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H.757

2      Introduced by Representatives Pezzo of Colchester and Mihaly of Calais

3      Referred to Committee on

4      Date:

5      Subject: Corporations, partnerships, and associations; cooperative housing

6              corporations; limited equity cooperatives; mobile homes;

7              manufactured homes; housing; municipal zoning; taxation and

8              finance; sales and use tax; property transfer tax; exemptions;

9              education property tax; conservation and development; water

10              pollution control; stormwater management

11      Statement of purpose of bill as introduced: This bill proposes to make

12      amendments to the form of and conversion process for mobile home real estate

13      deeds; make amendments to limited equity cooperative housing corporations to

14      prohibit subleasing of a unit for a limited equity cooperative incorporated after

15      June 30, 2026, unless the member can demonstrate a hardship, to specify that

16      limited equity cooperatives are to be treated as nonprofit corporations, and to

17      specify that limited equity cooperatives serve low- and moderate-income

18      individuals for State funding and grant purposes; for the purposes of municipal

19      zoning, to allow manufactured housing to the same extent as other housing; to

20      exempt limited equity cooperative housing corporations from needing to obtain

21      a stormwater permit due to the discharge of stormwater from impervious

1 surface of three or more acres; and to exempt all mobile homes from sales tax,  
2 to subject mobile homes previously subject to sales tax to the property transfer  
3 tax, and to exempt from property taxes mobile home parks organized as a  
4 limited equity cooperative.

5 An act relating to manufactured homes and limited equity cooperatives

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

7 \* \* \* Manufactured Homes \* \* \*

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

9 CHAPTER 72. MOBILE HOMES

10 § 2601. DEFINITIONS

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

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

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

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

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

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

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

11 (4) The wheels or axles have been removed.

14 \* \* \*

15      § 2604. REAL ESTATE DEEDS FOR MOBILE HOMES

16 (a) Any mobile home purchased from a mobile home dealer on or after July  
17 1, 2008, that is financed as residential real estate pursuant to subsection  
18 2603(b) of this title shall be conveyed by a warranty deed ~~drafted in~~  
19 ~~substantially the form provided in subsection (c) of this section~~

20 (b) An owner of a mobile home shall, upon financing or refinancing a  
21 mobile home as residential real estate or selling a mobile home that has been

1       financed as residential real estate, issue to the grantee either a warranty deed or  
2       a quitclaim deed ~~that is drafted in substantially the form provided in subsection~~  
3       ~~(c) or (d) of this section.~~

4 (c) A warranty deed that is substantially in the form provided in this  
5 ~~subsection~~ shall, when duly executed and delivered, have the force and effect  
6 of a deed in fee simple to the grantee, the heirs, successors, and assigns, to  
7 their own use, with covenants on the part of the grantor, for the grantor, the  
8 grantor's heirs, executors, and administrators that, at the time of the delivery of  
9 the deed, the grantor was lawfully seized in fee simple of the mobile home;  
10 that the mobile home was free from all encumbrances, except as stated; that the  
11 grantor had good right to sell and convey the same to the grantee, the grantee's  
12 heirs, successors, and assigns; and that the grantor and the grantor's heirs,  
13 executors, and administrators shall warrant and defend the same to the grantee  
14 and the grantee's heirs, successors, and assigns, against the lawful claims and  
15 demands of all persons. ~~No owner of land on which a mobile home is sited~~  
16 ~~shall unreasonably withhold the consent required by this statutory form.~~

## Form for Mobile Home Warranty Deed

18 \_\_\_\_\_, of \_\_\_\_\_, \_\_\_\_\_ County, State  
19 of \_\_\_\_\_, ("Grantor"), for consideration paid, grants  
20 to \_\_\_\_\_ of \_\_\_\_\_ Street, Town (City) of \_\_\_\_\_, \_\_\_\_\_  
21 County, State of \_\_\_\_\_ ("Grantee"), with warranty covenants, the

1 (description of mobile home being conveyed: name of manufacturer, model  
2 and serial number and encumbrances, exceptions, reservations, if any) which  
3 mobile home is situated, or is to be situated, at \_\_\_\_\_ (state name of  
4 park, if any, and street address), Town (City) of \_\_\_\_\_, \_\_\_\_\_  
5 County, State of Vermont.

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

9 \_\_\_\_\_ (wife) (husband) of said Grantor, releases to  
10 said Grantee all rights and other interests therein.

11 \_\_\_\_\_ Signed this \_\_\_\_\_ day of \_\_\_\_\_, \_\_\_\_.

12 (Here add acknowledgment)

13 \_\_\_\_\_, owner of the tract or parcel of land upon which the  
14 aforesaid mobile home is situated, or is to be situated, hereby consents to the  
15 conveyance of the mobile home.

16 \_\_\_\_\_ Signed this \_\_\_\_\_ day of \_\_\_\_\_, \_\_\_\_.

17 (Here add acknowledgment)

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

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

6                   **Form for Mobile Home Quitclaim Deed**

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

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

20                   \_\_\_\_\_ (wife) (husband) of said Grantor releases to said Grantee all  
21                   rights and other interest therein.

2 (Here add acknowledgment)

3 \_\_\_\_\_, owner of the parcel of land upon which the  
4 aforesaid mobile home is situated, or is to be situated, hereby consents to the  
5 conveyance of the mobile home.

7 ~~(Here add acknowledgment)~~

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

11 § 2605. MOBILE HOME BILL OF SALE CONVERSION PROCESS

12        The owner of any mobile home that was initially financed pursuant to a  
13        ~~motor vehicle loan, motor vehicle retail installment contract, or another form~~  
14        of chattel mortgage shall, if the mobile home is subsequently financed as  
15        ~~residential real estate pursuant to subsection 2603(b) of this title, file a request~~  
16        for purging of the security interest with the clerk of the municipality where the  
17        ~~chattel mortgage for the mobile home was last recorded.~~

18 (1) A request to purge the security interest of a mobile home shall  
19 include the most recent Vermont uniform bill of sale or certificate of origin,  
20 the terminated UCC financing statement or statements, and an executed

1 ~~warranty or quitclaim deed, which shall be drafted substantially in the form~~  
2 ~~provided in section 2604 of this title.~~

3 ~~(2) Upon the filing of a request to purge the security interest of a mobile~~  
4 ~~home with the clerk of the municipality where the chattel mortgage for the~~  
5 ~~mobile home was last recorded, and upon the owner's procuring the consent of~~  
6 ~~the holders of any security interest in the mobile home shown to be unreleased,~~  
7 ~~the mobile home shall become residential real estate.~~

8 ~~(3) Upon receiving a request to purge the security interest of a mobile~~  
9 ~~home, the municipal clerk shall mark or stamp the originally filed Vermont~~  
10 ~~uniform bill of sale or certificate of origin with the word "converted."~~

11 ~~(4) A mobile home that has been converted to residential real estate~~  
12 ~~shall not be converted or redefined as personal property. [Repealed.]~~

13 \* \* \*

14 \* \* \* Limited Equity Cooperatives \* \* \*

15 Sec. 2. 11 V.S.A. § 1598 is amended to read:

16 § 1598. LIMITED EQUITY COOPERATIVES

17 (a) A cooperative housing corporation may organize as a limited equity  
18 cooperative in order to fulfill the public purpose of providing and preserving  
19 housing for persons and households of low and moderate income at the time  
20 that they purchase their memberships. In addition to safeguarding the

1 forgoing public purpose, a limited equity cooperative shall meet the following  
2 requirements:

3           (1) The articles of incorporation shall require that cooperative interests  
4 be sold at not more than a transfer value determined by a limited equity  
5 formula contained in the articles. That value shall be consistent with the object  
6 of maintaining long-term affordability of cooperative interests for persons or  
7 households of low and moderate income.

8           (2) A limited equity formula, once established by a cooperative housing  
9 corporation in its articles of incorporation, may be amended only if that  
10 amendment does not make the cooperative membership unaffordable for the  
11 class of low- or moderate-income households for which the cooperative  
12 housing corporation was originally incorporated, as determined and certified  
13 by the Commissioner of Housing and Community Affairs Development. A  
14 cooperative housing corporation once organized under this section may not  
15 reorganize as other than a limited equity cooperative without first dissolving.

16           (3) A limited equity cooperative shall not sell all or substantially all of  
17 its assets if such sale is intended to circumvent the public purposes of this  
18 section.

19           (4) The articles of incorporation shall require that the cooperative  
20 housing corporation shall have the first right to repurchase a member's  
21 cooperative interest.



1 unit is provided an exemption under this subdivision (B), the total cost of rent  
2 for the unit, including utilities not covered by rent payments and costs for the  
3 proprietary lease payment, shall not exceed the applicable fair market rent  
4 established by the U.S. Department of Housing and Urban Development.

5                   (b) Notwithstanding any law to the contrary, a cooperative housing  
6                   corporation organized as a limited equity cooperative shall be treated as if it  
7                   has incorporated as a nonprofit corporation under the laws of this State,  
8                   including for registration purposes with the Secretary of State.

15 \* \* \* Municipal Zoning \* \* \*

16 Sec. 3. 24 V.S.A. § 4412 is amended to read:

## 17 § 4412. REQUIRED PROVISIONS AND PROHIBITED EFFECTS

18 Notwithstanding any existing bylaw, the following land development  
19 provisions shall apply in every municipality:

20 (1) Equal treatment of housing and required provisions for affordable  
21 housing.

1

\* \* \*

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

12

\* \* \*

13 \* \* \* Stormwater Permit \* \* \*

14 Sec. 4. 10 V.S.A. § 1264 is amended to read:

15 § 1264. STORMWATER MANAGEMENT

16

\* \* \*

17 (b) Definitions. As used in this section:

18

\* \* \*

19 (6) “Impervious surface” means those manmade surfaces, including  
20 paved and unpaved roads, parking areas, roofs, driveways, and walkways, from  
21 which precipitation runs off rather than infiltrates.



1       controlled by a cooperative housing corporation registered as a limited equity  
2       cooperative under 11 V.S.A. § 1598.

3 \* \* \*

4 \* \* \* Sales and Use Tax Exemption \* \* \*

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

6 (s) The statutory purpose of the exemption for sales of mobile homes and  
7 modular housing in subdivision 9741(32)(A) of this title is to create equity  
8 between mobile and modular housing and traditional residential construction  
9 by providing an exemption for the estimated portion of the cost attributable to  
10 labor (versus materials). The statutory purpose of the exemption for sales of  
11 mobile homes in subdivision 9741(32)(B) of this title is to ensure that all sales  
12 of mobile homes, as defined in 10 V.S.A. § 6201, are treated similarly for  
13 purposes of the property transfer tax imposed under chapter 231 of this title.

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

15        § 9741. SALES NOT COVERED

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

19 \* \* \*

6 \* \* \*

7 \* \* \* Property Transfer Tax \* \* \*

8 Sec. 7. 32 V.S.A. § 9601 is amended to read:

## 9        § 9601. DEFINITIONS

10 As used in this chapter unless the context requires otherwise:

11 \* \* \*

17 (6)(A) "Value" means:

18 (i) in the case of any transfer of title to property that is not a gift  
19 and that is not made for a nominal or no consideration, the amount of the full  
20 actual consideration for such transfer, paid or to be paid, including the amount

1 of any liens or encumbrances on the property existing before the transfer and  
2 not removed thereby;  
3 (ii) in the case of a gift, or a transfer for nominal or no  
4 consideration, the fair market value of the property transferred; and  
5 (iii) in the case of a controlling interest in any person that has title  
6 to property, the fair market value of the property, apportioned based on the  
7 percentage of the ownership interest transferred or acquired in the person; and  
8 (iv) in the case of a mobile home sold as tangible personal  
9 property, the amount of the full actual consideration for such sale, paid or to be  
10 paid, including the amount of any liens or encumbrances on the tangible  
11 personal property existing before the sale and not removed thereby.

12 \* \* \*

13 (10) “Property” means real property and, in the case of a mobile home  
14 sold as tangible personal property, tangible personal property. The term does  
15 not include personal property transferred with real property other than a mobile  
16 home.

17 \* \* \*

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

19 Sec. 8. 32 V.S.A. § 9602 is amended to read:

20 § 9602. TAX ON TRANSFER OF TITLE TO PROPERTY

1       A tax is hereby imposed upon the transfer by deed of title to property  
2       located in this State, ~~or~~ a transfer or acquisition of a controlling interest in any  
3       person with title to property in this State, or the sale of a mobile home as  
4       tangible personal property in this State. The amount of the tax equals 1.25  
5       percent of the value of the property transferred, or \$1.00, whichever is greater,  
6       except as follows:

16 \* \* \*

17 Sec. 10. 32 V.S.A. § 9606 is amended to read:

18 § 9606. PROPERTY TRANSFER RETURN

19 (a)(1) In the case of property transfer by deed, a property transfer return

20 complying with this section shall be delivered to a town clerk at the time a

1 deed evidencing a transfer of title to property is delivered to the clerk for  
2 recording.

3 (2) In the case of transfer or acquisition of a controlling interest in a  
4 person with title to property for which a deed is not given, a property transfer  
5 return complying with this section shall be delivered to the Commissioner  
6 within 30 days after the transfer or acquisition.

7 (3) In the case of sale of a mobile home as tangible personal property, a  
8 property transfer return complying with this section shall be delivered to a  
9 town clerk at the time an executed mobile home uniform bill of sale is filed  
10 with the clerk.

11 \* \* \*

12 (e)(1) In the case of property transferred by deed, the Commissioner of  
13 Taxes is authorized to disclose to any person any information appearing on a  
14 property transfer tax return, including statistical information derived therefrom,  
15 and such information derived from research into information appearing on  
16 property transfer tax returns as is necessary to determine if the property being  
17 transferred is subject to 10 V.S.A. chapter 151, except the Commissioner shall  
18 not disclose the Social Security number, federal identification number, e-mail  
19 email address, or telephone number of any person pursuant to this subsection.

20 (2) In the case of transfer or acquisition of a controlling interest in a  
21 person with title to property for which a deed is not given or the sale of a

1        mobile home as tangible personal property, the return submitted to the  
2        Commissioner shall be treated as a tax return and tax return information under  
3        section 3102 of this title.

4        Sec. 11. 32 V.S.A. § 9607 is amended to read:

5        § 9607. ACKNOWLEDGMENT OF RETURN AND TAX PAYMENT

6        Upon the receipt by a town clerk of a property transfer return and certificate  
7        and the fee required under subdivision 1671(a)(6) of this title, the clerk shall  
8        forthwith mail or otherwise deliver to the transferee of title to property or  
9        purchaser of a mobile home as tangible personal property with respect to  
10      which such return was filed a signed and written acknowledgment of the  
11      receipt of that return and certificate. A copy of that acknowledgment, or any  
12      other form of acknowledgment approved by the Commissioner, shall be  
13      affixed to the deed evidencing the transfer of property, or the document  
14      evidencing the transfer or acquisition of a direct or indirect controlling interest  
15      in any person with title to property, or the mobile home uniform bill of sale  
16      with respect to which the return and certificate was filed. The  
17      acknowledgment so affixed to a deed, or document, or bill of sale, however,  
18      shall not disclose the amount of tax paid with respect to any return or transfer.

19        \* \* \* Tax Exemption for Mobile Home Limited Equity Cooperatives \* \* \*

20        Sec. 12. 32 V.S.A. § 3802 is amended to read:

21        § 3802. PROPERTY TAX

1 The following property shall be exempt from taxation:

2 \* \* \*

(23) Real property owned by a mobile home limited equity cooperative,  
as that term is used in 11 V.S.A. § 1610.

5 \* \* \* Conforming Revisions \* \* \*

## 6 Sec. 13. CONFORMING REVISIONS

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

11 \* \* \* Effective Date \* \* \*

## 12 Sec. 14. EFFECTIVE DATE

13 This act shall take effect on July 1, 2026.