

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~~

Subchapter 1. General

§ 4151. DEFINITIONS

As used in this chapter:

(1)(A) “Actual notice” means receipt of written notice either:

(i) hand-delivered or;

(ii) delivered by sheriff service;

(iii) mailed to the last known address or the address provided in the residential rental agreement;

(iv) posted on the door of the dwelling unit and mailed as described in subdivision (iii) of this subdivision (1)(A); or

(v) emailed to an email address included in the lease agreement and mailed as described in subdivision (iii) of this subdivision (1)(A).

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

* * *

(11) “Immediate family” means:

(A) an adult person related by blood, adoption, marriage, or as defined or described in similar law in another jurisdiction;

(B) an unmarried parent of a joint child;

(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
7 to 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 2455 of this title.

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§ 4461. SECURITY DEPOSITS

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

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

* * *

§ 4467. TERMINATION OF TENANCY; NOTICE

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

1 ~~(b) Termination for breach of rental agreement.~~

2 (1)(A) The landlord may terminate a tenancy for failure of the tenant to
3 comply with a material term of the rental agreement or with obligations
4 imposed under this chapter by actual notice given to the tenant at least ~~30~~ 21
5 days prior to the termination date specified in the notice.

6 (B) Failure to comply with a material term of the rental agreement or
7 with obligations imposed under this chapter includes:

8 (i) repeated late payment of rent;

9 (ii) refusal to allow a landlord or landlord's agent access to the
10 dwelling unit;

11 (iii) the tenant's refusal to sign a rental agreement renewal or
12 accept reasonable changes to the rental agreement; and

13 (iv) the tenant's interference with the health and safety of the
14 landlord, landlord's agent, other residents, or neighbors.

15 (2) When termination is based on criminal activity, illegal drug activity,
16 ~~or~~ acts of violence, damage to the dwelling unit or premises, or other activity
17 any of which threaten threatens the health or safety of other residents, the
18 landlord or landlord's agent, or neighbors, the landlord may terminate the
19 tenancy by providing actual notice to the tenant of the date on which the
20 tenancy will terminate, which shall be at least ~~14~~ three days from the date of
21 the actual notice.

1 ~~(2) 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~~
2 ~~agreement 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
7 shall 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.

1 ~~(e) Termination for no cause under terms of written at the expiration of a~~
2 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~~

12 ~~(2) In the absence of a written rental agreement, the notice to terminate~~
13 ~~shall be at least 30 days after the date of actual notice if the tenancy has~~
14 ~~continued for two years or less. The notice to terminate shall be at least 60~~
15 ~~days after the date of actual notice if the tenancy has continued for more than~~
16 ~~two years.~~

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.~~

9 (i) Multiple notices. All actual notices that are in compliance with this
10 section shall not invalidate any other actual notice and shall be a valid basis for
11 commencing and maintaining an action for possession pursuant to this chapter,
12 10 V.S.A. chapter 153, 11 V.S.A. chapter 141 or 12 V.S.A. chapter 169,
13 notwithstanding that the notices may be based on different or unrelated
14 grounds, dates of termination, or that the notices are sent at different times
15 prior to or during an ejectment action. A landlord may maintain an ejectment
16 action and rely on as many grounds for ejectment as are allowed by law at any
17 time during the eviction process.

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.~~

1 ~~§ 4468. TERMINATION OF TENANCY; ACTION FOR POSSESSION~~

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

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

7 (2) for all other terminations provided in section 4467 of this title, under
8 12 V.S.A. chapter 169, subchapter 3.

9 * * *

10 § 4468b. MAXIMUM INCREASE IN RENT

11 (a) A landlord shall not increase rent:

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

13 (2) in any amount deemed excessive or unreasonable.

14 (b)(1) Notwithstanding subsection (a) of this section, upon purchasing a
15 dwelling unit, a landlord may raise the rent in accordance with section 4455 of
16 this title. In the event a landlord raises rent upon the purchase of a dwelling
17 unit, the landlord shall thereafter be subject to subsection (a) of this section.

18 (2) If raising the rent under subdivision (1) of this subsection, a landlord
19 shall not increase the rent more than three percentage points above the U.S.
20 Consumer Price Index for all Urban Consumers, Housing Component,
21 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.

3 (3) In the event rent was raised within six months prior to the purchase
4 of a dwelling unit, in calculating the rent increase under subdivision (2) of this
5 subsection, a landlord shall calculate the increase based on the rental amount
6 that was charged prior to the most recent increase in rent.

7 * * *

8 * * * Just Cause Ejectment Process * * *

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

10 Subchapter 4. Superior Court Ejectment for Just Cause

11 § 4861. ISSUANCE OF PROCESS FOR JUST CAUSE BY SUPERIOR
12 JUDGE

13 When the lessee of lands or tenements, either by parole or written lease, or
14 a 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
16 (b), 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
9 rental agreement so provides, the court may award reasonable attorney's fees.

10 A writ of possession shall issue on the date of judgment and shall direct any
11 sheriff to serve the writ upon the defendant and, not earlier than seven days
12 after the writ 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.

1 § 4869. TRESPASS ORDERS

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

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

8 * * * Trespass * * *

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

10 § 3705. UNLAWFUL TRESPASS

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

15 * * *

16 (3) If a person has been issued an order against trespass under 12 V.S.A.
17 § 4869, it shall be a violation of this subsection if the person enters or remains
18 on any land or in any place subject to the order against trespass regardless of
19 whether the person has the consent of the person in lawful possession of the
20 land or place.

21 * * *

~~*** Ejectment Records ***~~

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:

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

(2) “Consumer reporting agency” has the same meaning as in 15 U.S.C. § 1681a(f).

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

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

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

(6) “Removal of confidentiality” means to restore an ejectment record to 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 ejection case shall make the confidential
9 ejection record available to each of the following persons for purposes of
10 litigating, adjudicating, joining, appealing, or otherwise facilitating the
11 ejection case:

12 (1) each party to the ejection 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 ejection case;

16 (5) each attorney considering undertaking representation of a party to
17 the ejection 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 ejection record,

1 ~~(B) the ejectment record will be used only for legal assistance and~~
2 ~~not 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
17 the identifying information is necessary to fulfill the purpose of the request
18 and 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
9 regarding 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 ~~(E) 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~~
8 ~~regarding the findings of the pilot program. The report shall include an update~~
9 ~~to the 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.~~

8 ~~(c) Assistance under this program shall include in-person, virtual, and on-~~
9 ~~demand options.~~

10 * * * Appropriations * * *

11 Sec. 8. APPROPRIATIONS

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

13 (1) the sum of \$100,000.00 to the State Treasurer to implement the
14 positive rental payment credit reporting pilot program; and

15 (2) the sum of \$1,200,000.00 to the Department of Housing and
16 Community Development for the following purposes:

17 (A) \$1,000,000.00 granted to the Vermont State Housing Authority
18 for the Rent Arrears Assistance Fund established by 2023 Acts and Resolves
19 No. 47, Sec. 45; and

20 (B) \$200,000.00 granted to the Champlain Valley Office of
21 Economic Opportunity for statewide landlord and tenant education.

1
2
3

~~Effective Date~~
Sec. 9. EFFECTIVE DATE
~~This act shall take effect on July 1, 2026.~~

** * * Termination of Residential Rental Agreement * * **

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

CHAPTER 137. RESIDENTIAL RENTAL AGREEMENTS

Subchapter 1. General

§ 4451. DEFINITIONS

As used in this chapter:

(1)(A) “Actual notice” means receipt of written notice either:

(i) hand-delivered or;

(ii) delivered by sheriff service;

(iii) mailed to the last known address or the address provided in the residential rental agreement;

(iv) emailed to an email address included in the lease agreement and mailed as described in subdivision (iii) of this subdivision (1)(A); or

(v) if the last address is unknown, posted to the door of the dwelling unit.

(B) A There is created a rebuttable presumption that the notice was received ~~three~~ five days after:

(i) the date the email was sent if sent via electronic means;

(ii) the date the notice was posted to the door; or

(iii) ~~mailing is created~~ if the sending party proves that the notice was sent by first-class or certified U.S. mail, the date of the mailing.

* * *

(11) “Immediate family” means:

(A) an adult person related by blood, adoption, civil marriage, or civil union;

(B) an unmarried parent of a joint child;

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

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

(12) “Actual and imminent threat” means a physical danger that is real, would occur within an immediate time frame, and could result in death or serious bodily harm. Factors to be considered when determining whether there is an actual and imminent threat include the duration of the risk, the nature and severity of the potential harm, the likelihood that the potential harm will occur, and the length of time before the potential harm would occur.

(13) “Domestic abuse” has the same meaning as abuse in 15 V.S.A. § 1101(1).

(14) “Sexual assault” has the same meaning as in 12 V.S.A. § 5131(5).

(15) “Stalking” has the same meaning as in 12 V.S.A. § 5131(6).

* * *

Subchapter 2. Residential Rental Agreements

§ 4455. TENANT OBLIGATIONS; PAYMENT OF RENT; RENT

INCREASES

(a) Rent is payable without demand or notice at the time and place agreed upon by the parties.

(b) An increase in rent shall take effect on the first day of the rental period following no less than 60 days' actual notice to the tenant.

(c) A landlord shall not increase rent more than once in any 12-month period. This subsection shall not prohibit a landlord from increasing rent after the purchase of a dwelling unit subject to the requirements of this section.

* * *

§ 4456a. RESIDENTIAL RENTAL APPLICATION

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

(2) As used in this section, an "application fee" means any fee, charge, or cost to submit a residential rental application including any third-party processing payment.

(3) A landlord or a landlord's agent may charge actual costs to conduct a background or credit check of an applicant, unless the tenant or applicant provides a current credit report as part of the application, in which case the landlord or landlord's agent shall not charge for a credit check. For purposes of this subdivision, a "current credit report" means a report dated within 90 days prior to the date of the residential rental application.

(4) If charging for a background or credit check on an applicant, the landlord or the landlord's agent shall provide a copy of the results of the background or credit check to the applicant.

* * *

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

* * *

§ 4461. SECURITY DEPOSITS

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

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

(3) Subject to the requirements of this section, a landlord may charge a separate security deposit in addition to the amount authorized in subdivision (2) of this subsection as a condition for allowing the tenant to have a pet or pets during the rental period. A landlord shall not charge any amount under this subdivision for any animal that mitigates a disability.

* * *

(c)(1) A landlord shall return the security deposit along with a written statement itemizing any deductions to a tenant within 14 days ~~from~~ after the date on which the landlord discovers that the tenant vacated or abandoned the dwelling unit or the date the tenant vacated the dwelling unit, provided the landlord received notice from the tenant of that date. In the case of the seasonal occupancy and rental of a dwelling unit not intended as a primary residence, the security deposit and written statement shall be returned within 60 days.

(2) If a landlord terminates a tenancy under subsection 4467(d) or (e) of this title and at the request of the tenant, the landlord shall return one-half of the security deposit, subject to any deductions authorized by subsection (b) of this section, along with a written statement itemizing any deductions to the tenant not later than 45 days before the date in the termination notice.

* * *

(e) If a landlord fails to return the security deposit with a statement within ~~14 days~~ the timeframes outlined in subsection (c) of this section, the landlord forfeits the right to withhold any portion of the security deposit. If the failure is willful, the landlord shall be liable for double the amount wrongfully withheld, plus reasonable attorney's fees and costs.

** * **

§ 4465. RETALIATORY CONDUCT PROHIBITED

~~*(a) A landlord of a residential dwelling unit may not retaliate by establishing or changing terms of a rental agreement or by bringing or threatening to bring an action against a tenant who:*~~

~~*(1) has complained to a governmental agency charged with responsibility for enforcement of a building, housing, or health regulation of a violation applicable to the premises materially affecting health and safety;*~~

~~*(2) has complained to the landlord of a violation of this chapter; or*~~

~~*(3) has organized or become a member of a tenant's union or similar organization; or*~~

~~*(4) has taken any legal action authorized by law against the landlord.*~~

(a) A landlord of a residential dwelling unit may not retaliate by establishing or changing terms of a rental agreement or by bringing or threatening to bring an action against a tenant who:

(1) has complained to a governmental agency charged with responsibility for enforcement of a building, housing, or health regulation of a violation applicable to the premises materially affecting health and safety;

(2) has complained to the landlord of a violation of this chapter; ~~or~~

(3) has organized or become a member of a tenant's union or similar organization;

(4) has taken any legal action authorized by law against the landlord;

or

(5) has contacted law enforcement to respond to an instance of domestic abuse.

(b) If the landlord acts in violation of this section, the tenant is entitled to recover damages and reasonable attorney's fees and has a defense in any retaliatory action for possession.

(c) If a landlord serves notice of termination of tenancy on any grounds other than for nonpayment of rent within 90 days after notice by any municipal or State governmental entity that the premises are not in compliance with applicable health or safety regulations, there is a rebuttable presumption that any termination by the landlord is in retaliation for the tenant having reported the noncompliance.

* * *

§ 4467. TERMINATION OF TENANCY; NOTICE

(a) Termination for nonpayment of rent. The landlord may terminate a tenancy for nonpayment of rent by providing actual notice to the tenant of the date on which the tenancy will terminate, which shall be at least ~~14~~ 10 days after the date of the actual notice. The rental agreement shall not terminate if the tenant pays or tenders rent due through the end of the rental period in which payment is made or tendered, provided a landlord may terminate a tenancy under subdivision (b)(1) of this section for repeated late payment of rent. Acceptance of partial payment of rent shall not constitute a waiver of the landlord's remedies for nonpayment of rent or an accord and satisfaction for nonpayment of rent.

~~(b) Termination for breach of rental agreement~~

~~(1)(A) The landlord may terminate a tenancy for:~~

~~(i) failure of the tenant to comply with a material term of the rental agreement or with obligations imposed under this chapter by;~~

~~(ii) a tenant's late payment of rent more than three times in a 12-month period; or~~

~~(iii) a tenant's refusal to allow a landlord or a landlord's agent access to the dwelling unit in accordance with section 4460 of this title.~~

~~(B) A landlord shall provide actual notice ~~given~~ to the tenant at least ~~30~~ 21 days prior to the termination date specified in the notice.~~

~~(C) As used in this subsection (b), "late payment of rent" means payment of rent more than 10 days after rent is due under the rental agreement.~~

~~(2)(A) When termination is based on criminal activity, illegal drug activity, or acts of violence, damage to the dwelling unit or premises, or other activity any of which threaten threatens the health or safety of other residents, the landlord or landlord's agent, or neighbors, the landlord may terminate the tenancy by providing actual notice to the tenant of the date on which the tenancy will terminate, which shall be at least 14 five days from the date of the actual notice.~~

~~(B) The actual notice required under this subsection (b) shall be accompanied by an affidavit setting forth particular facts and the basis thereof in support of the termination with sufficient details to inform the tenant of the reasoning behind the termination.~~

~~(3) A landlord shall not terminate a rental agreement under this subsection based on a person seeking medical assistance for a drug overdose, being the subject of a good faith request for medical assistance, or being at the scene of a drug overdose or within close proximity of the scene of a drug overdose as provided in 18 V.S.A. § 4254 and evidence obtained from the good faith request for medical assistance for a drug overdose shall not be used in an ejection action brought under 12 V.S.A. Chapter 109.~~

(b) Termination for breach of rental agreement.

(1)(A) The landlord may terminate a tenancy for:

(i) failure of the tenant to comply with a material term of the rental agreement or with obligations imposed under this chapter by;

(ii) a tenant's late payment of rent more than three times in a 12-month period; or

(iii) a tenant's refusal to allow a landlord or a landlord's agent access to the dwelling unit in accordance with section 4460 of this title.

(B) A landlord shall provide actual notice given to the tenant at least 30 21 days prior to the termination date specified in the notice.

(C) As used in this subsection (b), "late payment of rent" means payment of rent more than 10 days after rent is due under the rental agreement.

(2) When termination is based on ~~criminal activity, illegal drug activity,~~ acts of violence, damage to the dwelling unit or premises, or other activity any of which ~~threaten~~ threatens the health or safety of other residents, the landlord or landlord's agent, or neighbors, the landlord may terminate the tenancy by providing actual notice to the tenant of the date on which the tenancy will terminate, which shall be at least ~~14~~ five days from the date of the actual notice.

(3) The actual notice required under this subsection (b) shall be accompanied by an affidavit setting forth particular facts and the basis thereof

in support of the termination with sufficient details to inform the tenant of the reasoning behind the termination.

(4) A landlord shall not terminate a rental agreement under this subsection based on a person seeking medical assistance for a drug overdose, being the subject of a good faith request for medical assistance, or being at the scene of a drug overdose or within close proximity of the scene of a drug overdose as provided in 18 V.S.A. § 4254 and evidence obtained from the good faith request for medical assistance for a drug overdose shall not be used in an ejectment action brought under 12 V.S.A. chapter 169.

(5)(A) A landlord shall not terminate a rental agreement of a tenant under this subsection (b) because the tenant is the victim of an incident or pattern of domestic abuse, sexual assault, or stalking.

(B) The landlord shall allow a tenant who is the victim of domestic abuse, sexual assault, or stalking committed by another tenant or lawful occupant to bifurcate the rental agreement as authorized in section 4472a of this title.

(C) The landlord may terminate the rental agreement under subdivision (2) of this subsection (b) for a tenant who has committed an act of domestic abuse, sexual assault, or stalking against another tenant if the act poses an actual and imminent threat to the remaining tenants, other residents,

the landlord or landlord's agent, or neighbors, and there is no other action to be taken that would reduce or eliminate the threat.

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

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

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

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

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

~~(2) If rent is payable on a weekly basis, by providing actual notice to the tenant of the date on which the tenancy will terminate, which shall be at least~~

~~21 days after the date of the actual notice~~ When termination is based on

compliance with an order issued by a governmental agency or court order that necessitates vacating the premises, a landlord may terminate a rental agreement on the date provided in the order.

(d) Termination of rental agreement when property is sold or repurposed.
~~In the absence of a written rental agreement a~~ A landlord who has contracted to sell the building may terminate a tenancy by providing actual notice to the tenant of the date on which the tenancy will terminate, which shall be at least 30 90 days after the date of the actual notice or, in the event of a written rental agreement, at least 90 days before the expiration of the stated term of the rental agreement, when:

(1) the landlord has contracted to sell the building;

(2) necessary for the landlord or a member of the landlord's immediate family to occupy the premises for a minimum of 12 continuous months as a primary residence;

(3) permanently withdrawing the dwelling unit from the rental market;

or

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

(e) Termination for no cause under terms of written at the expiration of a rental agreement.

(1) If there is a written rental agreement, the notice to terminate for no cause shall be at least 30 90 days before the end or expiration of the stated

~~term of the rental agreement if the tenancy has continued for two years or less. The notice to terminate for no cause shall be at least 60 days before the end or expiration of the term of the rental agreement if the tenancy has continued for more than two years.~~

~~(2) In the absence of a written rental agreement, the notice to terminate shall be at least 90 days after the date of actual notice.~~

~~(3) If there is a ~~written~~ week-to-week rental agreement, the notice to terminate for no cause shall be at least seven 10 days; however, a notice to terminate for nonpayment of rent shall be as provided in subsection (a) of this section.~~

~~(f) Termination date notice. In all cases, the termination date shall be specifically stated in the notice as well as the reason for the termination.~~

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

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

~~actual notice if the rent is payable monthly and at least seven days after the date of actual notice if the rent is payable weekly.~~

(i) Multiple notices. All actual notices that are in compliance with this section shall not invalidate any other actual notice and shall be a valid basis for commencing and maintaining an action for possession pursuant to this chapter, 10 V.S.A. chapter 153, 11 V.S.A. chapter 14, or 12 V.S.A. chapter 169, notwithstanding that the notices may be based on different or unrelated grounds, dates of termination, or that the notices are sent at different times prior to or during an ejectment action. A landlord may maintain an ejectment action and rely on as many grounds for ejectment as are allowed by law at any time during the eviction process.

(j) Payment after termination; effect.

(1) A landlord's acceptance of full or partial rent payment by or on behalf of a tenant after the termination of the tenancy for reasons other than nonpayment of rent or at any time during the ejectment action shall not result in the dismissal of an ejectment action or constitute a waiver of the landlord's remedies to proceed with an eviction action ~~based on any of the following:~~

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

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

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

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

~~(k) Commencement of ejectment action. A notice to terminate a tenancy shall be insufficient to support a judgment of eviction unless the proceeding is commenced not later than 60 days ~~from~~ after the termination date set forth in the notice.~~

~~(l) Affirmative defense to ejectment action.~~

~~(1) For any ejectment action based on a failure to pay rent pursuant to subsection (a) of this section, it shall be an affirmative defense of the tenant, and judgment shall be issued for the defendant, if there exists a serious health and safety code violation issued to the landlord under 20 V.S.A. § 2677 and the landlord has made no reasonable attempt to correct the violation as of the date of the termination, which shall include:~~

~~(A) any condition that jeopardizes the security of the unit;~~

~~(B) major plumbing leaks, flooding, or waterlogged ceiling or flooring in imminent danger of falling in;~~

~~(C) gas or fuel oil leaks;~~

~~(D) electrical conditions that could result in shock or fire;~~

(E) absence of a working heating system when outside temperature is below 60 degrees Fahrenheit;

(F) utilities not in service, including no running hot water;

(G) conditions that present the immediate possibility of serious injury;

(H) obstacles that prevent the safe entrance into or exit from the dwelling unit;

(I) absence of a functional toilet within the dwelling unit; or

(J) inoperable smoke or carbon monoxide detectors.

(2) Tenant remedies under this subsection shall not defeat an ejection action if the serious health and safety code violation was caused by the negligent or deliberate act or omission of the tenant or a person on the premises with the tenant's consent.

(3) This subsection shall apply to 10 V.S.A. chapter 153, 11 V.S.A. 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.

* * *

Sec. 1a. 9 V.S.A. § 4472a is added to read:

§ 4472a. RIGHT TO BIFURCATION OF A RENTAL AGREEMENT

(a)(1) Notwithstanding a contrary provision of a rental agreement or of subchapter 2 of this chapter, a landlord shall authorize a protected tenant to bifurcate a rental agreement in order to eject, remove, or terminate a rental agreement to any individual who is a tenant or lawful occupant of the dwelling unit that engages in abuse, sexual assault, or stalking, against the protected tenant without ejecting, removing, or terminating the rental agreement with the protected tenant.

(2) In bifurcating a rental agreement under this section, the landlord may terminate the rental agreement of the abuser in accordance with subdivision 4467(b)(2) of this chapter.

(b)(1) In the event the bifurcation and removal of an individual under subsection (a) of this section results in the protected tenant being unable to cover the rent of the dwelling unit, the landlord shall provide the protected tenant with a reasonable opportunity to locate additional tenants or to otherwise find new housing.

(2) A reasonable opportunity under this section shall be not less than 90 days.

** * * Ejectment * * **

Sec. 2. 12 V.S.A. § 663 is added to read:

§ 663. ALTERNATE SERVICE OF PROCESS; DURATION OF ORDER

(a) When the court orders that alternate service of process be made in a civil proceeding, the order shall remain in effect and apply to all subsequent service of process in the same proceeding, including postjudgment proceedings. This section shall apply to orders issued pursuant to Vermont Rule of Civil Procedure 4(d)(1) permitting service of process by publication or by leaving a copy at the defendant's dwelling house or usual place of abode, or to orders permitting alternate service of process under any other provision of law.

(b) When a motion for alternative service of process is filed pursuant to Vermont Rule of Civil Procedure 4(d)(1) in an action under 10 V.S.A. chapter 153, 11 V.S.A. chapter 14, or 12 V.S.A. chapter 169, the court shall rule on the motion within three days after it is filed.

Sec. 2. 12 V.S.A. § 663 is added to read:

§ 663. ALTERNATE SERVICE OF PROCESS; EJECTMENT

When a motion for alternative service of process is filed pursuant to Rule 4(d)(1) of the Vermont Rules of Civil Procedure in an action under 10 V.S.A.

chapter 153, 11 V.S.A. chapter 14, or chapter 169 of this title, the court shall rule on the motion promptly.

~~Sec. 3. 12 V.S.A. chapter 169 is amended to read:~~

CHAPTER 169. EJECTMENT

** * **

Subchapter 3. Superior Court Ejectment

** * **

§ 4853. SERVICE OF PROCESS

The Unless otherwise provided by law, the process shall be served and notice given as in other civil actions.

§ 4853a. PAYMENT OF RENT INTO COURT; EXPEDITED HEARING

{Subsection (a) as amended by 2007, Act No. 125 (Adj. Sess.), § 1.}

~~(a) In any action against a tenant for possession, the landlord may file a motion for an order that the tenant pay rent into court. The motion may be filed and served with the complaint or at any time after the complaint has been filed. The motion shall be accompanied by affidavit setting forth particular facts in support of the motion.~~

{Subsection (a) as amended by 2007, Act No. 176 (Adj. Sess.), § 51.}

(a) In any action against a tenant for possession brought in accordance with this chapter, 9 V.S.A. chapter 137, 10 V.S.A. chapter 153, or 11 V.S.A. ~~chapter 14, the landlord may file a motion for an order that the tenant pay rent~~

~~into court. The motion may be filed and served with the complaint or at any time after the complaint has been filed. The motion shall be accompanied by affidavit setting forth particular facts in support of the motion.~~

~~* * *~~

~~(d) If the court finds the tenant is obligated to pay rent and has failed to do so, the court shall order full or partial payment into court of rent as it accrues while the proceeding is pending and rent accrued from the date of filing with the court the complaint for ejectment or the date the summons and complaint for ejectment were served on the tenant pursuant to Rule 3 of the Vermont Rules of Civil Procedure, whichever occurs first.~~

~~* * *~~

~~(g) The tenant may at any time by motion apply to the court to reduce the amount ordered to be paid into court under this section. The motion for reduction shall be accompanied by affidavit setting forth particular facts in its support. [Repealed.]~~

~~* * *~~

~~§ 4854a. PROPERTY OF TENANT REMAINING ON PREMISES AFTER
EVICTION~~

~~(a) A landlord may dispose of any personal property remaining in a dwelling unit or leased premises without notice or liability to the tenant or owner of the personal property.~~

~~(1) 15 days after a writ of possession is served pursuant to this chapter or immediately upon the landlord being legally restored to possession of the dwelling unit or leased premises pursuant to this chapter, whichever is later; or~~

~~(2) in the case of an eviction brought pursuant to 10 V.S.A. chapter 153, 40 days after a writ of possession issued for failure to pay rent into court pursuant to subsection 4853a(h) of this title is served or upon the landlord being legally restored to possession of the leased premises by a writ of possession issued for failure to pay rent into court pursuant to subsection 4853a(h) of this title, whichever is later.~~

~~(b) Notwithstanding subsection (a) of this section, if the court stays the execution of a writ of possession issued pursuant to this chapter, then a landlord may dispose of any personal property remaining in a dwelling unit or leased premises without notice or liability to the tenant or owner of the personal property ~~one day~~ immediately after the landlord is legally restored to possession of the dwelling unit or leased premises.~~

~~***~~

~~Subchapter 4. Superior Court Ejectment for Nonpayment or Breach~~

~~§ 4861. ISSUANCE OF PROCESS BY SUPERIOR JUDGE FOR~~

~~NONPAYMENT OR BREACH~~

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

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

~~(a) The process may issue as a summons, requiring the defendant to appear and answer to the complaint of the plaintiff, which shall state that the defendant is in the possession of the lands or tenements in question, with a description thereof, that the tenant holds unlawfully and against the right of the plaintiff. A copy of the rental agreement, if any, and any notice to terminate the defendant's tenancy shall be attached to the complaint, including a copy of the rent ledger if the complaint is based on a termination under 9 V.S.A. § 4467(a).~~

~~(b) Either party shall have the right to a trial by jury.~~

§ 4863. ANSWER

~~(a) Notwithstanding any other provision of law or rule to the contrary, the defendant shall file an answer within 14 days after service of the complaint.~~

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

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

~~(2) Upon receipt of an answer to a complaint based on a termination under 9 V.S.A. § 4467(a) or (b)(1), the court shall set a final hearing date not later than 60 days after the date of service of the complaint absent good cause.~~

~~§ 4864. DEFAULT~~

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

~~§ 4865. SHOW CAUSE HEARING~~

~~(a) If the complaint is based on a termination under 9 V.S.A. § 4467(b)(2), the court shall set a show cause hearing within 10 days after an answer is filed by the defendant absent good cause. If the defendant fails to appear, the plaintiff shall be awarded possession of the premises.~~

~~(b) At the show cause hearing, the defendant shall provide a rebuttal to the facts supporting the termination claims brought by the plaintiff.~~

~~(c)(1) Parties may rely on affidavit evidence during the show cause hearing made under the pains and penalties of perjury. If the defendant makes a showing that live testimony is required or upon the court's own determination, a final hearing may be ordered.~~

~~(2) In the event a final hearing is ordered to resolve the complaint, a final hearing shall be set within 21 days after the date of the show cause hearing.~~

~~§ 4866. COSTS; JUDGMENT FOR PLAINTIFF; POSSESSION~~

~~If the court finds the plaintiff is entitled to possession, whether by default or after a final hearing, the plaintiff shall have a judgment for possession and rents due, if applicable, including damages and costs, and when a written rental agreement so provides, the court may award reasonable attorney's fees. A writ of possession shall issue on the date of judgment and shall direct any sheriff to serve the writ upon the defendant and, not earlier than 14 days after the writ is served, put the plaintiff in possession.~~

~~§ 4867. PROPERTY OF TENANT REMAINING ON PREMISES AFTER~~

~~EVICTION~~

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

~~§ 4868. TRESPASS ORDERS~~

~~*After being legally restored to possession of the dwelling unit or leased premises pursuant to this chapter, the plaintiff may issue the defendant an order against trespass for the entire premises subject to the ejectment action in accordance with 12 V.S.A. § 2705.*~~

Sec. 3. 12 V.S.A. chapter 169 is amended to read:

CHAPTER 169. EJECTMENT

** * **

Subchapter 3. Superior Court Ejectment

** * **

~~§ 4853a. PAYMENT OF RENT INTO COURT; EXPEDITED HEARING~~

~~*[Subsection (a) as amended by 2007, Act No. 125 (Adj. Sess.), § 1.]*~~

~~*(a) In any action against a tenant for possession, the landlord may file a motion for an order that the tenant pay rent into court. The motion may be filed and served with the complaint or at any time after the complaint has been*~~

~~filed. The motion shall be accompanied by affidavit setting forth particular facts in support of the motion.~~

~~[Subsection (a) as amended by 2007, Act No. 176 (Adj. Sess.), § 51.]~~

~~(a) In any action against a tenant for possession brought in accordance with this chapter; 9 V.S.A. chapter 137, 10 V.S.A. chapter 153, or 11 V.S.A. chapter 14, the landlord may file a motion for an order that the tenant pay rent into court. The motion may be filed and served with the complaint or at any time after the complaint has been filed. The motion shall be accompanied by affidavit setting forth particular facts in support of the motion.~~

~~* * *~~

~~(d) If the court finds the tenant is obligated to pay rent and has failed to do so, the court shall order full ~~or partial~~ payment into court of rent as it accrues while the proceeding is pending and rent accrued from the date of filing with the court the complaint for ejectment or the date the summons and complaint for ejectment were served on the tenant pursuant to Rule 3 of the Vermont Rules of Civil Procedure, whichever occurs first.~~

~~* * *~~

~~(g) The tenant may at any time by motion apply to the court to reduce the amount ordered to be paid into court under this section. The motion for reduction shall be accompanied by affidavit setting forth particular facts in its support.~~

* * *

(i) Notwithstanding subsection (d) of this section, the parties may come to an agreement and at any time by motion apply to the court to reduce the amount ordered to be paid into court under this section.

* * *

§ 4854a. *PROPERTY OF TENANT REMAINING ON PREMISES AFTER
EVICTION*

(a) *A landlord may dispose of any personal property remaining in a dwelling unit or leased premises without notice or liability to the tenant or owner of the personal property:*

*(1) ~~15 days after a writ of possession is served pursuant to this chapter~~
~~or immediately upon the landlord being legally restored to possession of the dwelling unit or leased premises pursuant to this chapter, whichever is later;~~
or*

(2) in the case of an eviction brought pursuant to 10 V.S.A. chapter 153, 40 days after a writ of possession issued for failure to pay rent into court pursuant to subsection 4853a(h) of this title is served or upon the landlord being legally restored to possession of the leased premises by a writ of possession issued for failure to pay rent into court pursuant to subsection 4853a(h) of this title, whichever is later.

(b) Notwithstanding subsection (a) of this section, if the court stays the execution of a writ of possession issued pursuant to this chapter, then a landlord may dispose of any personal property remaining in a dwelling unit or leased premises without notice or liability to the tenant or owner of the personal property ~~one day~~ immediately after the landlord is legally restored to possession of the dwelling unit or leased premises.

* * *

Subchapter 4. Superior Court Ejectment for Nonpayment or Breach

§ 4861. ISSUANCE OF PROCESS BY SUPERIOR JUDGE FOR

NONPAYMENT OR BREACH

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

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

(a) The process may issue as a summons, requiring the defendant to appear and answer to the complaint of the plaintiff, which shall state that the defendant is in the possession of the lands or tenements in question, with a description thereof, that the tenant holds unlawfully and against the right of

the plaintiff. A copy of the rental agreement, if any, and any notice to terminate the defendant's tenancy, including the affidavit required by 9 V.S.A. § 4467(b)(2)(B), shall be attached to the complaint. If the complaint is based on a termination under 9 V.S.A. § 4467(a), the complaint shall include a copy of the rent ledger, if available.

(b) Either party shall have the right to a trial by jury.

§ 4863. ANSWER; HEARING

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

(b)(1) Upon receipt of an answer to a complaint based on a termination under 9 V.S.A. § 4467(a) or (b), the court shall set a final hearing date not later than 90 days after the filing of the complaint absent good cause.

(2) The timeline in this subsection shall not apply when the plaintiff is in possession of the lands or tenements in question or has received from the court a writ of possession for the lands or tenements.

§ 4864. DEFAULT

If the defendant fails to file an answer in the time provided pursuant to Rule 12 of the Vermont Rules of Civil Procedure, the plaintiff may file a motion for a default judgment in accordance with Rule 55 of the Vermont Rules of Civil Procedure. The court shall rule on the motion promptly.

§ 4865. THREATENING BEHAVIOR; EXPEDITED HEARING

(a)(1) In an action for ejectment based on a termination under 9 V.S.A. § 4467(b)(2), the plaintiff may file a motion for a judgment that the plaintiff is entitled to immediate possession of the premises on the grounds that the defendant's continued occupation of the lands or tenements is threatening the health or safety of other residents, the landlord or the landlord's agent, or neighbors.

(2) The motion may be filed and served with the complaint or at any time after the complaint has been filed. The motion shall be accompanied by an affidavit setting forth particular facts in support of the motion and a copy of the lease agreement.

(b) A hearing on the motion shall be held promptly any time after 10 days' notice to the parties but not later than 21 days after the motion is filed absent good cause.

(c) At any time before the hearing, the defendant may oppose the motion pursuant to Rule 7(b)(6) of the Vermont Rules of Civil Procedure by filing an affidavit, a signed written statement, or a memorandum in opposition to the motion. The affidavit, signed written statement, or memorandum shall set forth particular facts to show that a genuine dispute of fact exists in relation to the motion.

(d)(1) If the defendant fails to appear for the hearing, or to file an affidavit, signed written statement, or memorandum in opposition to the plaintiff's motion, or has failed to file an answer in the time provided pursuant to Rule 12 of the Vermont Rules of Civil Procedure, the plaintiff shall be entitled to judgment by default for immediate possession of the premises.

(2) If the court finds that the defendant's continued occupation of the lands or tenements is a threat to the health or safety of other residents, the landlord or the landlord's agent, or neighbors, the court shall grant the plaintiff's motion and issue judgment in favor of the plaintiff for immediate possession of the premises.

(e) If the court issues judgment in favor of the plaintiff pursuant to subsection (d) of this section, the court shall, on the date judgment is entered, issue a writ of possession directing the sheriff of the county in which the property or a portion thereof is located to serve the writ upon the defendant and, not sooner than five days after the writ is served, to put the plaintiff into possession.

§ 4866. COSTS; JUDGMENT FOR PLAINTIFF; POSSESSION

If the court finds the plaintiff is entitled to possession, the plaintiff shall have a judgment for possession and rents due, if applicable, including damages and costs, and when a written rental agreement so provides, the court may award reasonable attorney's fees. A writ of possession shall issue on the

date of judgment and shall direct any sheriff to serve the writ upon the defendant and, not earlier than 14 days after the writ is served, put the plaintiff in possession.

§ 4867. PROPERTY OF TENANT REMAINING ON PREMISES AFTER
EVICTION

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

§ 4868. TRESPASS ORDERS

After being legally restored to possession of the dwelling unit or leased premises pursuant to this chapter, the plaintiff may issue the defendant an order against trespass for the entire premises subject to the ejectment action in accordance with 13 V.S.A. § 3705.

* * * Trespass * * *

Sec. 4. PURPOSE

The purpose of Sec. 5 of this act is to overrule the Vermont Supreme Court's decision in State v. Dixon, 169 Vt. 15 (1999), and allow the landlord of a dwelling unit to obtain a no trespass order prohibiting the tenant's invitees or licensees from entering the dwelling unit's common areas if the invitee or licensee subject to the order has violated the terms of the lease agreement.

Sec. 5. 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:

** * **

(g)(1) Notwithstanding subsection (a) of this section or any provision of law to the contrary, a landlord of a dwelling unit may cause to be served an order against trespass that prohibits a tenant's invitees or licensees from trespassing in the dwelling unit or any of the dwelling unit's common areas if:

(A) the tenant responsible for the invitee or licensee consents to the order;

(B) the invitee or licensee subject to the order has violated the terms of the dwelling unit's lease agreement; or

(C) the invitee or licensee has violated a State or federal law while on the premises of the dwelling unit.

~~*(2) Notwithstanding any other provision of law, a person who is served an order against trespass issued pursuant to subdivision (1) of this subsection has a limited right to appeal the order by bringing a small claims action against the landlord under 12 V.S.A. chapter 187 within seven days after th*~~

~~order is served. The decision of the court in the small claims action shall be final and not subject to appeal.~~

~~(2) As used in this subsection:~~

~~(A) "Dwelling unit" means a building or the part of a building that is used as a home, residence, or sleeping place by one or more persons who maintain a household.~~

~~(B) "Tenant" means a person entitled under a rental agreement to occupy a residential dwelling unit to the exclusion of others.~~

~~*** Ejectment Records ***~~

~~Sec. 6. 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:~~

~~(1) "Confidential" means to limit access only to those persons who are authorized by law or court order to view the record.~~

~~(2) "Consumer reporting agency" has the same meaning as in 15 U.S.C. § 1681a(f).~~

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

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

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

~~(6) "Removal of confidentiality" means to restore an ejectment record to the level of public access a public court record enjoys by removing any physical and electronic separation imposed on the ejectment record when it was confidential.~~

~~(7) "Tenant" has the same meaning as in 9 V.S.A. § 4451(10).~~

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

~~(9) "Termination notice" means any notice given under 9 V.S.A. § 4467.~~

~~§ 4872. CONFIDENTIALITY OF RECORD UPON FILING~~

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

~~§ 4873. REMOVAL OF CONFIDENTIALITY OF EJECTMENT RECORDS~~

~~If the court of jurisdiction in an ejectment case issues a final or default judgment in favor of the landlord where a finding has been made of nonpayment of rent pursuant to 9 V.S.A. § 4467(a) or breach of rental~~

~~agreement pursuant to 9 V.S.A. § 4467(b), the court shall remove confidentiality for the ejectment record after 30 days unless the court orders continued confidentiality.~~

§ 4874. EFFECT OF CONFIDENTIALITY; PROHIBITIONS

(a) A person who is asked about the person's ejectment history may answer that there is no prior ejectment if the record is confidential.

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

(2) A consumer reporting agency shall not include any ejectment record in a tenant screening report if the court record is confidential or if the consumer reporting agency has been directly notified that the record is confidential.

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

§ 4875. ACCESS TO CONFIDENTIAL RECORDS

(a) The court of jurisdiction in an ejectment case shall make the confidential ejectment record available to each of the following persons for

~~purposes of litigating, adjudicating, joining, appealing, or otherwise
facilitating the ejectment case:~~

~~(1) each party to the ejectment case;~~

~~(2) the judge and court staff of jurisdiction; and~~

~~(3) each attorney representing a party to the ejectment case.~~

~~(b) In addition to access provided pursuant to subsection (a) of this section,
the court of jurisdiction shall make a confidential ejectment record available to
any person with a valid court order authorizing access to the ejectment record.~~

Sec. 6. [Deleted.]

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

Sec. 7. POSITIVE RENTAL PAYMENT CREDIT REPORTING PILOT

(a) Definitions. As used in this section:

*(1) "Contractor" means the third-party vendor that the State
Treasurer's Office contracts with to administer the pilot program described in
this section.*

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

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

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

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

(b) Pilot program creation.

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

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

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

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

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

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

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

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

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

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

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

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

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

(d) Pilot program participants. On or before June 1, 2027, the contractor shall, in coordination with the State Treasurer, recruit not more than 10 participant property owners and, to the extent practicable, not fewer than 100 participant tenants to participate in the pilot program. The contractor shall seek to select participant tenants from populations that are underserved and underrepresented in home ownership. The contractor shall also seek to recruit participant landlords who offer:

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

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

(3) at least five dwelling units for rent.

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

(f) Reports.

(1) On or before November 1, 2028, the State Treasurer shall submit an interim report to the House Committee on General and Housing and the

Senate Committee on Economic Development, Housing and General Affairs regarding the findings of the pilot program. The report shall include:

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

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

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

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

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

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

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

(2) On or before November 1, 2029, the State Treasurer shall submit a final report to the House Committee on General and Housing and the Senate Committee on Economic Development, Housing and General Affairs regarding

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

(g) Appropriation contingency. The duty to implement this section is contingent upon an appropriation of funds in fiscal year 2027 from the General Fund for the specific purposes described in this section.

** * * Residential Security Deposit Transition Period * * **

Sec. 8. SECURITY DEPOSIT; TRANSITION PERIOD

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

** * * Technical Training * * **

Sec. 9. LANDLORD AND TENANT EDUCATION AND TECHNICAL ASSISTANCE PROGRAM

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

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

(2) For landlords, CVOEO shall develop a curriculum to address any resource and information gaps to increase positive interactions with tenants and improve renter household stability.

(c) Assistance under this program shall include in-person, virtual, and on-demand options.

(d) The duty to implement this section is contingent upon an appropriation of funds in fiscal year 2027 from the General Fund for the specific purposes described in this section.

*** Appropriations ***

Sec. 10. APPROPRIATIONS

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

(1) the sum of \$100,000.00 to the State Treasurer for contracting and administrative costs necessary to implement the positive rental payment credit reporting pilot program;

(2) the sum of \$600,000.00 to the Department for Children and Families to be granted to the community action agencies to be used to support liaison work with landlords and tenants; and

(3) the sum of \$1,200,000.00 to the Department of Housing and Community Development for the following purposes:

~~(A) \$1,000,000.00 granted to the Vermont State Housing Authority
for the Rent Arrears Assistance Fund established by 2023 Acts and Resolves
No. 47, Sec. 45; and~~

~~(B) \$200,000.00 granted to the Champlain Valley Office of Economic
Opportunity for statewide landlord and tenant education.~~

Sec. 10. [Deleted.]

** * * Effective Date * * **

Sec. 11. *EFFECTIVE DATE*

This act shall take effect on July 1, 2026.