February 15, submit on a form prescribed by
14 the Vermont Economic Progress Council an annual report to the Council and
15 the Department of Taxes, including the information required by subdivision (2)
16 of this subsection if not previously submitted, the information required for
17 annual audit under section 1910e of this subchapter, and any information
18 required by the Council or the Department of Taxes for the report required
19 pursuant to subsection (b) of this section.

20 (b) Annually on or before April 1, the Vermont Economic Progress Council
21 and the Department of Taxes shall submit a report to the Senate Committees on

- 1 Economic Development, Housing and General Affairs and on Finance and the
2 House Committees on Commerce and Economic Development and on Ways
3 and Means on housing infrastructure projects approved pursuant to this
4 subchapter, including for each of the following:
- 5 (1) the date of approval;
6 (2) a description of the housing infrastructure project;
7 (3) the original taxable value of the housing development site;
8 (4) the scope and value of projected and actual improvements and
9 developments in the housing development site, including the number of
10 housing units created;
- 11 (5) the number and types of housing units for which a permit is being
12 pursued under 10 V.S.A. chapter 151 (State land use and development plans)
13 and, for each applicable housing development, the current stage of the
14 permitting process;
- 15 (6) projected and actual incremental revenue amounts;
16 (7) the allocation of incremental revenue; and
17 (8) projected and actual financing.
- 18 (c) On or before January 15, 2035, the Vermont Economic Progress
19 Council shall submit a report to the Senate Committees on Economic
20 Development, Housing and General Affairs and on Finance and the House
21 Committees on Commerce and Economic Development and on Ways and

1 Means evaluating the success of the Community and Housing Infrastructure
2 Program in achieving its purpose, as stated in section 1907 of this chapter,
3 including by identifying the amount and kinds of housing produced through
4 the Program and by determining whether housing development pursued
5 through the Program meets the project criterion and location criteria of section
6 1910 of this chapter.

7 § 1910e. AUDITING

8 Annually on or before April 1 until the year following the end of the period
9 for retention of education property tax increment, a municipality with a
10 housing infrastructure project approved under this subchapter shall ensure that
11 the special tax increment financing account required by section 1910b of this
12 subchapter is subject to the annual audit prescribed in section 1681 or 1690 of
13 this title and submit a copy to the Vermont Economic Progress Council. If an
14 account is subject only to the audit under section 1681 of this title, the Council
15 shall ensure a process is in place to subject the account to an independent audit.
16 Procedures for the audit must include verification of the original taxable value
17 and annual and total municipal and education property tax increments
18 generated, expenditures for financing and related costs, and current balance.

19 § 1910f. GUIDANCE

20 (a) The Secretary of Commerce and Community Development, after
21 reasonable notice to a municipality and an opportunity for a hearing, may issue

1 decisions to a municipality on questions and inquiries concerning the
2 administration of housing infrastructure projects, statutes, rules,
3 noncompliance with this subchapter, and any instances of noncompliance
4 identified in audit reports conducted pursuant to section 1910e of this
5 subchapter.

6 (b) The Vermont Economic Progress Council shall prepare
7 recommendations for the Secretary of Commerce and Community
8 Development prior to any decision issued pursuant to subsection (a) of this
9 section. The Council may prepare recommendations in consultation with the
10 Commissioner of Taxes, the Attorney General, and the State Treasurer. In
11 preparing recommendations, the Council shall provide a municipality with a
12 reasonable opportunity to submit written information in support of its position.

13 (c) The Secretary of Commerce and Community Development shall review
14 the recommendations of the Council and issue a final written decision on each
15 matter within 60 days following receipt of the recommendations. The
16 Secretary may permit an appeal to be taken by any party to a Superior Court
17 for determination of questions of law in the same manner as the Supreme Court
18 may by rule provide for appeals before final judgment from a Superior Court
19 before issuing a final decision.

20 (d) The Vermont Economic Progress Council may adopt rules that are
21 reasonably necessary to implement this subchapter.

2 Sec. 23a. ANR REPORT ON SURFACE WATER DISCHARGES

9 Sec. 24. 32 V.S.A. § 3325 is amended to read:

11 (a) Creation. The Vermont Economic Progress Council is created to
12 exercise the authority and perform the duties assigned to it, including its
13 authority and duties relating to:

18 (3) housing infrastructure tax increment financing pursuant to 24 V.S.A.
19 chapter 53, subchapter 7.

VT LEG #383831 v.1

1 (g) Decisions not subject to review. A decision of the Council to approve
2 or deny an application under subchapter 2 of this chapter, ~~or~~ to approve or
3 deny a tax increment financing district pursuant to 24 V.S.A. chapter 53,
4 subchapter 5 and section 5404a of this title, or to approve or deny a housing
5 infrastructure project pursuant to 24 V.S.A. chapter 53, subchapter 7 is an
6 administrative decision that is not subject to the contested case hearing
7 requirements under 3 V.S.A. chapter 25 and is not subject to judicial review.

8 * * * Effective Dates * * *

9 Sec. 25. EFFECTIVE DATES

10 This act shall take effect on July 1, 2025, except that Sec. 4 (Rental Housing
11 Revolving Loan Program), Sec. 7 (repeal; Act 181 prospective landlord
12 certificate changes), and this section shall take effect on passage.