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S.127

An act relating to housing and housing development

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

* * * Vermont Rental Housing Improvement Program * * *

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

§ 699. VERMONT RENTAL HOUSING IMPROVEMENT PROGRAM

(a) Creation of Program.

* * *

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

(B) Solely with regards to actions undertaken pursuant to this subdivision (5), entities, including grantees, subgrantees, and contractors of the State, shall be exempt from the provisions of 8 V.S.A. chapter 73 (licensed lenders, mortgage brokers, mortgage loan originators, sales finance companies, and loan solicitation companies).

* * *

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

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

1 (iii) composed of at least one individual with a disability who
2 ~~receives or is eligible approved~~ to receive Medicaid-funded ~~home and~~
3 ~~community-based home- and community-based~~ services or Social Security
4 Disability Insurance;

5 (iv) displaced due to activity related to climate change or due to a
6 natural disaster; or

7 (v) with approval from the Department in writing, an organization
8 that will hold a master lease that explicitly states the unit will be used in
9 service of the populations described in this subsection (e).

10 * * *

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

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

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

20 (1) ~~A landlord shall coordinate with nonprofit housing partners and local~~
21 ~~coordinated entry organizations to identify potential tenants~~ The total cost of

1 rent for the unit, including utilities not covered by rent payments, shall not
2 exceed the applicable fair market rent established by the Department of
3 Housing and Urban Development, except that a landlord may accept a housing
4 voucher that exceeds fair market rent, if available.

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

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

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

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

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

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

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

1 statewide or regional nonprofit housing organizations, or both, to provide
2 financial assistance or awards to manufactured homeowners and manufactured
3 home park owners to improve existing homes, incentivize new slab placement
4 for prospective homeowners, and incentivize park improvements for infill of
5 more homes.

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

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

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

19 (3) The Department may award up to \$15,000.00 per grant to a
20 homeowner to pay for a foundation or federal Department of Housing and

1 Urban Development-approved slab, site preparation, skirting, tie-downs, and
2 utility connections on vacant lots within a manufactured home community.

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

5 * * * Vermont Infrastructure Sustainability Fund * * *

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

7 Subchapter 6. Special Funds

8 * * *

9 § 4686. VERMONT INFRASTRUCTURE SUSTAINABILITY FUND

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

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

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

19 (d) Program parameters.

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

4 (2) The program shall provide low-interest loans or bonds to
5 municipalities to expand infrastructure capacity. Eligible activities include:

6 (A) preliminary engineering and planning;

7 (B) engineering design and bid specifications;

8 (C) construction for municipal waste and wastewater systems;

9 (D) transportation investments, including those required by municipal
10 regulation, the municipality's official map, designation requirements, or other
11 planning or engineering identifying complete streets and transportation and
12 transit related improvements, including improvements to existing streets; and

13 (E) other eligible activities as determined by the guidelines produced
14 by the Vermont Bond Bank in consultation with the Department of Housing
15 and Community Development.

16 (e) Application requirements. Eligible project applications shall
17 demonstrate:

18 (1) the project will create reserve capacity necessary for new housing
19 unit development;

20 (2) the project has a direct link to housing unit production; and

1 (3) the municipality has a commitment to own and operate the project
2 throughout its useful life.

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

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

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

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

12 (4) the ranking of the community on the Vermont Department of
13 Finance and Management, Vermont Community Index; and

14 (5) the demonstration of financing for project completion or completion
15 of a project component.

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

19 (1) the maximum loan or bond amount;

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

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

1 (i) seven years; or

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

3 (B) during the affordability period determined pursuant to
4 subdivision (A) of this subdivision (7), the annual increase in rent for a
5 subsidized unit does not exceed three percent or an amount otherwise
6 authorized by the Agency.

7 * * *

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

9 Sec. 5. STATE HOUSING AND RESIDENTIAL SERVICES PLANNING
10 COMMITTEE; REPORT

11 (a) Creation. There is created the State Housing and Residential Services
12 Planning Committee to generate a State plan to develop housing for individuals
13 with developmental disabilities.

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

16 (1) one current member of the House of Representatives, who shall be
17 appointed by the Speaker of the House;

18 (2) one current member of the Senate, who shall be appointed by the
19 Committee on Committees;

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

1 (4) the Commissioner of the Department of Disabilities, Aging, and

2 Independent Living or designee;

3 (5) the Commissioner of the Department of Housing and Community

4 Development or designee;

5 (6) the State Treasurer or designee;

6 (7) one member, appointed by the Developmental Disabilities Housing

7 Initiative;

8 (8) the Executive Director of the Vermont Developmental Disabilities

9 Council;

10 (9) one member, appointed by Green Mountain Self-Advocates;

11 (10) one member, appointed by Vermont Care Partners; and

12 (11) one member, appointed by the Vermont Housing and Conservation

13 Board.

14 (c) Powers and duties. The Committee shall create an actionable plan to

15 develop housing for individuals with developmental disabilities that reflects

16 the diversity of needs expressed by those individuals and their families,

17 including individuals with high-support needs who require 24-hour care and

18 those with specific communication needs. The plan shall include:

19 (1) a schedule for the creation of at least 600 additional units of service-

20 supported housing;

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

3 (3) anticipated funding needs; and

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

7 (d) Assistance. For purposes of scheduling meetings and preparing
8 recommended legislation, the Committee shall have the assistance of the
9 Office of Legislative Operations and the Office of Legislative Counsel.

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

15 (f) Meetings.

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

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

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

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

1 Sec. 7. 9 V.S.A. § 4502 is amended to read:

2 § 4502. PUBLIC ACCOMMODATIONS

3 (a) An owner or operator of a place of public accommodation or an agent
4 or employee of such owner or operator shall not, because of the race, creed,
5 color, national origin, citizenship, immigration status, marital status, sex,
6 sexual orientation, or gender identity of any person, refuse, withhold from, or
7 deny to that person any of the accommodations, advantages, facilities, and
8 privileges of the place of public accommodation.

9 * * *

10 Sec. 8. 9 V.S.A. § 4503 is amended to read:

11 § 4503. UNFAIR HOUSING PRACTICES

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

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

20 (2) To discriminate against, or to harass, any person in the terms,
21 conditions, privileges, and protections of the sale or rental of a dwelling or

1 other real estate, or in the provision of services or facilities in connection with
2 a dwelling or other real estate, because of the race, sex, sexual orientation,
3 gender identity, age, marital status, religious creed, color, national origin,
4 citizenship, or disability of a person, or because a person intends to occupy a
5 dwelling with one or more minor children, or because a person is a recipient of
6 public assistance, or because a person is a victim of abuse, sexual assault, or
7 stalking.

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

16 (4) To represent to any person because of the race, sex, sexual
17 orientation, gender identity, age, marital status, religious creed, color, national
18 origin, citizenship, or disability of a person, or because a person intends to
19 occupy a dwelling with one or more minor children, or because a person is a
20 recipient of public assistance, or because a person is a victim of abuse, sexual
21 assault, or stalking, that any dwelling or other real estate is not available for

1 inspection, sale, or rental when the dwelling or real estate is in fact so
2 available.

3 * * *

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

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

20 (8) To deny any person access to or membership or participation in any
21 multiple listing service, real estate brokers' organization, or other service,

1 organization, or facility relating to the business of selling or renting dwellings,
2 or to discriminate against any person in the terms or conditions of such access,
3 membership, or participation, on account of race, sex, sexual orientation,
4 gender identity, age, marital status, religious creed, color, national origin,
5 citizenship, or disability of a person, or because a person is a recipient of
6 public assistance, or because a person is a victim of abuse, sexual assault, or
7 stalking.

8 * * *

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

15 * * *

16 (d) If required by federal law, the verification of immigration status shall
17 not constitute a violation of subsection (a) of this section with respect to the
18 sale and rental of dwellings.

19 * * * LURB Appeals Study * * *

20 Sec. 9. 2024 Acts and Resolves No. 181, Sec. 11a is amended to read:

21 Sec. 11a. ACT 250 APPEALS STUDY

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

18 (b) The report shall at minimum recommend:

19 (1) ~~whether~~ Whether to allow consolidation of appeals at the Board, or
20 with the Environmental Division of the Superior Court, and how, including
21 what resources the Board would need, if transferred to the Board, appeals of

1 permit decisions issued under 24 V.S.A. chapter 117 and the Agency of
2 Natural Resources can be consolidated with Act 250 appeals;

3 (2) ~~how~~ How to prioritize and expedite the adjudication of appeals
4 related to housing projects, including the use of hearing officers to expedite
5 appeals and the setting of timelines for processing of housing appeals;

6 (3) ~~procedural~~ Procedural rules to govern the Board's administration of
7 Act 250 and the adjudication of appeals of Act 250 decisions. These rules
8 shall include procedures to create a firewall and eliminate any potential for
9 conflicts with the Board managing appeals and issuing permit decisions and
10 jurisdictional opinions; ~~and~~.

11 (4) ~~other~~ Other actions the Board should take to promote the efficient
12 and effective adjudication of appeals, including any procedural improvements
13 to the Act 250 permitting process and jurisdictional opinion appeals.

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

17 * * * Brownfields * * *

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

19 § 6604c. MANAGEMENT OF DEVELOPMENT SOILS

20 (a) Management of development soils. Notwithstanding any other
21 requirements of this chapter to the contrary, development soils may be

1 managed at a location permitted pursuant to an insignificant waste event
2 approval authorization issued pursuant to the Solid Waste Management Rules
3 that contains, at a minimum, the following:

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

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

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

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

14 (5) any activity that may disturb the development soils at the permitted
15 location shall be conducted pursuant to a soil management plan approved by
16 the Secretary; and

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

19 * * *

20 Sec. 11. REPORT ON THE STATUS OF MANAGEMENT OF
21 DEVELOPMENT SOILS

1 (a) As part of the biennial report to the House Committee on Environment
2 and the Senate Committee on Natural Resources and Energy under 10 V.S.A.
3 § 6604(c), the Secretary of Natural Resources shall report on the status of the
4 management of development soils in the State under 10 V.S.A. § 6604c. The
5 report shall include:

6 (1) the number of insignificant waste event approval authorizations
7 issued by the Secretary in the previous two years for the management of
8 development soils;

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

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

13 (4) an estimate of the cost to manage development soils, depending on
14 management method; and

15 (5) any additional information the Secretary determines relevant to the
16 management of development soils in the State.

17 (b) As used in this section, “development soil” has the same meaning as in
18 10 V.S.A. § 6602(39).

19 Sec. 12. 10 V.S.A. § 6641 is amended to read:

20 § 6641. BROWNFIELD PROPERTY CLEANUP PROGRAM; CREATION;

21 POWERS

1 (a) There is created the Brownfield Property Cleanup Program to enable
2 certain interested parties to request the assistance of the Secretary to review
3 and oversee work plans for investigating, abating, removing, remediating, and
4 monitoring a property in exchange for protection from certain liabilities under
5 section 6615 of this title. The Program shall be administered by the Secretary
6 who shall:

7 * * *

8 (c) When conducting any review required by this subchapter, the Secretary
9 shall prioritize the review of remediation at a site that contains housing.

10 Sec. 13. BROWNFIELDS PROCESS IMPROVEMENT; REPORT

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

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

1 § 1906. DEFINITIONS

2 As used in this subchapter:

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

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

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

10 (4) “Financing” means debt, including principal, interest, and any fees
11 or charges directly related to that debt, incurred by a sponsor, or other
12 instruments or borrowing used by a sponsor, to pay for a housing infrastructure
13 project and, in the case of a sponsor that is a municipality, authorized by the
14 municipality pursuant to section 1910a of this subchapter.

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

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

20 (7) “Housing infrastructure agreement” means a legally binding
21 agreement to finance and develop a housing infrastructure project and to

1 construct a housing development among a municipality, a developer, and, if
2 applicable, a third-party sponsor.

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

5 (9) “Improvements” means:

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

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

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

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

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

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

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

16 § 1907. PURPOSE

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

1 § 1908. CREATION OF HOUSING INFRASTRUCTURE PROJECT AND
2 HOUSING DEVELOPMENT SITE

3 (a) The legislative body of a municipality may create within its jurisdiction
4 a housing infrastructure project, which shall consist of improvements that
5 stimulate the development of housing, and a housing development site, which
6 shall consist of the parcel or parcels on which a housing development is
7 installed or constructed and any immediately contiguous parcels.

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

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

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

13 (B) identification of a sponsor;

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

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

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

1 (F) a development schedule that includes a list, a cost estimate, and a
2 schedule for the proposed housing infrastructure project and the proposed
3 housing development;

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

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

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

13 (c) The creation of a housing development site shall occur at 12:01 a.m. on
14 April 1 of the calendar year in which the Vermont Economic Progress Council
15 approves the use of tax increment financing for the housing infrastructure
16 project pursuant to section 1910 of this subchapter.

17 § 1909. HOUSING INFRASTRUCTURE AGREEMENT

18 (a) The housing infrastructure agreement for a housing infrastructure
19 project shall:

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

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

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

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

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

12 § 1910. HOUSING INFRASTRUCTURE PROJECT APPLICATION;

13 VERMONT ECONOMIC PROGRESS COUNCIL

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

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

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

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

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

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

6 (2) executed a housing infrastructure agreement for the housing
7 infrastructure project adhering to the standards of section 1909 of this
8 subchapter with a developer and, if the municipality is not financing the
9 housing infrastructure project itself, a sponsor; and

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

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

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

20 (1) an area designated Tier 1A or Tier 1B pursuant to 10 V.S.A. chapter
21 151 (State land use and development plans) or an area exempt from the

1 provisions of that chapter pursuant to 10 V.S.A. § 6081(dd) (interim housing
2 exemptions);

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

7 or

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

10 (f) Tax increment financing plan. The Vermont Economic Progress
11 Council shall approve a municipality's tax increment financing plan prior to a
12 sponsor's incurrence of debt for the housing infrastructure project, including, if
13 the sponsor is a municipality, prior to a public vote to pledge the credit of the
14 municipality under section 1910a of this subchapter. The tax increment
15 financing plan shall include:

16 (1) a statement of costs and sources of revenue;

17 (2) estimates of assessed values within the housing development site;

18 (3) the portion of those assessed values to be applied to the housing
19 infrastructure project;

20 (4) the resulting tax increments in each year of the financial plan;

21 (5) the amount of bonded indebtedness or other financing to be incurred;

1 (6) other sources of financing and anticipated revenues; and

2 (7) the duration of the financial plan.

3 § 1910a. INDEBTEDNESS

4 (a) A municipality approved for tax increment financing under section
5 1910 of this subchapter may incur indebtedness against revenues of the
6 housing development site at any time during a period of up to five years
7 following the creation of the housing development site. The Vermont
8 Economic Progress Council may extend this debt incursion period by up to
9 three years. If no debt is incurred for the housing infrastructure project during
10 the debt incursion period, whether by the municipality or sponsor, the housing
11 development site shall terminate.

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

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

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

4 (e) A municipal legislative body shall provide information to the public
5 prior to the public vote required under subsection (b) of this section. This
6 information shall include the amount and types of debt and related costs to be
7 incurred, including principal, interest, and fees; terms of the debt; the housing
8 infrastructure project to be financed; the housing development projected to
9 occur because of the housing infrastructure project; and notice to the voters
10 that if the tax increment received by the municipality from any property tax
11 source is insufficient to pay the principal and interest on the debt in any year,
12 the municipality shall remain liable for the full payment of the principal and
13 interest for the term of the indebtedness. If interfund loans within the
14 municipality are used, the information must also include documentation of the
15 terms and conditions of the loan.

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

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

20 § 1910b. ORIGINAL TAXABLE VALUE; TAX INCREMENT

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

8 (b) Annually throughout the life of the housing development site, the lister
9 or assessor shall include not more than the original taxable value of the real
10 property in the assessed valuation upon which the treasurer computes the rates
11 of all taxes levied by the municipality and every other taxing district in which
12 the housing development site is situated, but the treasurer shall extend all rates
13 so determined against the entire assessed valuation of real property for that
14 year.

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

18 (d) Annually throughout the life of the housing development site, the
19 municipality shall hold apart, rather than remit to the taxing districts, that
20 proportion of all taxes paid that year on the real property within the housing
21 development site that the excess valuation bears to the total assessed valuation.

1 The amount held apart each year is the “tax increment” for that year. The tax
2 increment shall only be used for financing and related costs.

3 (e) Not more than the percentages established pursuant to section 1910c of
4 this subchapter of the municipal and State education tax increments received
5 with respect to the housing development site and committed for the payment
6 for financing for improvements and related costs shall be segregated by the
7 municipality in a special tax increment financing account and in its official
8 books and records until all capital indebtedness incurred for the housing
9 infrastructure project has been fully paid. The final payment shall be reported
10 to the treasurer, who shall thereafter include the entire assessed valuation of the
11 housing development site in the assessed valuations upon which the municipal
12 and other tax rates are computed and extended, and thereafter no taxes from
13 the housing development site shall be deposited in the special tax increment
14 financing account.

15 (f) Notwithstanding any charter provision or other provision, all property
16 taxes assessed within a housing development site shall be subject to the
17 provisions of this section. Special assessments levied under chapter 76A or 87
18 of this title or under a municipal charter shall not be considered property taxes
19 for the purpose of this section if the proceeds are used exclusively for
20 operating expenses related to properties within the housing development site
21 and not for improvements within the housing development site.

1 § 1910c. USE OF TAX INCREMENT; RETENTION PERIOD

2 (a) Uses of tax increments. A municipality may apply tax increments
3 retained pursuant to this subchapter to debt incurred within the period
4 permitted under section 1910a of this subchapter, to related costs, and to the
5 direct payment of the cost of a housing infrastructure project. Any direct
6 payment shall be subject to the same public vote provisions of section 1910a of
7 this subchapter as apply to debt.

8 (b) Education property tax increment. Up to 80 percent of the education
9 property tax increment may be retained for up to 20 years, beginning the first
10 year in which debt is incurred for the housing infrastructure project. Upon
11 incurring the first debt, a municipality shall notify the Department of Taxes
12 and the Vermont Economic Progress Council of the beginning of the retention
13 period of the education property tax increment.

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

17 (d) Excess tax increment.

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

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

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

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

6 (2) Any remaining portion of the excess education property tax
7 increment shall be distributed to the Education Fund. Any remaining portion
8 of the excess municipal property tax increment shall be distributed to the city,
9 town, or village budget in the proportion that each budget bears to the
10 combined total of the budgets unless otherwise negotiated by the city, town, or
11 village.

12 § 1910d. INFORMATION REPORTING

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

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

17 (2) provide timely notification to the Department of Taxes and the
18 Vermont Economic Progress Council of any housing infrastructure project
19 debt, public vote, or vote by the municipal legislative body immediately
20 following the debt incurrence or public vote on a form prescribed by the
21 Council, including copies of public notices, agendas, minutes, vote tally, and a

1 copy of the information provided to the public pursuant to subsection 1910a(e)
2 of this subchapter; and

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

10 (b) Annually on or before April 1, the Vermont Economic Progress Council
11 and the Department of Taxes shall submit a report to the Senate Committees on
12 Economic Development, Housing and General Affairs and on Finance and the
13 House Committees on Commerce and Economic Development and on Ways
14 and Means on housing infrastructure projects approved pursuant to this
15 subchapter, including for each of the following:

16 (1) the date of approval;

17 (2) a description of the housing infrastructure project;

18 (3) the original taxable value of the housing development site;

19 (4) the scope and value of projected and actual improvements and
20 developments in the housing development site, including the number of
21 housing units created;

1 (5) the number and types of housing units for which a permit is being
2 pursued under 10 V.S.A. chapter 151 (State land use and development plans)
3 and, for each applicable housing development, the current stage of the
4 permitting process;

5 (6) projected and actual incremental revenue amounts;

6 (7) the allocation of incremental revenue; and

7 (8) projected and actual financing.

8 (c) On or before January 15, 2035, the Vermont Economic Progress
9 Council shall submit a report to the Senate Committees on Economic
10 Development, Housing and General Affairs and on Finance and the House
11 Committees on Commerce and Economic Development and on Ways and
12 Means evaluating the success of the Community and Housing Infrastructure
13 Program in achieving its purpose, as stated in section 1907 of this chapter,
14 including by identifying the amount and kinds of housing produced through
15 the Program and by determining whether housing development pursued
16 through the Program meets the project criterion and location criteria of section
17 1910 of this chapter.

18 § 1910e. AUDITING

19 Annually on or before April 1 until the year following the end of the period
20 for retention of education property tax increment, a municipality with a
21 housing infrastructure project approved under this subchapter shall ensure that

1 the special tax increment financing account required by section 1910b of this
2 subchapter is subject to the annual audit prescribed in section 1681 or 1690 of
3 this title and submit a copy to the Vermont Economic Progress Council. If an
4 account is subject only to the audit under section 1681 of this title, the Council
5 shall ensure a process is in place to subject the account to an independent audit.
6 Procedures for the audit must include verification of the original taxable value
7 and annual and total municipal and education property tax increments
8 generated, expenditures for financing and related costs, and current balance.

9 § 1910f. GUIDANCE

10 (a) The Secretary of Commerce and Community Development, after
11 reasonable notice to a municipality and an opportunity for a hearing, may issue
12 decisions to a municipality on questions and inquiries concerning the
13 administration of housing infrastructure projects, statutes, rules,
14 noncompliance with this subchapter, and any instances of noncompliance
15 identified in audit reports conducted pursuant to section 1910e of this
16 subchapter.

17 (b) The Vermont Economic Progress Council shall prepare
18 recommendations for the Secretary of Commerce and Community
19 Development prior to any decision issued pursuant to subsection (a) of this
20 section. The Council may prepare recommendations in consultation with the
21 Commissioner of Taxes, the Attorney General, and the State Treasurer. In

1 preparing recommendations, the Council shall provide a municipality with a
2 reasonable opportunity to submit written information in support of its position.

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

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

12 Sec. 17. 32 V.S.A. § 3325 is amended to read:

13 § 3325. VERMONT ECONOMIC PROGRESS COUNCIL

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

17 (1) the Vermont Employment Growth Incentive Program pursuant to
18 subchapter 2 of this chapter; ~~and~~

19 (2) tax increment financing districts pursuant to 24 V.S.A. chapter 53,
20 subchapter 5 and section 5404a of this title; and

1 approved or listed for the purpose by Underwriters Laboratory or by another
2 nationally recognized independent testing laboratory.

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

9 § 2882. INSTALLATION

10 (a) A person who constructs a single-family dwelling shall install
11 ~~photoelectric only type~~ photoelectric-type or UL 217 compliant smoke
12 ~~detectors~~ alarms in the vicinity of any bedrooms and on each level of the
13 dwelling, and one or more carbon monoxide ~~detectors~~ alarms in the vicinity of
14 any bedrooms in the dwelling in accordance with the manufacturer’s
15 instructions. In a dwelling provided with electrical power, ~~detectors~~ alarms
16 shall be powered by the electrical service in the building and by battery.

17 (b) Any single-family dwelling when transferred by sale or exchange shall
18 contain ~~photoelectric only type~~ photoelectric-type or UL 217 compliant smoke
19 ~~detectors~~ alarms in the vicinity of any bedrooms and on each level of the
20 dwelling installed in accordance with the manufacturer’s instructions and one
21 or more carbon monoxide ~~detectors~~ alarms installed in accordance with the

1 manufacturer's instructions. A single-family dwelling constructed before
2 January 1, 1994 may contain smoke ~~detectors~~ alarms powered by the electrical
3 service in the building or by battery, or by a combination of both. In a single-
4 family dwelling newly constructed after January 1, 1994 that is provided with
5 electrical power, smoke ~~detectors~~ alarms shall be powered by the electrical
6 service in the building and by battery. In a single-family dwelling newly
7 constructed after July 1, 2005 that is provided with electrical power, carbon
8 monoxide ~~detectors~~ alarms shall be powered by the electrical service in the
9 building and by battery.

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

13 § 2883. REQUIREMENTS FOR TRANSFER OF DWELLING

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

20 (b) If the buyer notifies the seller within 10 days by certified mail from the
21 date of conveyance of the dwelling that the dwelling lacks any ~~photoelectric-~~

1 ~~only type~~ photoelectric-type or UL 217 compliant smoke ~~detectors~~ alarms, or
2 any carbon monoxide ~~detectors~~ alarms, or that any ~~detector~~ alarm is not
3 operable, the seller shall comply with this chapter within 10 days after
4 notification.

5 * * *

6 Sec. 17b. 20 V.S.A. § 2731 is amended to read:

7 § 2731. RULES; INSPECTIONS; VARIANCES

8 * * *

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

15 * * *

16 * * * Effective Dates * * *

17 Sec. 18. EFFECTIVE DATES

18 This act shall take effect on July 1, 2025, except that Sec. 4 and this section
19 shall take effect on passage.