

1 Introduced by

2 Referred to Committee on

3 Date:

4 Subject: <Subject>

5 Statement of purpose of bill as introduced: This bill proposes to <Purpose>

6 An act relating to <Title>

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

8

9 * * * Vermont Rental Housing Improvement Program * * *

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

11 § 699. VERMONT RENTAL HOUSING IMPROVEMENT PROGRAM

12 (a) Creation of Program.

13 * * *

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

17 (B) Entities carrying out the provisions of this section, including
18 grantees, subgrantees, and contractors of the State, shall be exempt from the
19 provisions of 8 V.S.A. chapter 73 (licensed lenders, mortgage brokers,

1 mortgage loan originators, sales finance companies, and loan solicitation
2 companies).

3 * * *

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

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

6 (i) ~~\$70,000.00 per unit, for rehabilitation or creation of an eligible~~
7 ~~rental housing unit meeting the applicable building accessibility requirements~~
8 ~~under the Vermont Access Rules; or~~

9 (ii) \$50,000.00 per unit, for rehabilitation or creation of any other
10 eligible rental housing unit. Up to an additional \$20,000.00 per unit may be
11 made available for specific elements that collectively bring the unit to the
12 visitable standard outlined in the rules adopted by the Vermont Access Board.

13 * * *

14 (e) Program requirements applicable to grants ~~and five-year forgivable~~
15 ~~loans. For a grant or five-year forgivable loan awarded through the Program,~~
16 the following requirements apply for a minimum period of five years:

17 (1) A landlord shall coordinate with nonprofit housing partners and local
18 ~~coordinated entry~~ homelessness service organizations approved by the
19 Department to identify potential tenants.

20 (2)(A) Except as provided in subdivision (2)(B) of this subsection (e), a
21 landlord shall lease the unit to a household that is:

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

4 (ii) actively working with an immigrant or refugee resettlement
5 program; or

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

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

12 * * *

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

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

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

1 ~~(1) A landlord shall coordinate with nonprofit housing partners and local~~
2 ~~coordinated entry organizations to identify potential tenants~~ The total cost of
3 ~~rent for the unit, including utilities not covered by rent payments, shall not~~
4 ~~exceed the applicable fair market rent established by the Department of~~
5 ~~Housing and Urban Development, except that a landlord may accept a housing~~
6 ~~voucher that exceeds fair market rent, if available.~~

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

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

12 ~~(ii) actively working with an immigrant or refugee resettlement~~
13 ~~program; or~~

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

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

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

1 (a) There is created within the Department of Housing and Community
2 Development the Manufactured Home Improvement and Repair Program. The
3 Department shall design and implement the Program to award funding to
4 statewide or regional nonprofit housing organizations, or both, to provide
5 financial assistance or awards to manufactured homeowners and manufactured
6 home park owners to improve existing homes, incentivize new slab placement
7 for prospective homeowners, and incentivize park improvements for infill of
8 more homes.

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

10 (1) The Department may award up to \$20,000.00 to owners of
11 manufactured housing communities to complete small-scale capital needs to
12 help infill vacant lots with homes, including disposal of abandoned homes, lot
13 grading and preparation, the siting and upgrading of electrical boxes,
14 enhancing E911 safety issues, transporting homes out of flood zones, and
15 improving individual septic systems. Costs awarded under this subdivision
16 may also cover legal fees and marketing to help make it easier for home-
17 seekers to find vacant lots around the State.

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

1 (3) The Department may award up to \$15,000.00 per grant to a
2 homeowner to pay for a foundation or federal Department of Housing and
3 Urban Development approved slab, site preparation, skirting, tie-downs, and
4 utility connections on vacant lots within a manufactured home community.

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

7 * * * Vermont Infrastructure Sustainability Fund * * *

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

9 Subchapter 6: Special Funds

10 * * *

11 § 4686. VERMONT INFRASTRUCTURE SUSTAINABILITY FUND

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

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

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

21 (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 effective 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 waster 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;

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 unorganized town or gore. The data transmitted shall identify each parcel by a
2 parcel identification number assigned under a numbering system prescribed by
3 the Director. Municipalities may continue to use existing numbering systems in
4 addition to, but not in substitution for, the parcel identification system
5 prescribed by the Director. If changes or additions to the grand list are made
6 by the listers or other officials authorized to do so after such abstract has been
7 so transmitted, such clerks shall forthwith certify the same to the Director.

8 * * *

9 * * * Statewide Rental Housing Registry * * *

10 **Sec. 5.** 3 V.S.A. § 2478 is added to read:

11 § 2478. STATE RENTAL HOUSING REGISTRY; HOUSING DATA

12 (a) The Department of Housing and Community Development, in
13 coordination with the Division of Fire Safety, the Department of Health, the
14 Enhanced 911 Board, and the Department of Taxes, shall create and maintain a
15 registry of the rental housing in this State that includes a “dwelling unit” as
16 defined in 9 V.S.A. § 4451 and a “short-term rental” as defined in 18 V.S.A.
17 § 4301.

18 (b) The Department of Housing and Community Development shall require
19 for each unit that is registered the following data:

20 (1) the name of the owner or landlord;

1 (2) phone number, email, and mailing address of the landlord, as
2 available;

3 (3) location of the unit;

4 (4) year built;

5 (5) type of rental unit;

6 (6) number of units in the building;

7 (7) school property account number;

8 (8) accessibility of the unit; and

9 (9) any other information the Department deems appropriate.

10 (c) Upon request of the Department of Housing and Community
11 Development, and at least annually, a municipal, district, or other local
12 government entity that operates a rental housing health and safety program that
13 requires registration of a rental housing unit and a fee for inclusion on the
14 registry shall provide to the Department the data for each unit that is required
15 pursuant to subsection (b) of this section.

16 **Sec. 6.** 3 V.S.A. § 2479 is added to read:

17 § 2479. RENTAL HOUSING REGISTRATION

18 (a) Except as provided in subsection (c) of this section, an owner of long-
19 term rental housing that is subject to 9 V.S.A. chapter 137 shall:

20 (1) file with the Department of Taxes a landlord certificate; and

1 (2) within 30 days of filing the certificate, register with and pay to the
2 Department of Housing and Community Development an annual registration
3 fee of \$35.00 per rental unit, unless the owner has within the preceding
4 12 months:

5 (A) registered the unit pursuant to subsection (b) of this section; or

6 (B) registered the unit with a municipal, district, or other local
7 government entity that operates a rental housing health and safety program.

8 (b) Except as provided in subsection (c) of this section, an owner of a
9 short-term rental, as defined in 18 V.S.A. § 4301, shall, annually, within
10 30 days of renting a unit, register with and pay to the Department of Housing
11 and Community Development an annual registration fee of \$35.00 per rental
12 unit, unless the owner has within the preceding 12 months:

13 (1) registered the unit pursuant to subsection (a) of this section; or

14 (2) registered the unit with a municipal, district, or other local
15 government entity that operates a rental housing health and safety program.

16 (c)(1) An owner of a mobile home lot within a mobile home park who has
17 registered the lot with the Department of Housing and Community
18 Development and who does not own a mobile home on the lot is exempt from
19 registering the lot pursuant to this section.

20 (2) An owner of a mobile home lot within a mobile home park who has
21 registered the lot with the Department and who owns a mobile home on the lot

1 that is available for rent or rented shall register the property with the
2 Department and pay a fee equal to the fee required by subdivision (a)(2) of this
3 section less any fee paid within the previous 12 months pursuant to 10 V.S.A.
4 § 6254(c).

5 (3) An owner of a mobile home who rents the mobile home, whether
6 located in a mobile home park, shall register pursuant to this section.

7 (d) An owner of rental housing who fails to register pursuant to this section
8 shall pay a late registration fee of \$150.00 and may be subject to administrative
9 penalties not to exceed \$5,000.00 for each violation.

10 * * * Sales & Use Tax Exemption * * *

11 **Sec. 7.**

12 * * * VHFA First Generation Homebuyer Program and Down Payment
13 Assistance Program * * *

14 **Sec. 8.** 32 V.S.A. § 5930u is amended to read:

15 § 5930u. TAX CREDIT FOR AFFORDABLE HOUSING

16 * * *

17 (g) Credit allocation.

18 (1) In any fiscal year, the allocating agency may award up to:

19 (A) \$400,000.00 in total first-year credit allocations to all applicants
20 for rental housing projects, for an aggregate limit of \$2,000,000.00 over any
21 given five-year period that credits are available under this subdivision (A).

1 (B) \$675,000.00 in total first-year credit allocations for loans or
2 grants for owner-occupied unit financing or down payment loans as provided
3 in subdivision (b)(2) of this section consistent with the allocation plan,
4 including for new construction and manufactured housing, for an aggregate
5 limit of \$3,375,000.00 over any given five-year period that credits are
6 available under this subdivision (B). Of the total first-year credit allocations
7 made under this subdivision (B), \$250,000.00 shall be used each fiscal year for
8 manufactured home purchase and replacement.

9 (C) \$250,000.00 in total in total first-year credit allocations for grants
10 to first-time homebuyers who are also first-generation homebuyers as provided
11 in subdivision (b)(3)(D) of this section, for an aggregate limit of \$1,250,000.00
12 over any given five-year period that credits are available under this subdivision
13 (C).

14 (2) If the full amount of first-year credits authorized by an award are not
15 allocated to a taxpayer, the Agency may reclaim the amount not allocated and
16 re-award such allocations to other applicants, and such re-awards shall not be
17 subject to the limits set forth in subdivision (1) of this subsection.

18 (h) Credit allocation; Down Payment Assistance Program.

19 (1) In fiscal year 2016 through fiscal year 2019, the allocating agency
20 may award up to \$125,000.00 in total first-year credit allocations for loans

1 through the Down Payment Assistance Program created in subdivision (b)(2)
2 of this section.

3 (2) In fiscal year 2020 through fiscal year 2026, the allocating agency
4 may award up to \$250,000.00 in total first-year credit allocations for loans
5 through the Down Payment Assistance Program created in subdivision (b)(3)
6 of this section.

7 (3) In fiscal year 2027 through fiscal year 2031, the allocating agency
8 may award up to \$250,000.00 in total first-year credit allocations for loans
9 through the Down Payment Assistance Program created in subdivision (b)(3)
10 of this section.

11 * * * Land Bank Report Back * * *

12 **Sec. 9. DHCD LAND BANK REPORT**

13 On or before November 15, 2025, the Department of Housing and
14 Community Development shall issue a report to the House Committee on
15 General and Housing and the Senate Committee on Economic Development,
16 Housing and General Affairs outlining a legal framework for implementation
17 of a State land bank. The report shall include proposed legislative language
18 specific to the creation of a State land bank and identified funding proposals to
19 support the sustainability of the land bank.

20 * * * Appropriations * * *

21 **Sec. 10. APPROPRIATIONS**

1 The following shall be appropriated from the General Fund in fiscal year
2 2026:

3 (1) the sum of \$250,000.00 to the Department of Housing and
4 Community Development granted to the Vermont Housing Finance Agency to
5 implement the recommendations in the 2025 “Opportunities to Utilize Off-Site
6 Construction to Meet Vermont’s Housing, Workforce and Climate Goals”
7 report issued January 9, 2025.

8 (2) The sum of \$373,000.00 to the Vermont State Colleges System for
9 the purpose of supporting the creation of new apprenticeships, curriculum
10 development, employer partnerships, and faculty training in the field of
11 heating, ventilation, and air conditioning. The Vermont State Colleges System
12 shall, on or before January 31, 2027, issue a report to the House Committee on
13 General and Housing and the Senate Committee on Economic Development,
14 Housing, and General Affairs describing how the funds appropriated pursuant
15 to this section have been spent, how any remaining funds appropriated
16 pursuant to this section will be spent, and how the creation of these new
17 programs have improved workforce development issues in the State.

18 (3) The sum of \$39,600,000.00 to the Department of Housing and
19 Community Development in fiscal year 2026 for the following purposes:

1 Division of the Superior Court and appeals there from, take precedence on the
2 docket over all cases and shall be assigned for hearing and trial or for argument
3 at the earliest practicable date and expedited in every way.

4 (g) A party appealing a land use decision shall demonstrate a clear and
5 substantial departure from the comprehensive plan or land use regulation that
6 directly affects the property.

7 **OR**

8 **Sec. 11.** 10 V.S.A. §8504 is amended to read:

9 §8504. APPEALS TO THE ENVIRONMENTAL DIVISION

10 * * *

11 (h) De novo hearing. The Environmental Division, applying the
12 substantive standards that were applicable before the tribunal appealed from,
13 shall hold a de novo hearing on those issues that have been appealed, except in
14 the case of:

15 (1) a decision being appealed on the record pursuant to 24 V.S.A.
16 chapter 117;

17 (2) a decision of the Commissioner of Forests, Parks and Recreation
18 under section 2625 of this title being appealed on the record, in which case the
19 court shall affirm the decision, unless it finds that the Commissioner did not
20 have reasonable grounds on which to base the decision;

1 ~~municipality, the plan or a bylaw of which is at issue in any appeal brought~~
2 ~~under this title, allege that any relief requested by a person under this title, if~~
3 ~~granted, will not be in accord with the policies, purposes, or terms of the plan~~
4 ~~or bylaw of that municipality. This petition to the appropriate municipal panel~~
5 ~~must designate one person to serve as the representative of the petitioners~~
6 ~~regarding all matters related to the appeal. For purposes of this subdivision, an~~
7 ~~appeal shall not include the character of the area affected if the project has a~~
8 ~~residential component that includes affordable housing.~~

9 (5) Any department and administrative subdivision of this State owning
10 property or any interest in property within a municipality listed in subdivision
11 (2) of this subsection, and the Agency of Commerce and Community
12 Development of this State.

13 **Sec. 13.** 24 V.S.A. § 4441 is amended to read:

14 § 4441. PREPARATION OF BYLAWS AND REGULATORY TOOLS;
15 AMENDMENT OR REPEAL

16 * * *

17 (i) Notwithstanding this section and any other law to the contrary, for
18 bylaw amendments that are required to comply with amendments to this
19 chapter, no hearings are required to be held on the bylaw amendments.

20 * * * LURB Study * * *

21 **Sec. 14.** 2024 Acts and Resolves No. 181, Sec. 11a is amended to read:

1 Sec. 11a. ACT 250 APPEALS STUDY

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

19 (b) The report shall at minimum recommend:

20 (1) whether to allow consolidation of appeals at the Board, or with the
21 Environmental Division of the Superior Court, and how, including what

1 resources the Board would need, if transferred to the Board, appeals of permit
2 decisions issued under 24 V.S.A. chapter 117 and the Agency of Natural
3 Resources can be consolidated with Act 250 appeals;

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

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

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

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

18 *** Virtual Group Net Metering ***

19 **Sec. 15.** 30 V.S.A. § 8002 is amended to read:

20 § 8002. DEFINITIONS

21 * * *

1 (C) is intended primarily to offset the customer’s own electricity
2 requirements and does not primarily supply electricity to electric vehicle
3 supply equipment, as defined in section 201 of this title, for the resale of
4 electricity to the public by the kWh or for other retail sales to the public,
5 including those based in whole or in part on a flat fee per charging session or a
6 time-based fee for occupying a parking space while using electric vehicle
7 supply equipment;

8 (D)(i) employs a renewable energy source; or

9 (ii) is a qualified micro-combined heat and power system of 20
10 kW or fewer that meets the definition of combined heat and power in
11 subsection 8015(b) of this title and uses any fuel source that meets air quality
12 standards; and

13 ~~(E)(i) for a system that files a complete application for a certificate of~~
14 ~~public good after December 31, 2024, except for systems as provided for in~~
15 ~~subdivision (ii) of this subdivision (E),~~ generates energy that will be used on
16 the same parcel as, or a parcel adjacent to, the parcel where the plant is located;

17 ~~(ii) for a system that files a complete application for a certificate~~
18 ~~of public good after December 31, 2025, if unless the system serves a~~
19 multifamily building containing qualified rental units serving low-income
20 tenants, as defined under 32 V.S.A. § 5404a(a)(6), ~~generates~~ then the system

1 may or may not generate energy that will be used on the same parcel as, or a
2 parcel adjacent to, the parcel where the plant is located;~~and~~

3 ~~(iii) for~~ . For purposes of subdivisions (10) of this section and this
4 subdivision (16), two parcels shall be adjacent if they share a property
5 boundary or are adjacent and separated only by a river, stream, railroad line,
6 private road, public highway, or similar intervening landform.

7 * * *

8 * * * Efficiency Utilities * * *

9 **Sec. 16.** 30 V.S.A. § § 209 is amended to read:

10 § 209. JURISDICTION; GENERAL SCOPE

11 * * *

12 (d) Energy efficiency.

13 * * *

14 (6) Provision of equity and justice in services; requirements. Any
15 appointed entity shall ensure an equitable and just provision of services.

16 (A) Not less than 25 percent of the annual budget shall be targeted
17 for residential services for customers with low to moderate income.

18 (B) Not less than 12.5 percent of the annual budget shall be targeted
19 for small businesses and not-for-profit organizations.

