

1 H.772

2 Introduced by Representative Mihaly of Calais

3 Referred to Committee on

4 Date:

5 Subject: Commerce and trade; housing; landlord tenant; residential rental

6 agreements; court procedure; ejectment; State Treasurer; positive

7 rental payment pilot program; landlord tenant technical assistance

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

9 numerous substantive amendments to residential rental agreements; create an

10 ejectment process for just cause evictions; make certain ejectment records

11 confidential; enact the positive rental payment credit reporting pilot program

12 through the Office of the State Treasurer; and authorize technical assistance for

13 landlords and tenants through the Champlain Valley Office of Economic

14 Opportunity.

15 An act relating to residential rental agreements, eviction procedures, and the

16 creation of the positive rental payment credit reporting pilot program

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

18 \* \* \* Termination of Residential Rental Agreement \* \* \*

19 Sec. 1. 9 V.S.A. chapter 137 is amended to read:

20 CHAPTER 137. RESIDENTIAL RENTAL AGREEMENTS

1 Subchapter 1. General

2       § 4451. DEFINITIONS

3 As used in this chapter:

4 (1)(A) "Actual notice" means receipt of written notice either:

5 (i) hand-delivered or;

6 (ii) delivered by sheriff service;

7 (iii) mailed to the last known address or the address provided in

8 the residential rental agreement;

9 (iv) posted on the door of the dwelling unit and mailed as

10 described in subdivision (iii) of this subdivision (1)(A); or

13                   (B) A rebuttable presumption that the notice was received three days  
14                   after mailing is created if the sending party proves that the notice was sent by  
15                   first-class or certified U.S. mail.

16 \* \* \*

17 (11) "Immediate family" means:

(A) an adult person related by blood, adoption, marriage, or as

19 defined or described in similar law in another jurisdiction;

20 (B) an unmarried parent of a joint child;

21 (C) a child, grandchild, foster child, ward, or guardian; or

1                   (D) a child, grandchild, foster child, ward, or guardian of any  
2                   person listed in subdivision (A) or (B) of this subdivision (11).

3                   \* \* \*

4                   Subchapter 2. Residential Rental Agreements

5                   § 4456a. RESIDENTIAL RENTAL APPLICATION

6                   (a)(1) A landlord or a landlord's agent shall not charge an application fee to  
7                   any individual in order to apply to enter into a rental agreement for a  
8                   residential dwelling unit. This subsection shall not be construed to prohibit a  
9                   person from charging a fee to a person in order to apply to rent commercial or  
10                  nonresidential property.

11                  (2) As used in this section, an "application fee" includes any fee or  
12                  charge to submit a residential rental application or conduct a background check  
13                  on a residential applicant, a third-party processing payment, and any other  
14                  costs associated with a rental agreement application.

15                  (3) A landlord or a landlord's agent may charge a nominal fee to  
16                  conduct a credit check of an applicant, unless the tenant or applicant provides a  
17                  credit check as part of the application, in which case the landlord or landlord's  
18                  agent shall not charge a fee.

19                  \* \* \*

20                  (c) A person who violates this section commits an unfair practice in  
21                  commerce in violation of section 2453 of this title.

1

\* \* \*

2       § 4461. SECURITY DEPOSITS

3       (a)(1) A security deposit is any advance, deposit, or prepaid rent, however  
4       named, which is refundable to the tenant at the termination or expiration of the  
5       tenancy. The function of a security deposit is to secure the performance of a  
6       tenant's obligations to pay rent and to maintain a dwelling unit.

7       (2) A landlord shall not charge for or receive a security deposit  
8       exceeding an amount equal to two months' rent, in addition to any rent for the  
9       first month paid on or before initial occupancy.

10

\* \* \*

11       § 4467. TERMINATION OF TENANCY; NOTICE

12       (a) Termination for nonpayment of rent. The landlord may terminate a  
13       tenancy for nonpayment of rent by providing actual notice to the tenant of the  
14       date on which the tenancy will terminate, which shall be at least ~~14~~ seven days  
15       after the date of the actual notice. The rental agreement shall not terminate if  
16       the tenant pays or tenders rent due through the end of the rental period in  
17       which payment is made or tendered. Acceptance of partial payment of rent  
18       shall not constitute a waiver of the landlord's remedies for nonpayment of rent  
19       or an accord and satisfaction for nonpayment of rent.

1 (b) Termination for breach of rental agreement.

8 (i) repeated late payment of rent;

1                   (3) The actual notice required under this subsection shall be  
2                   accompanied by an affidavit setting forth particular facts in support of the  
3                   termination with sufficient details to inform the tenant of the reasoning behind  
4                   the termination.

5                   (c) Termination for no cause Termination for tenant or governmental notice  
6                   to vacate. In the absence of a written rental agreement, the landlord may  
7                   terminate a tenancy for no cause as follows:

8                   (1) If rent is payable on a monthly basis, by providing actual notice to  
9                   the tenant of the date on which the tenancy will terminate, which shall be:

10                   (A) for tenants who have resided continuously in the same premises  
11                   for two years or less, at least 60 days after the date of the actual notice;

12                   (B) for tenants who have resided continuously in the same premises  
13                   for more than two years, at least 90 days after the date of the actual notice

14                   When termination is based on an intent to vacate provided by actual notice  
15                   from a tenant, a landlord may terminate a rental agreement on the date  
16                   provided in the actual notice.

17                   (2) If rent is payable on a weekly basis, by providing actual notice to the  
18                   tenant of the date on which the tenancy will terminate, which shall be at least  
19                   21 days after the date of the actual notice When termination is based on  
20                   compliance with an order issued by a governmental agency or court order that

1       necessitates vacating the premises, a landlord may terminate a rental agreement  
2       on the date provided in the order.

3           (d) Termination of rental agreement when property is sold or repurposed.

4           (1) In the absence of a written rental agreement, a landlord ~~who has~~  
5       ~~contracted to sell the building~~ may terminate a tenancy by providing actual  
6       notice to the tenant of the date on which the tenancy will terminate, which shall  
7       be at least 30 days after the date of the actual notice, when a landlord:

8           (A) has contracted to sell the building;

9           (B) has a good faith intention for the landlord or a member of the  
10       landlord's immediate family to occupy the premises for a minimum of 12  
11       continuous months as a primary residence;

12       (C) intends to permanently withdraw the dwelling unit from the  
13       rental market; or

14       (D) intends to demolish the dwelling unit or premises or the rental  
15       unit requires renovations that exceed 50 percent of the rental unit's value to  
16       become or remain habitable, provided that the tenant shall have the right of  
17       first refusal to reoccupy the unit at market rate following renovations.

18       (2) In the event of a written rental agreement, the actual notice to  
19       terminate under subdivision (1) of this subsection shall be at least 30 days  
20       before the end or expiration of the stated term of the rental agreement.

3                   (1) If there is a written rental agreement, the notice to terminate ~~for no~~  
4                   cause shall be at least 30 days before the end or expiration of the stated term of  
5                   the rental agreement if the tenancy has continued for two years or less. The  
6                   notice to terminate ~~for no cause~~ shall be at least 60 days before the end or  
7                   expiration of the term of the rental agreement if the tenancy has continued for  
8                   more than two years. ~~If there is a written week to week rental agreement, the~~  
9                   notice to terminate ~~for no cause~~ shall be at least seven days; however, a notice  
10                  to terminate for nonpayment of rent shall be as provided in subsection (a) of  
11                  this section

17 (f) Termination date. In all cases, the termination date shall be specifically  
18 stated in the notice.

19 (g) Conversion to condominium. If the building is being converted to  
20 condominiums, notice shall be given in accordance with 27 V.S.A. chapter 15,  
21 subchapter 2.

1 (h) Termination of shared occupancy. A rental arrangement whereby a  
2 person rents to another individual one or more rooms in ~~his or her~~ the person's  
3 personal residence that includes the shared use of any of the common living  
4 spaces, such as the living room, kitchen, or bathroom, may be terminated by  
5 either party by providing actual notice to the other of the date the rental  
6 agreement shall terminate, which shall be at least ~~15 days after the date of~~  
7 ~~actual notice if the rent is payable monthly and at least~~ seven days after the  
8 date of actual notice ~~if the rent is payable weekly~~.

18 (j) Payment after termination; effect.

19 (1) A landlord's acceptance of full or partial rent payment by or on

20 behalf of a tenant after the termination of the tenancy for reasons other than

21 nonpayment of rent or at any time during the ejectment action shall not result

1 in the dismissal of an ejectment action or constitute a waiver of the landlord's  
2 remedies to proceed with an eviction action ~~based on any of the following:~~

3 ~~(A) the tenant's breach of the terms of a rental agreement pursuant to~~  
4 ~~subsection (b) of this section;~~

5 ~~(B) the tenant's breach of the tenant's obligations pursuant to~~  
6 ~~subsections 4456(a), (b), and (c) of this title; or~~

7 ~~(C) for no cause pursuant to subsections (c), (d), (e), and (h) of this~~  
8 ~~section.~~

9 (2) This subsection shall apply to 10 V.S.A. chapter 153, 11 V.S.A.  
10 chapter 14, and 12 V.S.A. chapter 169.

11 (k) Commencement of ejectment action. A notice to terminate a tenancy  
12 shall be insufficient to support a judgment of eviction unless the proceeding is  
13 commenced not later than 30 days from the termination date set forth in the  
14 notice when provided pursuant to subsection (a) or (b) of this section and not  
15 later than 60 days from the termination date set forth in the notice for all other  
16 terminations.

17 (l) Affirmative defense to ejectment action.

18 (1) For any eviction action based on a failure to pay rent pursuant to  
19 subsection (a) of this section, it shall be an affirmative defense of the tenant,  
20 and the ejectment shall be dismissed, if there exists a serious health and safety  
21 code violation, which shall include:

- 1       (A) any condition that jeopardizes the security of the unit;
- 2       (B) major plumbing leaks, flooding, or waterlogged ceiling or
- 3       flooring in imminent danger of falling in;
- 4       (C) gas or fuel oil leaks;
- 5       (D) electrical conditions that could result in shock or fire;
- 6       (E) absence of a working heating system when outside temperature is
- 7       below 60 degrees Fahrenheit;
- 8       (F) utilities not in service, including no running hot water;
- 9       (G) conditions that present the immediate possibility of serious
- 10      injury;
- 11      (H) obstacles that prevent the safe entrance into or exit from the
- 12      dwelling unit;
- 13      (I) absence of a functional toilet within the dwelling unit; or
- 14      (J) inoperable smoke or carbon monoxide detectors.
- 15      (2) A tenant may not defeat an ejectment action if it is found that the
- 16      serious health and safety code violation is the result of the tenant's deliberate
- 17      or negligent actions leading to the violation.
- 18      (3) This subsection shall apply to 10 V.S.A. chapter 153, 11 V.S.A.
- 19      chapter 14, and 12 V.S.A. chapter 169.

§ 4468. TERMINATION OF TENANCY; ACTION FOR POSSESSION

If the tenant remains in possession after termination of the rental agreement without the express consent of the landlord, the landlord may bring an action for possession, damages, and costs:

(1) for a termination provided under subsections 4467(a) and (b) of this title, under 12 V.S.A. chapter 169, subchapter 4; and

(2) for all other terminations provided in section 4467 of this title, under  
12 V.S.A. chapter 169, subchapter 3.

\* \* \*

## § 4468b. MAXIMUM INCREASE IN RENT

(a) A landlord shall not increase rent:

(1) more than once in any 12-month period; or

(2) in any amount deemed excessive or unreasonable.

(b)(1) Notwithstanding subsection (a) of this section, upon purchasing a

dwelling unit, a landlord may raise the rent in accordance with section 4455 of this title. In the event a landlord raises rent upon the purchase of a dwelling unit, the landlord shall thereafter be subject to subsection (a) of this section.

(2) If raising the rent under subdivision (1) of this subsection, a landlord

shall not increase the rent more than three percentage points above the U.S.

## Consumer Price Index for all Urban Consumers, Housing Component,

published by the U.S. Bureau of Labor Statistics in the periodical *Monthly*

1        *Labor Review and Handbook of Labor Statistics* as published annually by the  
2        Department of Housing and Community Development.

7 \* \* \*

8 \* \* \* Just Cause Ejectment Process \* \* \*

9 Sec. 2. 12 V.S.A. chapter 169, subchapter 4 is added to read:

13           When the lessee of lands or tenements, either by parole or written lease, or a  
14           person holding under the lease, holds possession of the demised premises  
15           without right, after the termination of the lease under 9 V.S.A. § 4467(a) or (b),  
16           the person entitled to the possession of the premises may have from the  
17           presiding judge of the Superior Court a writ to restore the person to the  
18           possession thereof.

19        § 4862. MODE AND SERVICE OF PROCESS; TRIAL BY JURY

20 PROHIBITED

1        (a) The process may issue as a summons or writ of attachment, requiring  
2        the defendant to appear and answer to the complaint of the plaintiff, which  
3        shall state that the defendant is in the possession of the lands or tenements in  
4        question (describing them), which the tenant holds unlawfully and against the  
5        right of the plaintiff. A copy of the rental agreement, if any, and any notice to  
6        terminate the defendant's tenancy shall be attached to the complaint, including  
7        a copy of the rent ledger if the complaint is based on a termination under  
8        9 V.S.A. § 4467(a).

9        (b) Neither party shall have the right to a trial by jury.

10      § 4863. ANSWER

11      (a) Notwithstanding any other provision of law or rule to the contrary, the  
12      defendant shall file an answer within seven days after receiving the complaint.

13      (b) An answer to a complaint filed under this subchapter shall be  
14      accompanied by an affidavit setting forth particular facts in opposition to the  
15      complaint.

16      (c)(1) If the complaint is based on a termination under 9 V.S.A. § 4467(a),  
17      the defendant may cure the action by paying all rents owed, court costs, and  
18      service fees by the answer date. If payment is not received by the answer date,  
19      the defendant shall lose the right to cure the complaint as a matter of law. A  
20      plaintiff may accept payment in whole or in part and dismiss the complaint. A

1       defendant shall not have the right to cure in a subsequent action brought by the  
2       plaintiff for termination under 9 V.S.A. § 4467(a).

3           (2) Upon receipt of an answer to a complaint based on a termination  
4       under 9 V.S.A. § 4467(a), the court shall set a final hearing date not later than  
5       60 days from the filing of the complaint.

6       § 4864. DEFAULT

7           If the defendant fails to provide a written answer as provided in this  
8       subchapter, the plaintiff shall be entitled to possession of the premises. The  
9       plaintiff shall file a motion for possession based on the default and shall  
10       include an affidavit that provides proof of service on the defendant. The court  
11       shall decide on the motion within three days after the filing by the plaintiff.

12       § 4865. SHOW CAUSE HEARING

13           (a) If the complaint is based on a termination under 9 V.S.A. § 4467(b)(2),  
14       the court shall set a show cause hearing within seven days after an answer is  
15       filed by the defendant. If the defendant fails to appear, the plaintiff shall be  
16       awarded possession of the premises.

17           (b) At the show cause hearing, the defendant shall prove a substantiated  
18       defense to the termination claims brought by the plaintiff.

19           (c)(1) Parties may rely on affidavit evidence during the show cause hearing  
20       made under the pains and penalties of perjury. If the defendant makes a

1 credible showing that live testimony is required or upon the court's own  
2 determination, a final hearing may be ordered.

3 (2) In the event a final hearing is ordered to resolve the complaint, a  
4 final hearing shall be set within 30 days from the date of the initial complaint.

5 § 4866. COSTS; JUDGMENT FOR PLAINTIFF; POSSESSION

6 If the court finds the plaintiff is entitled to possession, whether by default or  
7 after a final hearing, the plaintiff shall have a judgment for possession and  
8 rents due, if applicable, including damages and costs, and when a written rental  
9 agreement so provides, the court may award reasonable attorney's fees. A writ  
10 of possession shall issue on the date of judgment and shall direct any sheriff to  
11 serve the writ upon the defendant and, not earlier than seven days after the writ  
12 is served, put the plaintiff in possession.

13 § 4867. SERVICE BY POSTING

14 [Reserved.]

15 § 4868. PROPERTY OF TENANT REMAINING ON PREMISES AFTER  
16 EVICTION

17 A landlord may dispose of any personal property remaining in a dwelling  
18 unit or leased premises without notice or liability to the tenant or owner of the  
19 personal property upon the landlord being legally restored to possession of the  
20 dwelling unit or leased premises pursuant to this subchapter.

## § 4869. TRESPASS ORDERS

(a) After the execution of a writ of possession, the plaintiff may issue the defendant an order against trespass for the entire premises subject to the ejectment action.

(b) The order shall be effective and may be enforced with criminal penalties in accordance with 13 V.S.A. § 3705, regardless of whether the defendant has been invited onto the property by another resident.

\* \* \* Trespass \* \* \*

Sec. 3. 13 V.S.A. § 3705 is amended to read:

## § 3705. UNLAWFUL TRESPASS

(a)(1) A person shall be imprisoned for not more than three months or fined not more than \$500.00, or both, if, without legal authority or the consent of the person in lawful possession, the person enters or remains on any land or in any place as to which notice against trespass is given by:

\* \* \*

(3) If a person has been issued an order against trespass under 12 V.S.A. § 4869, it shall be a violation of this subsection if the person enters or remains on any land or in any place subject to the order against trespass regardless of whether the person has the consent of the person in lawful possession of the land or place.

\* \* \*

1 \* \* \* Ejectment Records \* \* \*

2 Sec. 4. 12 V.S.A. chapter 169, subchapter 5 is added to read:

## Subchapter 5. Confidentiality of Ejectment Records

## § 4871. DEFINITIONS

As used in this subchapter:

6                   (1) “Confidential” means to limit access only to those persons who are  
7                   authorized by law or court order to view the record. A confidential record does  
8                   not limit public access to court hearings in an ejectment case. All ejectment  
9                   court hearings shall remain open to the public. Names of parties shall not be  
10                  listed on the court calendar.

13                   (3) "Ejectment record" means recorded information pertaining to an  
14                   ejectment case that is in the possession, custody, or control of a court or was in  
15                   the possession of a court.

16 (4) "Landlord" has the same meaning as in 9 V.S.A. § 4451(4).

17                   (5) "Record" means any recorded information made or received  
18                   pursuant to law or in connection with the transaction of any official business  
19                   by a court, including all evidence received by the court in a case.

20 (6) “Removal of confidentiality” means to restore an ejection record to  
21 the level of public access a public court record enjoys by removing any

1 physical and electronic separation imposed on the ejectment record when it  
2 was confidential.

3 (7) “Tenant” has the same meaning as in 9 V.S.A. § 4451(10).

4 (8) “Tenant screening report” means any written, oral, or other  
5 communication prepared by a consumer reporting agency that includes  
6 information about an individual’s rental history for the purpose of serving as a  
7 factor in establishing the individual’s eligibility for housing.

8 (9) “Termination notice” means any notice given under 9 V.S.A. § 4467.

9 § 4872. CONFIDENTIALITY OF RECORD UPON FILING

10 All records of a newly filed ejectment complaint shall be confidential. The  
11 ejectment record shall be designated as confidential upon filing and shall  
12 remain confidential except pursuant to section 4873 of this title.

13 § 4873. REMOVAL OF CONFIDENTIALITY OF FOR-CAUSE

14 EJECTMENT RECORDS

15 (a) If the court of jurisdiction in an ejectment case issues a final judgment  
16 after an evidentiary hearing in favor of the landlord where a finding has been  
17 made of nonpayment of rent pursuant to 9 V.S.A. § 4467(a) or breach of rental  
18 agreement pursuant to 9 V.S.A. § 4467(b), the court shall remove  
19 confidentiality for the ejectment record after 30 days unless the court orders  
20 continued confidentiality pursuant to subsection (b) of this section.

1        (b)(1) Notwithstanding subsection (a) of this section, the court shall order  
2        that the ejectment record will remain confidential if the parties so stipulate or  
3        upon a tenant's showing of good cause within six months after final judgment.

4            (2) A showing that the defendant meets any of the following conditions  
5        is deemed good cause for purposes of this subsection:

6            (A) the defendant has been a victim of abuse as defined by 15 V.S.A.  
7        § 1101(1) and established by self-certification;

8            (B) the defendant is a person with a disability as that term is defined  
9        in 9 V.S.A. § 4501; or

10            (C) the defendant is a member of a protected class as defined by  
11        9 V.S.A. § 4503(a)(2).

12        § 4874. EFFECT OF CONFIDENTIALITY; PROHIBITIONS

13            (a) The ejectment case underlying a confidential ejectment record is  
14        deemed never to have occurred. A person who is asked about the person's  
15        ejectment history may answer that there is no prior ejectment if the record is  
16        confidential.

17            (b)(1) A consumer reporting agency shall check Vermont court ejectment  
18        records to determine whether they are confidential before including them in a  
19        tenant screening report.

20            (2) A consumer reporting agency shall not include any ejectment record  
21        in a tenant screening report if the court record is confidential or if the

1       consumer reporting agency has been directly notified that the record is  
2       confidential.

3       (c) Any tenant who suffers injury as a result of a violation of subsection (b)  
4       of this section may bring an action for injunctive relief, actual damages, or  
5       statutory damages of up to \$1,000.00 per violation, costs, and reasonable  
6       attorney's fees.

7       § 4875. ACCESS TO CONFIDENTIAL RECORDS; PARTIES TO ACTION

8       The court of jurisdiction in an ejectment case shall make the confidential  
9       ejectment record available to each of the following persons for purposes of  
10       litigating, adjudicating, joining, appealing, or otherwise facilitating the  
11       ejectment case:

12       (1) each party to the ejectment case;  
13       (2) the judge and court staff of jurisdiction;  
14       (3) each occupant of the leased property described in the complaint;  
15       (4) each attorney representing a party to the ejectment case;  
16       (5) each attorney considering undertaking representation of a party to  
17       the ejectment case, provided the attorney certifies to the court's satisfaction  
18       that:

19       (A) the party has requested the attorney's representation and has  
20       authorized the attorney's access to the ejectment record;

1                   (B) the ejectment record will be used only for legal assistance and not  
2                   for any commercial purpose; and

3                   (C) the attorney is authorized to practice in the State;  
4                   (6) Vermont Legal Aid; and  
5                   (7) Legal Services Vermont.

6                   § 4876. ACCESS TO CONFIDENTIAL RECORDS; OTHERS

7                   (a) In addition to access provided in section 4875 of this title, the court of  
8                   jurisdiction shall make a confidential ejectment record available for any  
9                   authorized purpose under subsection (b) of this section to any person with a  
10                   valid court order authorizing access to the ejectment record.

11                   (b) Upon motion and subject to a balancing of interests for and against  
12                   disclosure, the court of jurisdiction shall make a confidential ejectment record  
13                   available to a requesting party for scholarly, educational, journalistic, or  
14                   governmental purposes. Records made available under this subsection shall  
15                   not include the identifying information of any party unless the court of  
16                   jurisdiction determines that the request is appropriate and that the release of the  
17                   identifying information is necessary to fulfill the purpose of the request and  
18                   that the identifying information will not be released to the public.

19                   \* \* \* Positive Rental Payment Pilot Program \* \* \*

20                   Sec. 5. POSITIVE RENTAL PAYMENT CREDIT REPORTING PILOT

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

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

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

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

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

9                   (5) “Rental payment information” means information concerning a  
10 participant tenant’s timely payment of rent. “Rent payment information” does  
11 not include information concerning a participant tenant’s payment or  
12 nonpayment of fees.

13                   (b) Pilot program creation.

14                   (1) The State Treasurer shall create and implement a two-year positive  
15 rental payment credit reporting pilot program to facilitate the reporting of rent  
16 payment information from participant tenants to consumer reporting agencies.

17                   (2) On or before May 1, 2027, the State Treasurer shall contract with a  
18 third party to administer a positive rental payment credit reporting pilot  
19 program and facilitate the transmission of rent reporting information from a  
20 participant property owner to a consumer reporting agency. The third-party  
21 administrator shall be required to:

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

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

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

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

17                  (E) offer an optional financial education course for participant  
18                  tenants.

19                  (c) Pilot program agreements. A participant property owner shall agree in  
20                  writing:

- 1                   (1) to participate in the pilot program for the duration of the pilot
- 2                   program;
- 3                   (2) not to charge a participant tenant for participation in the pilot
- 4                   program;
- 5                   (3) to comply with the requirements of the pilot program;
- 6                   (4) to provide information as required by the State Treasurer concerning
- 7                   the implementation of the pilot program; and
- 8                   (5) to assist in the recruitment of tenants to participate in the pilot
- 9                   program.

10                   (d) Pilot program participants. On or before June 1, 2027, the contractor

11                   shall, in coordination with the State Treasurer, recruit not more than 10

12                   participant property owners and, to the extent practicable, not fewer than 100

13                   participant tenants, to participate in the pilot program. The contractor shall

14                   seek to select participant tenants from populations that are underserved and

15                   underrepresented in home ownership. The contractor shall also seek to recruit

16                   participant landlords who offer:

- 17                   (1) a variety of types of dwelling units for rent, including dwelling units
- 18                   of various sizes;
- 19                   (2) dwelling units for rent that are located in geographically diverse
- 20                   areas of the State; and
- 21                   (3) at least five dwelling units for rent.

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

5        (f) Reports.

6            (1) On or before November 1, 2028, the State Treasurer shall submit an  
7        interim report to the House Committee on General and Housing and the Senate  
8        Committee on Economic Development, Housing and General Affairs regarding  
9        the findings of the pilot program. The report shall include:

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

13            (B) the number of participant tenants who ceased participating in the  
14        pilot program voluntarily;

15            (C) the number of participant tenants who were removed from the  
16        pilot program and the reasons why;

17            (D) a breakdown of costs of administering the pilot program,  
18        including the monthly costs associated with rent reporting;

19            (E) a description of challenges faced by the participant property  
20        owners and participant tenants during the pilot program;

1                   (F) an analysis of the outcomes of rent reporting on participant  
2                   tenants' credit scores; and

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

5                   (2) On or before November 1, 2029, the State Treasurer shall submit a  
6                   final report to the House Committee on General and Housing and the Senate  
7                   Committee on Economic Development, Housing and General Affairs regarding  
8                   the findings of the pilot program. The report shall include an update to the  
9                   information required in the interim report.

10                   \* \* \* Residential Security Deposit Transition Period \* \* \*

11                   Sec. 6. SECURITY DEPOSIT; TRANSITION PERIOD

12                   Notwithstanding 9 V.S.A. § 4461(a), a landlord may retain a security  
13                   deposit that exceeds an amount equal to two months' rent, provided that the  
14                   residential rental agreement was in effect prior to July 1, 2026.

15                   \* \* \* Technical Training \* \* \*

16                   Sec. 7. LANDLORD AND TENANT EDUCATION AND TECHNICAL  
17                   ASSISTANCE PROGRAM

18                   (a) The Champlain Valley Office of Economic Opportunity (CVOEO) shall  
19                   provide education and technical assistance to Vermont landlords and tenants  
20                   regarding their rights, obligations, and remedies for statutory violations under  
21                   Vermont rental statutes.

1        (b)(1) Training for tenants shall include training under the Preferred Renter  
2        Certification Program or its future equivalent.

3                   (2) For landlords, CVOEO shall work in partnership with the Vermont  
4                   Landlords' Association, Vermont Legal Aid, and the Vermont Human Rights  
5                   Commission to develop a curriculum to address any resource and information  
6                   gaps to increase positive interactions with tenants and improve renter  
7                   household stability.

10 \* \* \* Appropriations \* \* \*

## 11 Sec. 8. APPROPRIATIONS

12 The following is appropriated from the General Fund in fiscal year 2027:

15 (2) the sum of \$1,200,000.00 to the Department of Housing and

## 16 Community Development for the following purposes:

18 for the Rent Arrears Assistance Fund established by 2023 Acts and Resolves

19           No. 47, Sec. 45; and

1 \* \* \* Effective Date \* \* \*

## 2 Sec. 9. EFFECTIVE DATE

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