

1 TO THE HOUSE OF REPRESENTATIVES:

2 The Committee on Ways and Means to which was referred Senate Bill No.
3 127 entitled “An act relating to housing and housing development” respectfully
4 reports that it has considered the same and recommends that the proposal of
5 amendment as recommended by the Committee on House and General be
6 amended by striking out all after the enacting clause and inserting in lieu
7 thereof the following:

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

9 § 699. VERMONT RENTAL HOUSING IMPROVEMENT PROGRAM

10 (a) Creation of Program.

11 * * *

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

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

21 * * *

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

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

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

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

10 * * *

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

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

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

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

1 (ii) actively working with an immigrant or refugee resettlement
2 program; ~~or~~

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

7 (iv) displaced due to a natural disaster; or

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

11 * * *

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

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

18 (f) Requirements applicable to 10-year forgivable loans. For a 10-year
19 forgivable loan awarded through the Program, the following requirements
20 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 (ii) ~~if such a household is unavailable, to another household with~~
2 ~~the approval of the Department or housing organization.~~

3 (3)(A) A landlord shall accept any housing vouchers that are available to
4 pay all, or a portion of, the tenant’s rent and utilities.

5 (B) ~~If no housing voucher or federal or State subsidy is available, the~~
6 ~~cost of rent for the unit, including utilities not covered by rent payments, shall~~
7 ~~not exceed the applicable fair market rent established by the Department of~~
8 ~~Housing and Urban Development.~~

9 (4)(3) The Department shall forgive ~~10 percent of the~~ a prorated amount
10 of a forgivable loan for each year a landlord participates in the loan program.

11 (g) Minimum funding for grants and five-year forgivable loans.

12 (1) Annually, the Department shall establish a minimum allocation of
13 funding set aside to be used for five-year grants or forgivable loans to serve
14 eligible households pursuant to subsection (e) of this section. Remaining funds
15 may be used for either five-year grants or forgivable loans or 10-year
16 forgivable loans pursuant to subsection (f) of this section. The set aside shall
17 be a minimum of 30 percent of funds disbursed annually.

18 (2) The Department shall consult with the Agency of Human Services to
19 evaluate factors in establishing the amount of the set aside, including:

20 (A) the availability of housing vouchers;

21 (B) the current need for housing for eligible households;

1 financial assistance or awards to manufactured homeowners and manufactured
2 home park owners to improve existing homes, incentivize new slab placement
3 for prospective homeowners, and incentivize park improvements for infill of
4 more homes.

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

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

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

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

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

3 * * * Vermont Infrastructure Sustainability Fund * * *

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

5 Subchapter 6. Special Funds

6 * * *

7 § 4686. VERMONT INFRASTRUCTURE SUSTAINABILITY FUND

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

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

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

17 (d) Program parameters.

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

1 (2) The program shall provide low-interest loans or purchase bonds
2 from municipalities to expand infrastructure capacity. Eligible activities
3 include:

4 (A) preliminary engineering and planning;

5 (B) engineering design and bid specifications;

6 (C) construction for municipal water and wastewater systems;

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

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

14 (e) Application requirements. Eligible project applications shall
15 demonstrate:

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

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

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

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

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

7 (2) whether the project is an expansion of an existing system;

8 (3) the proximity to a designated area;

9 (4) the project readiness and estimated time until the need for financing;

10 (5) the demonstration of financing for project completion or completion
11 of a project component; and

12 (6) the relative need and capacity of the community.

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

16 (1) the maximum loan or bond amount;

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

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

19 (4) the maximum interest rate;

20 (5) whether the loan is eligible for forgiveness and to what percentage or
21 amount;

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 * * * Universal Design Study Committee * * *

9 Sec. 5. RESIDENTIAL UNIVERSAL DESIGN STANDARDS; STUDY
10 COMMITTEE; REPORT

11 (a) Creation. There is created the Residential Universal Design Study
12 Committee to explore implementation of statewide universal design standards
13 for all residential buildings.

14 (b) Membership. The Committee shall be composed of the following
15 members with preference for appointment of members with lived experience:

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

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

20 (3) one member, appointed by the Vermont Builders and Remodelers
21 Association;

1 (4) one member, appointed by the Vermont Chapter of the American

2 Institute of Architects;

3 (5) the Director of Fire Safety or designee;

4 (6) one member of the Vermont Access Board, appointed by the Chair;

5 (7) one member, appointed by the Vermont Housing Finance Agency;

6 (8) one member, appointed by the Vermont Housing and Conservation

7 Board;

8 (9) one member, appointed by the Vermont Center for Independent

9 Living;

10 (10) one member, appointed by the Vermont Developmental Disabilities

11 Council;

12 (11) the Commissioner of Housing and Community Development or

13 designee;

14 (12) one member, appointed by the Vermont Leagues of Cities and

15 Towns;

16 (13) one member, appointed by the Vermont Assessors and Listers

17 Association;

18 (14) one member, appointed by the Vermont Association of Realtors;

19 (15) the Commissioner of Disabilities, Aging and Independent Living or

20 designee;

21 (16) one member, appointed by ADA Inspections Nationwide, LLC; and

1 (17) one member, appointed by the Associated General Contractors of
2 Vermont.

3 (c) Powers and duties. The Committee shall study the development and
4 implementation of statewide universal design standards for residential
5 buildings, including identification and analysis of the following issues:

6 (1) existing federal and state laws regarding the Americans with
7 Disabilities Act, 42 U.S.C. §§ 12101–12213, standards and building codes;

8 (2) existing federal, state, and international best practices and standards
9 addressing accessibility and adaptability characteristics of single-family and
10 multiunit buildings;

11 (3) opportunities and challenges for supporting the residential building
12 industry in meeting universal design standards, including considerations of
13 workforce education and training;

14 (4) cost benefits and impacts of adopting a universal design standard for
15 residential buildings;

16 (5) opportunities and challenges with enforcement of identified
17 standards; and

18 (6) impacts to the valuation and financing of impacted buildings.

19 (d) Assistance. The Committee shall have the administrative, technical,
20 and legal assistance of the Department of Housing and Community
21 Development.

1 (e) Report. On or before November 1, 2025, the Committee shall submit a
2 written report to the House Committee on General and Housing and the Senate
3 Committee on Economic Development, Housing and General Affairs with its
4 findings and any recommendations for legislative action.

5 (f) Meetings.

6 (1) The member of the House of Representatives shall call the first
7 meeting of the Committee to occur on or before June 1, 2025.

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

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

11 (4) The Committee shall cease to exist on December 1, 2025.

12 (g)(1) Compensation and reimbursement. For attendance at meetings
13 during adjournment of the General Assembly, a legislative member of the
14 Committee serving in the member’s capacity as a legislator shall be entitled to
15 per diem compensation and reimbursement of expenses pursuant to 2 V.S.A.
16 § 23 for not more than six meetings. These payments shall be made from
17 monies appropriated to the General Assembly.

18 (2) Members of the Committee who are not otherwise compensated for
19 their time shall be entitled to per diem compensation as permitted under
20 32 V.S.A. § 1010 for not more than six meetings. These payments shall be

1 made from monies appropriated to the Department of Housing and Community
2 Development for that purpose.

3 (h) Intent to appropriate. Notwithstanding subdivision (g)(2) of this
4 section, per diems for the cost of attending meetings shall only be available in
5 the event an appropriation is made in fiscal year 2026 from the General Fund
6 to the Department of Housing and Community Development for that purpose.

7 * * * Housing and Residential Services Planning Committee * * *

8 Sec. 6. STATE HOUSING AND RESIDENTIAL SERVICES PLANNING
9 COMMITTEE; REPORT

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

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

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

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

19 (3) the Secretary of Human Services or designee;

20 (4) the Commissioner of Disabilities, Aging, and Independent Living or
21 designee;

1 (5) the Commissioner of Housing and Community Development or
2 designee;

3 (6) the State Treasurer or designee;

4 (7) one member, appointed by the Developmental Disabilities Housing
5 Initiative;

6 (8) the Executive Director of the Vermont Developmental Disabilities
7 Council;

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

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

10 (11) one member, appointed by the Vermont Housing and Conservation
11 Board; and

12 (12) one member, appointed by the Associated General Contractors of
13 Vermont.

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.

8 (1) The Committee shall have the administrative, technical, and legal
9 assistance of the Department of Housing and Community Development.

10 (2) Upon request of the Committee, the Department of Disabilities,
11 Aging, and Independent Living shall provide an analysis of the current state of
12 housing in Vermont for individuals with development disabilities and, to the
13 extent available, an analysis of the level of community support needed for
14 these individuals.

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

20 (f) Meetings.

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

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

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

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

7 (g)(1) Compensation and reimbursement. For attendance at meetings
8 during adjournment of the General Assembly, a legislative member of the
9 Committee serving in the member’s capacity as a legislator shall be entitled to
10 per diem compensation and reimbursement of expenses pursuant to 2 V.S.A.
11 § 23 for not more than six meetings. These payments shall be made from
12 monies appropriated to the General Assembly.

13 (2) Members of the Committee who are not otherwise compensated for
14 their time shall be entitled to per diem compensation as permitted under
15 32 V.S.A. § 1010 for not more than six meetings. These payments shall be
16 made from monies appropriated to the Department of Housing and Community
17 Development for that purpose.

18 (h) Intent to appropriate. Notwithstanding subsection (g)(2) of this section,
19 per diems for the cost of attending meetings shall only be available in the event
20 an appropriation is made in fiscal year 2026 from the General Fund to the
21 Department of Housing and Community Development for that purpose.

1 General and Housing and the Senate Committee on Economic Development,
2 Housing and General Affairs outlining a legal framework for implementation
3 of a State land bank. The report shall include proposed legislative language
4 specific to:

5 (1) the creation of a statewide land bank;

6 (2) the authorization of regional or municipal land banks; and

7 (3) the identification of funding proposals to support the sustainability
8 of each separate model.

9 (b) The report shall include an analysis on which option, the creation of a
10 statewide land bank or the authorization of regional or municipal land banks,
11 best serves the interest of Vermont communities, including rural communities.

12 * * * Housing and Public Accommodations Protections * * *

13 Sec. 11. 9 V.S.A. § 4456a is amended to read:

14 § 4456a. RESIDENTIAL RENTAL APPLICATION ~~FEES; PROHIBITED~~

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

20 (b)(1) In order to conduct a background or credit check, a landlord shall
21 accept any of the following:

1 sex, sexual orientation, gender identity, age, marital status, religious creed,
2 color, national origin, citizenship, immigration status, or disability, or because
3 the person intends to occupy a dwelling with one or more minor children, or
4 because the person is a recipient of public assistance, or because the person is a
5 victim of abuse, sexual assault, or stalking.

6 * * *

7 Sec. 13. 9 V.S.A. § 4502 is amended to read:

8 § 4502. PUBLIC ACCOMMODATIONS

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

15 * * *

16 Sec. 14. 9 V.S.A. § 4503 is amended to read:

17 § 4503. UNFAIR HOUSING PRACTICES

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

19 (1) To refuse to sell or rent, or refuse to negotiate for the sale or rental
20 of, or otherwise make unavailable or deny, a dwelling or other real estate to
21 any person because of the race, sex, sexual orientation, gender identity, age,

1 marital status, religious creed, color, national origin, citizenship, immigration
2 status, or disability of a person, or because a person intends to occupy a
3 dwelling with one or more minor children, or because a person is a recipient of
4 public assistance, or because a person is a victim of abuse, sexual assault, or
5 stalking.

6 (2) To discriminate against, or to harass, any person in the terms,
7 conditions, privileges, and protections of the sale or rental of a dwelling or
8 other real estate, or in the provision of services or facilities in connection with
9 a dwelling or other real estate, because of the race, sex, sexual orientation,
10 gender identity, age, marital status, religious creed, color, national origin,
11 citizenship, immigration status, or disability of a person, or because a person
12 intends to occupy a dwelling with one or more minor children, or because a
13 person is a recipient of public assistance, or because a person is a victim of
14 abuse, sexual assault, or stalking.

15 (3) To make, print, or publish, or cause to be made, printed, or published
16 any notice, statement, or advertisement, with respect to the sale or rental of a
17 dwelling or other real estate that indicates any preference, limitation, or
18 discrimination based on race, sex, sexual orientation, gender identity, age,
19 marital status, religious creed, color, national origin, citizenship, immigration
20 status, or disability of a person, or because a person intends to occupy a
21 dwelling with one or more minor children, or because a person is a recipient of

1 public assistance, or because a person is a victim of abuse, sexual assault, or
2 stalking.

3 (4) To represent to any person because of the race, sex, sexual
4 orientation, gender identity, age, marital status, religious creed, color, national
5 origin, citizenship, immigration status, or disability of a person, or because a
6 person intends to occupy a dwelling with one or more minor children, or
7 because a person is a recipient of public assistance, or because a person is a
8 victim of abuse, sexual assault, or stalking, that any dwelling or other real
9 estate is not available for inspection, sale, or rental when the dwelling or real
10 estate is in fact so available.

11 * * *

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

20 (7) To engage in blockbusting practices, for profit, which may include
21 inducing or attempting to induce a person to sell or rent a dwelling by

1 representations regarding the entry into the neighborhood of a person or
2 persons of a particular race, sex, sexual orientation, gender identity, age,
3 marital status, religious creed, color, national origin, citizenship, immigration
4 status, 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 (8) To deny any person access to or membership or participation in any
9 multiple listing service, real estate brokers' organization, or other service,
10 organization, or facility relating to the business of selling or renting dwellings,
11 or to discriminate against any person in the terms or conditions of such access,
12 membership, or participation, on account of race, sex, sexual orientation,
13 gender identity, age, marital status, religious creed, color, national origin,
14 citizenship, immigration status, or disability of a person, or because a person is
15 a recipient of public assistance, or because a person is a victim of abuse, sexual
16 assault, or stalking.

17 * * *

18 (12) To discriminate in land use decisions or in the permitting of
19 housing because of race, sex, sexual orientation, gender identity, age, marital
20 status, religious creed, color, national origin, citizenship, immigration status,
21 disability, the presence of one or more minor children, income, or because of

1 the receipt of public assistance, or because a person is a victim of abuse, sexual
2 assault, or stalking, except as otherwise provided by law.

3 * * *

4 (d) If required by federal law, the verification of immigration status or
5 differential treatment on the basis of citizenship or immigration status shall not
6 constitute a violation of subsection (a) of this section with respect to the sale
7 and rental of dwellings.

8 (e) For purposes of subdivision (a)(6) of this section, it shall not constitute
9 unlawful discrimination for a lender to consider a credit applicant's
10 immigration status to the extent such status has bearing on the lender's rights
11 and remedies regarding loan repayment and further provided such
12 consideration is consistent with any applicable federal law or regulation.

13 * * * Housing Appeals * * *

14 Sec. 15. 10 V.S.A. § 8502 is amended to read:

15 § 8502. DEFINITIONS

16 As used in this chapter:

17 * * *

18 (7) "Person aggrieved" means a person who alleges an injury to a
19 particularized interest protected by the provisions of law listed in section 8503
20 of this title, attributable to an act or decision by a district coordinator, District
21 Commission, the Secretary, an appropriate municipal panel, or the

1 Environmental Division that can be redressed by the Environmental Division
2 or the Supreme Court.

3 * * *

4 Sec. 16. 10 V.S.A. § 8504 is amended to read:

5 § 8504. APPEALS TO THE ENVIRONMENTAL DIVISION

6 * * *

7 (b) Planning and zoning chapter appeals.

8 (1) Within 30 days of the date of the act or decision, an interested
9 person, as defined in 24 V.S.A. § 4465, or a person aggrieved, who has
10 participated as defined in 24 V.S.A. § 4471 in the municipal regulatory
11 proceeding under that chapter may appeal to the Environmental Division an act
12 or decision made under that chapter by a board of adjustment, a planning
13 commission, or a development review board; provided, however, that decisions
14 of a development review board under 24 V.S.A. § 4420 with respect to local
15 Act 250 review of municipal impacts are not subject to appeal but shall serve
16 as presumptions under chapter 151 of this title.

17 * * *

18 (h) De novo hearing. The Environmental Division, applying the
19 substantive standards that were applicable before the tribunal appealed from,
20 shall hold a de novo hearing on those issues that have been appealed, ~~except~~
21 For a municipal land use permit application for a housing development, if the

1 appeal is of a denial, the Environmental Division shall determine if the
2 application is consistent with the municipal bylaw or land use regulation that
3 directly affects the property or if the appeal is of an approval, if the application
4 is inconsistent with the municipal bylaw or land use regulation that directly
5 affects the property. It shall not be de novo in the case of:

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

8 (2) a decision of the Commissioner of Forests, Parks and Recreation
9 under section 2625 of this title being appealed on the record, in which case the
10 court shall affirm the decision, unless it finds that the Commissioner did not
11 have reasonable grounds on which to base the decision.

12 * * *

13 (k) Limitations on appeals. Notwithstanding any other provision of this
14 section:

15 (1) there shall be no appeal from a District Commission decision when
16 the Commission has issued a permit and no hearing was requested or held, or
17 no motion to alter was filed following the issuance of an administrative
18 amendment;

19 (2) a municipal decision regarding whether a particular application
20 qualifies for a recorded hearing under 24 V.S.A. § 4471(b) shall not be subject
21 to appeal;

1 (3) if a District Commission issues a partial decision under subsection
2 6086(b) of this title, any appeal of that decision must be taken within 30 days
3 following the date of that decision; ~~and~~

4 (4) it shall be the goal of the Environmental Division to issue a decision
5 on a case regarding an appeal of an appropriate municipal panel decision under
6 24 V.S.A. chapter 117 within 90 days following the close of the hearing; and

7 (5) except for cases the court considers of greater importance, appeals of
8 an appropriate municipal panel decision under 24 V.S.A. chapter 117 involving
9 housing development take precedence on the docket over other cases and shall
10 be assigned for hearing and trial or for argument accordingly.

11 * * *

12 Sec. 17. 24 V.S.A. § 4465 is amended to read:

13 § 4465. APPEALS OF DECISIONS OF THE ADMINISTRATIVE OFFICER

14 * * *

15 (b) As used in this chapter, an “interested person” means any one of the
16 following:

17 (1) A person owning title to property, or a municipality or solid waste
18 management district empowered to condemn it or an interest in it, affected by a
19 bylaw, who alleges that the bylaw imposes on the property unreasonable or
20 inappropriate restrictions of present or potential use under the particular
21 circumstances of the case.

1 (2) The municipality that has a plan or a bylaw at issue in an appeal
2 brought under this chapter or any municipality that adjoins that municipality.

3 (3) ~~A person owning or occupying property in the immediate~~
4 ~~neighborhood of a property that is the subject of any decision or act taken~~
5 ~~under this chapter, who can demonstrate a physical or environmental impact on~~
6 ~~the person's interest under the criteria reviewed, and who alleges that the~~
7 ~~decision or act, if confirmed, will not be in accord with the policies, purposes,~~
8 ~~or terms of the plan or bylaw of that municipality.~~

9 (4) ~~Any 20 persons who may be any combination of voters, residents, or~~
10 ~~real property owners within a municipality listed in subdivision (2) of this~~
11 ~~subsection who, by signed petition to the appropriate municipal panel of a~~
12 ~~municipality, the plan or a bylaw of which is at issue in any appeal brought~~
13 ~~under this title, allege that any relief requested by a person under this title, if~~
14 ~~granted, will not be in accord with the policies, purposes, or terms of the plan~~
15 ~~or bylaw of that municipality. This petition to the appropriate municipal panel~~
16 ~~must designate one person to serve as the representative of the petitioners~~
17 ~~regarding all matters related to the appeal. For purposes of this subdivision, an~~
18 ~~appeal shall not include the character of the area affected if the project has a~~
19 ~~residential component that includes affordable housing.~~

20 (5) ~~Any department and administrative subdivision of this State owning~~
21 ~~property or any interest in property within a municipality listed in subdivision~~

1 (2) of this subsection, and the Agency of Commerce and Community
2 Development of this State.

3 * * *

4 Sec. 18. 24 V.S.A. § 4441 is amended to read:

5 § 4441. PREPARATION OF BYLAWS AND REGULATORY TOOLS;
6 AMENDMENT OR REPEAL

7 * * *

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

11 * * * LURB Study * * *

12 Sec. 19. 2024 Acts and Resolves No. 181, Sec. 11a is amended to read:

13 Sec. 11a. ACT 250 APPEALS STUDY

14 (a) On or before ~~January 15, 2026~~ November 15, 2025, the Land Use
15 Review Board shall issue a report evaluating whether to transfer appeals of
16 permit decisions and jurisdictional opinions issued pursuant to 10 V.S.A.
17 chapter 151 to the Land Use Review Board or whether they should remain at
18 the Environmental Division of the Superior Court. The Board shall convene a
19 stakeholder group that at a minimum shall be composed of a representative of
20 environmental interests, attorneys that practice environmental and
21 development law in Vermont, the Vermont League of Cities and Towns, the

1 Vermont Association of Planning and Development Agencies, the Vermont
2 Chamber of Commerce, the Land Access and Opportunity Board, the Office of
3 Racial Equity, the Vermont Association of Realtors, a representative of ~~non-~~
4 ~~profit~~ nonprofit housing development interests, a representative of for-profit
5 housing development interests, a representative of commercial development
6 interests, an engineer with experience in development, the Agency of
7 Commerce and Community Development, and the Agency of Natural
8 Resources in preparing the report. The Board shall provide notice of the
9 stakeholder meetings on its website and each meeting shall provide time for
10 public comment.

11 (b) The report shall at minimum recommend:

12 (1) whether to allow consolidation of appeals at the Board, or with the
13 Environmental Division of the Superior Court, and how, including what
14 resources the Board would need, if transferred to the Board, appeals of permit
15 decisions issued under 24 V.S.A. chapter 117 and the Agency of Natural
16 Resources can be consolidated with Act 250 appeals;

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

20 (3) procedural rules to govern the Board's administration of Act 250 and
21 the adjudication of appeals of Act 250 decisions. These rules shall include

1 procedures to create a firewall and eliminate any potential for conflicts with
2 the Board managing appeals and issuing permit decisions and jurisdictional
3 opinions; and

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

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

10 * * * Brownfields * * *

11 Sec. 20. 10 V.S.A. § 6604c is amended to read:

12 § 6604c. MANAGEMENT OF DEVELOPMENT SOILS

13 (a) Management of development soils. Notwithstanding any other
14 requirements of this chapter to the contrary, development soils may be
15 managed at a location permitted pursuant to an insignificant waste event
16 approval authorization issued pursuant to the Solid Waste Management Rules
17 that contains, at a minimum, the following:

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

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

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

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

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

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

12 (b) As used in this section, “development soil” has the same meaning as in
13 10 V.S.A. § 6602(39).

14 Sec. 22. 10 V.S.A. § 6641 is amended to read:

15 § 6641. BROWNFIELD PROPERTY CLEANUP PROGRAM; CREATION;

16 POWERS

17 (a) There is created the Brownfield Property Cleanup Program to enable
18 certain interested parties to request the assistance of the Secretary to review
19 and oversee work plans for investigating, abating, removing, remediating, and
20 monitoring a property in exchange for protection from certain liabilities under

1 section 6615 of this title. The Program shall be administered by the Secretary
2 who shall:

3 * * *

4 (c) When conducting any review required by this subchapter, the Secretary
5 shall prioritize the review of remediation at a site that contains housing or that
6 is planned for the construction or rehabilitation of single-family or multi-
7 family housing.

8 Sec. 23. BROWNFIELDS PROCESS IMPROVEMENT; REPORT

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

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

20 (2) An analysis of strengths and weaknesses of implementing a licensed
21 site professional program within the State. The Secretary shall make a

1 recommendation on whether such a program should be implemented. If the
2 Secretary recommends implementation, the report shall include any changes to
3 statute or budget needed to implement this program.

4 **Sec. 24. FISCAL YEAR 2026 ENVIRONMENTAL CONTINGENCY FUND**

5 **DISBURSEMENT FOR BROWNFIELDS**

6 In fiscal year 2026, the Secretary of Natural Resources is authorized to
7 disburse up to \$2,000,000 from the Environmental Contingency Fund for the
8 assessment, planning, and cleanup of brownfields sites.

9 * * * Tax Increment Financing * * *

10 Sec. 25. 24 V.S.A. chapter 53, subchapter 7 is added to read:

11 Subchapter 7. Community and Housing Infrastructure Program

12 § 1906. DEFINITIONS

13 As used in this subchapter:

14 (1) “Affordable housing” means housing that is subject to a housing
15 subsidy covenant, as defined in 27 V.S.A. § 610, of perpetual duration.

16 (2) “Affordable housing development” means a housing development of
17 which at least 20 percent of the units are affordable housing units.

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

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

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

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

10 (7) “Housing development” means the construction, rehabilitation, or
11 renovation of any building on a housing development site approved under this
12 subchapter.

13 (8) “Housing development site” means the parcel or parcels
14 encompassing a housing development as authorized by a municipality pursuant
15 to section 1908 of this subchapter.

16 (9) “Housing infrastructure agreement” means a legally binding
17 agreement to finance and develop a housing infrastructure project and to
18 construct a housing development among a municipality, a developer, and, if
19 applicable, a third-party sponsor.

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

1 (11) “Improvements” means:

2 (A) any of the following that will serve a public good and fulfill the
3 purpose of housing infrastructure tax increment financing as stated in section
4 1907 of this subchapter:

5 (i) the installation or construction of wastewater, storm water,
6 water dispersal, water collection, water treatment facilities and equipment, or
7 related wastewater, storm water, or water equipment; public roads, streets,
8 bridges, multimodal facilities, public transit stop equipment and amenities,
9 street and sidewalk lighting, sidewalks, streetscapes, way-finding signs and
10 kiosks, traffic signals, medians, or turn lanes; or

11 (ii) site preparation for development or redevelopment, including
12 land and property acquisition, demolition, brownfield remediation, or flood
13 remediation and mitigation; and

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

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

19 (13) “Municipality” means a city, town, or incorporated village.

20 (14) “Original taxable value” means the total valuation as determined in
21 accordance with 32 V.S.A. chapter 129 of all taxable real property located

1 within a housing development site as of its creation date, provided that no
2 parcel within the housing development site shall be divided or bisected.

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

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

18 § 1907. PURPOSE

19 The purpose of the Community and Housing Infrastructure Program is to
20 support the development of new primary residences **for households of low or**

1 moderate income that would not be created but for the infrastructure
2 improvements funded by the Program.

3 § 1908. CREATION OF HOUSING INFRASTRUCTURE PROJECT AND
4 HOUSING DEVELOPMENT SITE

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

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

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

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

15 (B) identification of a sponsor;

16 (C) a tax increment financing plan meeting the standards of
17 subsection 1910(h) of this subchapter;

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

20 (E) a projection of the tax increment to be generated by the proposed
21 housing development;

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; and

4 (G) a determination that the proposed housing development furthers
5 the purposes of section 1907 of this subchapter;

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

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

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

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

19 § 1909. HOUSING INFRASTRUCTURE AGREEMENT

20 (a) The housing infrastructure agreement for a housing infrastructure
21 project shall:

- 1 (1) clearly identify the sponsor for the housing infrastructure project;
2 (2) clearly identify the developer and the housing development for the
3 housing development site;
4 (3) obligate the tax increments retained pursuant to section 1910c of this
5 subchapter for not more than the financing and related costs for the housing
6 infrastructure project;
7 (4) provide terms and sufficient remedies or, if the municipality so
8 elects, an ordinance to ensure that any housing unit within the housing
9 development be offered exclusively as a bona fide domicile in perpetuity; and
10 (5) provide for performance assurances to reasonably secure the
11 obligations of all parties under the housing infrastructure agreement.

12 (b) A municipality shall provide notice of the terms of the housing
13 infrastructure agreement for the municipality’s housing infrastructure project
14 to the legal voters of the municipality and shall provide the same information
15 as set forth in subsection 1910a(e) of this subchapter.

16 § 1910. HOUSING INFRASTRUCTURE PROJECT APPLICATION;

17 VERMONT ECONOMIC PROGRESS COUNCIL

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

1 (b) Review. The Vermont Economic Progress Council may recommend
2 for approval by the Community and Housing Infrastructure Board only
3 applications:

4 (1) that meet the but-for test, the process requirements, the project
5 criterion, either of the location criteria of this section;

6 (2) for which the Council has approved the tax increment financing
7 plan; and

8 (3) that are submitted on or before December 31, 2030.

9 (c) But-for test. The Vermont Economic Progress Council shall review
10 each application to determine whether the infrastructure improvements
11 proposed to serve the housing development site and the proposed housing
12 development would not have occurred as proposed in the application or would
13 have occurred in a significantly different and less desirable manner than as
14 proposed in the application but for the proposed utilization of the incremental
15 tax revenues. The review shall take into account:

16 (1) the amount of additional time, if any, needed to complete the
17 proposed housing development and the amount of additional cost that might be
18 incurred if the project were to proceed without education property tax
19 increment financing;

20 (2) how the proposed housing development components and size would
21 differ, if at all, including, if applicable to the housing development, in the

1 number of units of affordable housing, without education property tax
2 increment financing; and

3 (3)(A) the amount of additional revenue expected to be generated as a
4 result of the proposed housing development;

5 (B) the percentage of that revenue that shall be paid to the Education
6 Fund;

7 (C) the percentage that shall be paid to the municipality; and

8 (D) the percentage of the revenue paid to the municipality that shall
9 be used to pay financing incurred for the infrastructure improvements.

10 (d) Process requirements. The Vermont Economic Progress Council shall
11 review a municipality’s housing infrastructure project application to determine
12 whether the municipality has:

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

15 (2) executed a housing infrastructure agreement for the housing
16 infrastructure project that adheres to the standards of section 1909 of this
17 subchapter with a developer and, if the municipality is not financing the
18 housing infrastructure project itself, a sponsor; and

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

1 (e) Project criterion. The Vermont Economic Progress Council shall
2 review a municipality’s housing infrastructure project application to determine
3 whether at least 65 percent of the floor area of the projected housing
4 development is dedicated to housing.

5 (f) Location criteria. The Vermont Economic Progress Council shall
6 review a municipality’s housing infrastructure project application to determine
7 whether the housing development site is located within one of the following
8 areas:

9 (1) an area designated Tier 1A or Tier 1B pursuant to 10 V.S.A. chapter
10 151 (State land use and development plans) or an area exempt from the
11 provisions of that chapter pursuant to 10 V.S.A. § 6081(dd) (interim housing
12 exemptions); or

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

15 (g) Affordability criterion. The Vermont Economic Progress Council shall
16 review a municipality’s housing infrastructure project application to determine
17 whether the projected housing development is an affordable housing
18 development.

19 (h) Tax increment financing plan. The Vermont Economic Progress
20 Council shall approve a municipality’s tax increment financing plan prior to a
21 sponsor’s incurrence of debt for the housing infrastructure project, including, if

1 the sponsor is a municipality, prior to a public vote to pledge the credit of the
2 municipality under section 1910a of this subchapter. The tax increment
3 financing plan shall include:

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

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

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

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

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

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

11 (7) the duration of the financial plan.

12 (i) Approval. The Vermont Economic Progress Council shall recommend
13 to the Community and Housing Infrastructure Program Board for approval any
14 application that meets the standards of subdivision (b)(1) of this section. The
15 Board shall review the Council’s recommendation and determine whether the
16 application satisfies the purposes of section 1907 of this subchapter and meets
17 the standards of subdivision (b)(1) of this section. The Council may only
18 approve pursuant to this subchapter tax increment financing for applications
19 that have received Board approval pursuant to this subsection.

1 § 1910a. TAX INCREMENT RETENTION LIMIT

2 (a) The Vermont Economic Progress Council shall not approve pursuant to
3 subsection 1910(h) of this subchapter an annual amount of education property
4 tax increment retention greater than \$40,000,000.00.

5 (b)(1) A municipality shall immediately notify the Vermont Economic
6 Progress Council if it resolves not to incur debt for an approved housing
7 infrastructure project within five years of approval or a three-year extension
8 period as required by section 1910b of this subchapter.

9 (2) Upon receiving notification pursuant to subdivision (1) of this
10 subsection, the Vermont Economic Progress Council shall terminate the
11 housing development site and may approve additional tax increment financing
12 subject to the aggregate limitations of subsection (a) of this section.

13 § 1910b. INDEBTEDNESS

14 (a) A municipality approved for tax increment financing under section
15 1910 of this subchapter may incur indebtedness against revenues of the
16 housing development site at any time during a period of up to five years
17 following the creation of the housing development site. The Vermont
18 Economic Progress Council may extend this debt incursion period by up to
19 three years. If no debt is incurred for the housing infrastructure project during
20 the debt incursion period, whether by the municipality or sponsor, the housing
21 development site shall terminate.

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

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

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

13 (e) A municipal legislative body shall provide information to the public
14 prior to the public vote required under subsection (b) of this section. This
15 information shall include the amount and types of debt and related costs to be
16 incurred, including principal, interest, and fees; terms of the debt; the housing
17 infrastructure project to be financed; the housing development projected to
18 occur because of the housing infrastructure project; and notice to the voters
19 that if the tax increment received by the municipality from any property tax
20 source is insufficient to pay the principal and interest on the debt in any year,
21 the municipality shall remain liable for the full payment of the principal and

1 interest for the term of the indebtedness. If interfund loans within the
2 municipality are used, the information must also include documentation of the
3 terms and conditions of the loan.

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

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

8 § 1910c. ORIGINAL TAXABLE VALUE; TAX INCREMENT

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

16 (b) Annually throughout the life of the housing development site, the lister
17 or assessor shall include not more than the original taxable value of the real
18 property in the assessed valuation upon which the treasurer computes the rates
19 of all taxes levied by the municipality and every other taxing district in which
20 the housing development site is situated, but the treasurer shall extend all rates

1 so determined against the entire assessed valuation of real property for that
2 year.

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

6 (d) Annually throughout the life of the housing development site, the
7 municipality shall hold apart, rather than remit to the taxing districts, that
8 proportion of all taxes paid that year on the real property within the housing
9 development site that the excess valuation bears to the total assessed valuation.
10 The amount held apart each year is the “tax increment” for that year. The tax
11 increment shall only be used for financing and related costs.

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

1 the housing development site shall be deposited in the special tax increment
2 financing account.

3 (f) Notwithstanding any charter provision or other provision, all property
4 taxes assessed within a housing development site shall be subject to the
5 provisions of this section. Special assessments levied under chapter 76A or 87
6 of this title or under a municipal charter shall not be considered property taxes
7 for the purpose of this section if the proceeds are used exclusively for
8 operating expenses related to properties within the housing development site
9 and not for improvements within the housing development site.

10 § 1910d. USE OF TAX INCREMENT; RETENTION PERIOD

11 (a) Uses of tax increments. A municipality may apply tax increments
12 retained pursuant to this subchapter to debt incurred within the period
13 permitted under section 1910a of this subchapter, to related costs, and to the
14 direct payment of the cost of a housing infrastructure project. A municipality
15 may provide tax increment to a sponsor only upon receipt of an invoice for
16 payment of the financing, and the sponsor shall confirm to the municipality
17 once the tax increment has been applied to the financing. Any direct payment
18 shall be subject to the same public vote provisions of section 1910a of this
19 subchapter as apply to debt.

20 (b) Education property tax increment.

1 (1) For a housing infrastructure project that does not satisfy the
2 affordability criterion of section 1910 of this subchapter, up to 60 percent of
3 the education property tax increment may be retained for up to 20 years,
4 beginning the first year in which debt is incurred for the housing infrastructure
5 project.

6 (2) For a housing infrastructure project that satisfies the affordability
7 criterion of section 1910 of this subchapter, up to 80 percent of the education
8 property tax increment may be retained for up to 20 years, beginning the first
9 year in which debt is incurred for the housing infrastructure project.

10 (3) Upon incurring the first debt, a municipality shall notify the
11 Department of Taxes and the Vermont Economic Progress Council of the
12 beginning of the retention period of the education property tax increment.

13 (c) Municipal property tax increment. Not less than 85 percent of the
14 municipal property tax increment may be retained, beginning the first year in
15 which debt is incurred for the housing infrastructure project.

16 (d) Excess tax increment.

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

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

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

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

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

11 (e) Adjustment of percentage. During the fifth year following the creation
12 of a housing development site, the municipality shall submit an updated tax
13 increment financing plan to the Vermont Economic Progress Council that shall
14 include adjustments and updates of appropriate data and information sufficient
15 for the Vermont Economic Progress Council to determine, based on tax
16 increment financing debt actually incurred and the history of increment
17 generated during the first 5 years, whether the percentages approved under this
18 section should be continued or adjusted to a lower percentage to be retained for
19 the remaining duration of the retention period and still provide sufficient
20 municipal and education increment to service the remaining debt.

21 § 1910e. INFORMATION REPORTING

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

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

5 (2) provide timely notification to the Department of Taxes and the
6 Vermont Economic Progress Council of any housing infrastructure project
7 debt, public vote, or vote by the municipal legislative body immediately
8 following the debt incurrence or public vote on a form prescribed by the
9 Council, including copies of public notices, agendas, minutes, vote tally, and a
10 copy of the information provided to the public pursuant to subsection 1910a(e)
11 of this subchapter; and

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

19 (b) Annually on or before April 1, the Vermont Economic Progress Council
20 and the Department of Taxes shall submit a report to the Senate Committees on
21 Economic Development, Housing and General Affairs and on Finance and the

1 House Committees on Commerce and Economic Development, on General and
2 Housing, and on Ways and Means on housing infrastructure projects approved
3 pursuant to this subchapter, including for each:

4 (1) the date of approval;

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

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

7 (4) the scope and value of projected and actual improvements and
8 developments in the housing development site, including the number of
9 housing units created;

10 (5) the expected or actual sale and rental prices of any housing units;

11 (6) the number of housing units known to be occupied on a basis other
12 than as primary residences;

13 (7) the number and types of housing units for which a permit is being
14 pursued under 10 V.S.A. chapter 151 (State land use and development plans)
15 and, for each applicable housing development, the current stage of the
16 permitting process;

17 (8) projected and actual incremental revenue amounts;

18 (9) the allocation of incremental revenue, including the amount
19 allocated to related costs; and

20 (10) projected and actual financing.

1 (c) On or before January 15, 2030, the Vermont Economic Progress
2 Council shall submit a report to the Senate Committees on Economic
3 Development, Housing and General Affairs and on Finance and the House
4 Committees on Commerce and Economic Development and on Ways and
5 Means evaluating the success of the Community and Housing Infrastructure
6 Program in achieving its purpose, as stated in section 1907 of this chapter,
7 including by identifying the amount and kinds of housing produced through
8 the Program and by determining whether housing development pursued
9 through the Program meets the project criteria and location criteria of section
10 1910 of this chapter.

11 § 1910f. AUDITING

12 Annually on or before April 1 until the year following the end of the period
13 for retention of education property tax increment, a municipality with a
14 housing infrastructure project approved under this subchapter shall ensure that
15 the special tax increment financing account required by section 1910b of this
16 subchapter is subject to the annual audit prescribed in section 1681 or 1690 of
17 this title and submit a copy to the Vermont Economic Progress Council. If an
18 account is subject only to the audit under section 1681 of this title, the Council
19 shall ensure a process is in place to subject the account to an independent audit.
20 Procedures for the audit must include verification of the original taxable value

1 and annual and total municipal and education property tax increments
2 generated, expenditures for financing and related costs, and current balance.

3 § 1910g. RULEMAKING

4 (a) The Vermont Economic Progress Council may adopt rules that are
5 reasonably necessary to implement this subchapter. The Council shall
6 specifically adopt rules to:

7 (1) govern the prioritization of applications submitted for approval of
8 tax increment financing under this subchapter that take into consideration the
9 purposes of section 1907 of this subchapter, blight, regional equity and
10 verifiable housing shortages, and labor sheds; and

11 (2) determine the appropriate floor area measure for purposes of the
12 project criterion under subsection 1910(e) of this subchapter.

13 (b) At least 45 days prior to pre-filing a rule authorized under this section
14 with the Interagency Committee on Administrative Rules under 3 V.S.A.
15 § 837, the Vermont Economic Progress Council shall submit a copy of the
16 draft rule to the Joint Fiscal Committee for review.

17 § 1910h. GUIDANCE

18 (a) The Secretary of Commerce and Community Development, after
19 reasonable notice to a municipality and an opportunity for a hearing, may issue
20 decisions to a municipality on questions and inquiries concerning the
21 administration of housing infrastructure projects, statutes, rules,

1 noncompliance with this subchapter, and any instances of noncompliance
2 identified in audit reports conducted pursuant to section 1910e of this
3 subchapter.

4 (b) The Vermont Economic Progress Council shall prepare
5 recommendations for the Secretary of Commerce and Community
6 Development prior to any decision issued pursuant to subsection (a) of this
7 section. The Council may prepare recommendations in consultation with the
8 Commissioner of Taxes, the Attorney General, and the State Treasurer. In
9 preparing recommendations, the Council shall provide a municipality with a
10 reasonable opportunity to submit written information in support of its position.

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

18 § 1910i. COMMUNITY AND HOUSING INFRASTRUCTURE PROGRAM

19 BOARD

20 (a) Creation. There is created the Community and Housing Infrastructure
21 Program Board to review applications for tax increment financing

1 recommended by the Vermont Economic Progress Council pursuant to section
2 1910 of this subchapter.

3 (b) Membership. The Board shall be composed of the following members:

4 (1) the State Treasurer or designee, who shall serve as chair of the
5 Board;

6 (2) the Executive Director of the Vermont Housing Finance Agency or
7 designee;

8 (3) the Executive Director of the Vermont Housing Conservation Board
9 or designee;

10 (4) the Commissioner of the Department of Housing and Community
11 Development or designee;

12 (5) the Executive Director of the Vermont Bond Bank or designee;

13 (6) the Executive Director of the Vermont Council on Rural
14 Development or designee;

15 (7) a representative of the Regional Planning Commissions; and

16 (8) the Executive Director of the Vermont School Boards Association or
17 designee.

18 (c) Duties. The Board shall review applications for tax increment financing
19 recommended by the Vermont Economic Progress Council pursuant to section
20 1910 of this subchapter. The Board shall respond with its approval or denial

1 not later than 30 days following receipt of the request from the Vermont
2 Economic Progress Council.

3 (d) Assistance. The Board shall have the administrative and technical
4 assistance of the Office of the State Treasurer.

5 (e) Meetings. The Board shall meet upon request of the Vermont
6 Economic Progress Council.

7 (f) Compensation and reimbursement. Members of the Board shall be
8 entitled to per diem compensation and reimbursement of expenses as permitted
9 under 32 V.S.A. § 1010.

10 (g) Decisions not subject to review. A decision of the Board under
11 subsection (c) of this section is an administrative decision that is not subject to
12 the contested case hearing requirements under 3 V.S.A. chapter 25 and is not
13 subject to judicial review.

14 Sec. 26. 24 V.S.A. 1910(f) is amended to read:

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

19 (1) an area designated Tier 1A or Tier 1B pursuant to 10 V.S.A. chapter
20 151 (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); ~~or~~

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

5 (3) an area designated Tier 2 pursuant to 10 V.S.A. chapter 151.

6 Sec. 27. 32 V.S.A. § 3325 is amended to read:

7 § 3325. VERMONT ECONOMIC PROGRESS COUNCIL

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

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

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

15 (3) housing infrastructure tax increment financing pursuant to 24 V.S.A.
16 chapter 53, subchapter 7.

17 * * *

18 (g) Decisions not subject to review. A decision of the Council to approve
19 or deny an application under subchapter 2 of this chapter, ~~or~~ to approve or
20 deny a tax increment financing district pursuant to 24 V.S.A. chapter 53,
21 subchapter 5 and section 5404a of this title, or to approve or deny a housing

1 infrastructure project pursuant to 24 V.S.A. chapter 53, subchapter 7 is an
2 administrative decision that is not subject to the contested case hearing
3 requirements under 3 V.S.A. chapter 25 and is not subject to judicial review.

4 Sec. 28. 32 V.S.A. § 5404a(f) is amended to read:

5 (f) A municipality that establishes a tax increment financing district under
6 24 V.S.A. chapter 53, subchapter 5 shall collect all property taxes on properties
7 contained within the district and apply not more than 70 percent of the State
8 education property tax increment, and not less than 85 percent of the municipal
9 property tax increment, to repayment of financing of the improvements and
10 related costs for up to 20 years pursuant to 24 V.S.A. § 1894, if approved by
11 the Vermont Economic Progress Council pursuant to this section, subject to the
12 following:

13 (1) In a municipality with one or more approved districts, the Council
14 shall not approve an additional district until the municipality retires the debt
15 incurred for all of the districts in the municipality.

16 (2) The Council shall not approve more than six districts in the State,
17 and not more than two per county, provided:

18 (A) The districts listed in 24 V.S.A. § 1892(d) shall not be counted
19 against the limits imposed in this subdivision (2).

20 (B) The Council shall consider complete applications in the order
21 they are submitted, except that if during any calendar month the Council

1 receives applications for more districts than are actually available in a county,
2 the Council shall evaluate each application and shall approve the application
3 that, in the Council’s discretion, best meets the economic development needs
4 of the county.

5 (3)(A) A municipality shall immediately notify the Council if it resolves
6 not to incur debt for an approved district within five years of approval or a
7 five-year extension period as required in 24 V.S.A. § 1894.

8 (B) Upon receiving notification pursuant to subdivision (A) of this
9 subdivision (3), the Council shall terminate the district and may approve a new
10 district, subject to the provisions of this section and 24 V.S.A. chapter 53,
11 subchapter 5.

12 (4) The Council shall only approve under this section applications for
13 tax increment financing submitted prior to July 1, 2025.

14 * * * Smoke and Carbon Monoxide Alarms * * *

15 Sec. 29. 9 V.S.A. chapter 77 is amended to read:

16 CHAPTER 77. SMOKE ~~DETECTORS~~ ALARMS AND CARBON
17 MONOXIDE ~~DETECTORS~~ ALARMS

18 § 2881. DEFINITIONS

19 As used in this chapter:

20 * * *

1 (2) “Smoke ~~detector~~ alarm” means a device that detects visible or
2 invisible particles of combustion and sounds a warning alarm, is operated from
3 a power supply within the unit or wired to it from an outside source, and is
4 approved or listed for the purpose by Underwriters Laboratory or by another
5 nationally recognized independent testing laboratory.

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

12 § 2882. INSTALLATION

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

20 (b) Any single-family dwelling when transferred by sale or exchange shall
21 contain ~~photoelectric-only-type~~ photoelectric-type or UL 217 compliant smoke

1 ~~detectors~~ alarms in the vicinity of any bedrooms and on each level of the
2 dwelling installed in accordance with the manufacturer’s instructions and one
3 or more carbon monoxide ~~detectors~~ alarms installed in accordance with the
4 manufacturer’s instructions. A single-family dwelling constructed before
5 January 1, 1994 may contain smoke ~~detectors~~ alarms powered by the electrical
6 service in the building or by battery, or by a combination of both. In a single-
7 family dwelling newly constructed after January 1, 1994 that is provided with
8 electrical power, smoke ~~detectors~~ alarms shall be powered by the electrical
9 service in the building and by battery. In a single-family dwelling newly
10 constructed after July 1, 2005 that is provided with electrical power, carbon
11 monoxide ~~detectors~~ alarms shall be powered by the electrical service in the
12 building and by battery.

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

16 § 2883. REQUIREMENTS FOR TRANSFER OF DWELLING

17 (a) The seller of a single-family dwelling, including one constructed for
18 first occupancy, whether the transfer is by sale or exchange, shall certify to the
19 buyer at the closing of the transaction that the dwelling is provided with
20 ~~photoelectric-only type~~ photoelectric-type or UL 217 compliant smoke

1 ~~detectors~~ alarms and carbon monoxide ~~detectors~~ alarms in accordance with this
2 chapter. This certification shall be signed and dated by the seller.

3 (b) If the buyer notifies the seller within 10 days by certified mail from the
4 date of conveyance of the dwelling that the dwelling lacks any ~~photoelectric-~~
5 ~~only type~~ photoelectric-type or UL 217 compliant smoke ~~detectors~~ alarms, or
6 any carbon monoxide ~~detectors~~ alarms, or that any ~~detector~~ alarm is not
7 operable, the seller shall comply with this chapter within 10 days after
8 notification.

9 * * *

10 Sec. 30. 20 V.S.A. § 2731 is amended to read:

11 § 2731. RULES; INSPECTIONS; VARIANCES

12 * * *

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

19 * * *

20 * * * VHFA Off-Site Construction * * *

21 Sec. 31. VHFA OFF-SITE CONSTRUCTION REPORT

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11

(2) Sec. 26 (expansion of CHIP location criteria) shall take effect on
January 1, 2028.

(Committee vote: _____)

Representative _____

FOR THE COMMITTEE