

H.757

Introduced by Representatives Pezzo of Colchester and Mihaly of Calais

Referred to Committee on

Date:

Subject: Corporations, partnerships, and associations; cooperative housing

corporations; limited equity cooperatives; mobile homes;

manufactured homes; housing; municipal zoning; taxation and

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

education property tax; conservation and development; water

pollution control; stormwater management

Statement of purpose of bill as introduced: This bill proposes to make amendments to the form of and conversion process for mobile home real estate deeds; make amendments to limited equity cooperative housing corporations to prohibit subleasing of a unit for a limited equity cooperative incorporated after June 30, 2026, unless the member can demonstrate a hardship, to specify that limited equity cooperatives are to be treated as nonprofit corporations, and to specify that limited equity cooperatives serve low- and moderate-income individuals for State funding and grant purposes; for the purposes of municipal zoning, to allow manufactured housing to the same extent as other housing; to exempt limited equity cooperative housing corporations from needing to obtain 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.

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

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.

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

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

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

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

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 ~~(e) 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.~~

17 ~~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.~~

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

Form for Mobile Home Quitclaim Deed

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

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

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



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 foregoing 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           (5) The articles of incorporation shall require that the total distribution  
2 out of capital to a member shall not exceed that transfer value.

3           (6) The articles of incorporation shall require that upon dissolution of  
4 the cooperative housing corporation, any assets remaining after retirement of  
5 corporate debts and distribution to members shall be distributed to a charitable  
6 organization described in Section 501(c)(3) of the Internal Revenue Code of  
7 1986, as amended, a public agency, or another limited equity cooperative  
8 whose formula for determining transfer value shall be not less restrictive than  
9 that of the cooperative housing corporation being dissolved.

10           (7)(A) The For a limited equity cooperative organized prior to July 1,  
11 2026, the articles of incorporation shall require that ~~no~~ for any sublease of a  
12 unit ~~shall provide for monthly payments by the sublessee in excess of 110~~  
13 ~~percent of monthly payments for the unit provided for in the proprietary lease~~  
14 the total cost of rent for the unit, including utilities not covered by rent  
15 payments and costs for the proprietary lease payment, shall not exceed the  
16 applicable fair market rent established by the U.S. Department of Housing and  
17 Urban Development.

18           (B) For a limited equity cooperative organized on or after July 1, 2026,  
19 the articles of incorporation shall prohibit the subleasing of a unit, unless a  
20 member can demonstrate a hardship in which case the board of directors may  
21 vote by majority to grant an exemption from the prohibition. In the event a

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.

9 (c) For the purposes of State funding and grants to support affordable  
10 housing, a cooperative housing corporation organized as a limited equity  
11 cooperative under this section shall be treated as serving individuals with low  
12 and moderate incomes. Nothing in this section shall be deemed to alter or  
13 change specific funding or grant requirements, including the definition of low  
14 or moderate income, as outlined in any program, funding, or grant source.

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.

\* \* \*

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

\* \* \*

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

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

§ 1264. STORMWATER MANAGEMENT

\* \* \*

(b) Definitions. As used in this section:

\* \* \*

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

\* \* \*

(14) “Stormwater runoff” means precipitation and snowmelt that does not infiltrate into the soil, including material dissolved or suspended in it, but does not include discharges from undisturbed natural terrain or wastes from combined sewer overflows.

\* \* \*

(c) Prohibitions.

\* \* \*

(7) In accordance with the schedule established under subdivision (g)(3) of this section, a person shall not discharge stormwater from impervious surface of three or more acres in size without first obtaining an individual permit or coverage under a general permit issued under this section if the discharge was never previously permitted or was permitted under an individual permit or general permit that did not incorporate the requirements of the 2002 Stormwater Management Manual or any subsequently adopted Stormwater Management Manual. The Secretary shall provide notice to all owners of property subject to the permit required under this subdivision.

(d) Exemptions.

\* \* \*

(3) A permit shall not be required under subdivision (c)(7) of this section for stormwater discharges from impervious surface owned or

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 \* \* \*

(B) Sales of mobile homes, as defined in 10 V.S.A. § 6201, when  
sold as tangible personal property.

\* \* \*

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

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

## § 9601. DEFINITIONS

As used in this chapter unless the context requires otherwise:

\* \* \*

(5) “Transfer” includes a grant, assignment, conveyance, will, trust, decree of court, transfer or acquisition of a direct or indirect controlling interest in any person with title to property, or any other means of transferring title to property or vesting title to property in any person. In the case of a mobile home sold as tangible personal property, “transfer” includes a sale.

(6)(A) “Value” means:

(i) in the case of any transfer of title to property that is not a gift and that is not made for a nominal or no consideration, the amount of the full 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

\* \* \*

\* \* \*

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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

2 \*\*\*

5 \*\*\* 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.

12           Sec. 14. EFFECTIVE DATE

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