

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 General and Housing 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 \$2,000,000.00 from the Environmental Contingency Fund for  
8 the 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) “Brownfield” means a property on which the presence or potential  
15 presence of a hazardous material, pollutant, or contaminant complicates the  
16 expansion, development, redevelopment, or reuse of the property.

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

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

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

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

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

12           (7) “Housing infrastructure agreement” means a legally binding  
13           agreement to finance and develop a housing infrastructure project and to  
14           construct a housing development among a municipality, a developer, and, if  
15           applicable, a third-party sponsor.

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

18           (9) “Improvements” means:

19           (A) any of the following that will serve a public good and fulfill the  
20           purpose of section 1907 of this subchapter:

21           (i) the installation or construction of:

1                   (I) wastewater, storm water, water dispersal, water collection,  
2                   water treatment facilities and equipment, or related wastewater, storm water, or  
3                   water equipment;

4                   (II) public roads, streets, bridges, multimodal facilities, public  
5                   transit stop equipment and amenities, street and sidewalk lighting, sidewalks,  
6                   streetscapes, way-finding signs and kiosks, traffic signals, medians, or turn  
7                   lanes; or

8                   (III) digital or telecommunications infrastructure;

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

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

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

17                  (11) “Lifetime education property tax increment retention” means the  
18                  total education property tax increment to be retained for a housing  
19                  infrastructure project across its lifetime.

1           (12) “Middle-income housing” means housing that is subject to a  
2           housing subsidy covenant, as defined in 27 V.S.A. § 610, of perpetual  
3           duration.

4           (13) “Middle-income housing development” means a housing  
5           development of which at least 20 percent of the units are middle-income  
6           housing units.

7           (14) “Municipality” means a city, town, or incorporated village.

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

12           (16) “Related costs” means expenses incurred and paid by a  
13           municipality, exclusive of the actual cost of constructing and financing  
14           improvements, that are directly related to the creation and implementation of  
15           the municipality’s housing infrastructure project, including reimbursement of  
16           sums previously advanced by the municipality for those purposes. Related  
17           costs may include direct municipal expenses such as departmental or personnel  
18           costs related to creating or administering the housing infrastructure project to  
19           the extent they are paid from the tax increment realized from municipal and not  
20           education taxes and using only that portion of the municipal increment above

1 the percentage required for servicing debt as determined in accordance with  
2 subsection 1910c of this subchapter.

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

7 § 1907. PURPOSE

8 The purpose of the pilot Community and Housing Infrastructure Program is  
9 to encourage the development of new primary residences for households of  
10 low or moderate income that would not be created but for the infrastructure  
11 improvements funded by the Program.

12 § 1908. CREATION OF HOUSING INFRASTRUCTURE PROJECT AND  
13 HOUSING DEVELOPMENT SITE

14 (a) The legislative body of a municipality may create within its jurisdiction  
15 a housing infrastructure project, which shall consist of improvements that  
16 stimulate the development of housing, and a housing development site, which  
17 shall consist of the parcel or parcels on which a housing development is  
18 installed or constructed.

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

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

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

3           (B) identification of a sponsor;

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

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

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

10          (F) a development schedule that includes a list, a cost estimate, and a  
11          schedule for the proposed housing infrastructure project and the proposed  
12          housing development; and

13          (G) a determination that the proposed housing development furthers  
14          the purpose of section 1907 of this subchapter;

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

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

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

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

8           § 1909. HOUSING INFRASTRUCTURE AGREEMENT

9           (a) The housing infrastructure agreement for a housing infrastructure  
10          project shall:

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

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

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

17           (4) provide terms and sufficient remedies or, if the municipality so  
18          elects, an ordinance to ensure that any housing unit within the housing  
19          development be offered exclusively as a bona fide domicile in perpetuity; and

20           (5) provide for performance assurances to reasonably secure the  
21          obligations of all parties under the housing infrastructure agreement.

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

5       § 1910. HOUSING INFRASTRUCTURE PROJECT APPLICATION;

6               VERMONT ECONOMIC PROGRESS COUNCIL

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

10       (b) Review. The Vermont Economic Progress Council may recommend  
11       for approval by the Community and Housing Infrastructure Program Board  
12       only applications:

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

15               (2) for which the Council has approved the tax increment financing  
16       plan; and

17               (3) that are submitted on or before December 31, 2031.

18       (c) But-for test. The Vermont Economic Progress Council shall review  
19       each application to determine whether the infrastructure improvements  
20       proposed to serve the housing development site and the proposed housing  
21       development would not have occurred as proposed in the application or would

1 have occurred in a significantly different and less desirable manner than as  
2 proposed in the application but for the proposed utilization of the incremental  
3 tax revenues. The review shall take into account:

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

8 (2) how the proposed housing development components and size would  
9 differ, if at all, including, if applicable to the housing development, in the  
10 number of units of middle-income housing, without education property tax  
11 increment financing; and

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

14 (B) the percentage of that revenue that shall be paid to the Education  
15 Fund;

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

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

19 (d) Process requirements. The Vermont Economic Progress Council shall  
20 review a municipality's housing infrastructure project application to determine  
21 whether the municipality has:

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

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

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

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

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

18               (1) an area exempt from the provisions of 10 V.S.A. chapter 151 (State  
19               land use and development plans) pursuant to 10 V.S.A. § 6081(dd) (interim  
20               housing exemptions); or

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

3           (g) Middle-income criterion. The Vermont Economic Progress Council  
4 shall review a municipality’s housing infrastructure project application to  
5 determine whether the projected housing development is a middle-income  
6 housing development for purposes of the increased education property tax  
7 increment retention percentage under section 1910c of this subchapter.

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

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

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

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

18           (4) the resulting tax increments in each year of the financial plan and the  
19 lifetime education property tax increment retention;

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

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

1           (7) the duration of the financial plan.

2           (i) Board approval. The Vermont Economic Progress Council shall  
3           recommend to the Community and Housing Infrastructure Program Board for  
4           approval any application that meets the standards of subsection (b) of this  
5           section. The Board shall review the Council’s recommendation and approve  
6           the application unless the Board determines that the application fails to satisfy  
7           the purpose of section 1907 of this subchapter or fails to meet the standards of  
8           subsection (b) of this section.

9           (j) Tax increment financing approval; limit. The Vermont Economic  
10          Progress Council may only approve pursuant to this subchapter tax increment  
11          financing for applications that have received Board approval pursuant to  
12          subsection (i) of this section. The Vermont Economic Progress Council shall  
13          not annually approve more than \$40,000,000.00 in aggregate lifetime  
14          education property tax increment retention.

15          § 1910a. INDEBTEDNESS

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

1 the debt incursion period, whether by the municipality or sponsor, the housing  
2 development site shall terminate.

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

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

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

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

1 source is insufficient to pay the principal and interest on the debt in any year,  
2 the municipality shall remain liable for the full payment of the principal and  
3 interest for the term of the indebtedness. If interfund loans within the  
4 municipality are used, the information must also include documentation of the  
5 terms and conditions of the loan.

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

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

10 § 1910b. ORIGINAL TAXABLE VALUE; TAX INCREMENT

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

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

1 the housing development site is situated, but the treasurer shall extend all rates  
2 so determined against the entire assessed valuation of real property for that  
3 year.

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

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

13 (e) Not more than the percentages established pursuant to section 1910c of  
14 this subchapter of the municipal and State education tax increments received  
15 with respect to the housing development site and committed for the payment  
16 for financing for improvements and related costs shall be segregated by the  
17 municipality in a special tax increment financing account and in its official  
18 books and records until all capital indebtedness incurred for the housing  
19 infrastructure project has been fully paid. The final payment shall be reported  
20 to the treasurer, who shall thereafter include the entire assessed valuation of the  
21 housing development site in the assessed valuations upon which the municipal

1 and other tax rates are computed and extended, and thereafter no taxes from  
2 the housing development site shall be deposited in the special tax increment  
3 financing account.

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

11 § 1910c. USE OF TAX INCREMENT; RETENTION PERIOD

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

21 (b) Education property tax increment.

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

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

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

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

15          (d) Excess tax increment.

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

20                (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 five years, whether the percentages approved under  
18          this section should be continued or adjusted to a lower percentage to be  
19          retained for the remaining duration of the retention period and still provide  
20          sufficient municipal and education increment to service the remaining debt.

1     § 1910d. INFORMATION REPORTING

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

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

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

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

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

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

5 (1) the date of approval;

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

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

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

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

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

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

18 (8) projected and actual incremental revenue amounts;

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

21 (10) projected and actual financing; and

1           (11) an evaluation of the amount of public funds flowing to private  
2           ownership or usage.

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

13           § 1910e. AUDITING

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

1 Procedures for the audit must include verification of the original taxable value  
2 and annual and total municipal and education property tax increments  
3 generated, expenditures for financing and related costs, and current balance.

4 § 1910f. RULEMAKING

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

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

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

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

18 § 1910g. GUIDANCE

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

1 administration of housing infrastructure projects, statutes, rules,  
2 noncompliance with this subchapter, and any instances of noncompliance  
3 identified in audit reports conducted pursuant to section 1910e of this  
4 subchapter.

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

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

1     § 1910h. COMMUNITY AND HOUSING INFRASTRUCTURE PROGRAM

2             BOARD

3             (a) Creation. There is created the Community and Housing Infrastructure  
4     Program Board to review applications for tax increment financing  
5     recommended by the Vermont Economic Progress Council pursuant to section  
6     1910 of this subchapter.

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

8                 (1) the chair of the Vermont Economic Progress Council, who shall  
9     serve as chair of the Board;

10                (2) the State Treasurer or designee;

11                (3) the Executive Director of the Vermont Housing Finance Agency or  
12     designee;

13                (4) the Executive Director of the Vermont Housing and Conservation  
14     Board or designee;

15                (5) the Commissioner of Housing and Community Development or  
16     designee;

17                (6) the Executive Director of the Vermont Bond Bank or designee;

18                (7) the Executive Director of the Vermont Council on Rural  
19     Development or designee;

20                (8) a representative of the Regional Planning Commissions; and

1           (9) the Executive Director of the Vermont School Boards Association or  
2           designee.

3           (c) Duties. The Board shall review applications for tax increment financing  
4           recommended by the Vermont Economic Progress Council pursuant to section  
5           1910 of this subchapter. The Board shall respond with its approval or denial  
6           not later than 45 days following receipt of the recommendation from the  
7           Vermont Economic Progress Council.

8           (d) Assistance. The Board shall receive administrative support from the  
9           Agency of Commerce and Community Development and the Department of  
10           Taxes.

11           (e) Compensation and reimbursement. Members of the Board shall be  
12           entitled to per diem compensation and reimbursement of expenses as permitted  
13           under 32 V.S.A. § 1010.

14           (f) Decisions not subject to review. A decision of the Board under  
15           subsection (c) of this section is an administrative decision that is not subject to  
16           the contested case hearing requirements under 3 V.S.A. chapter 25 and is not  
17           subject to judicial review.

18           (g) Report. On or before December 15, 2025, the Board shall submit to the  
19           Senate Committees on Economic Development, Housing and General Affairs  
20           and on Finance and the House Committees on Commerce and Economic  
21           Development, on General and Housing, and on Ways and Means a report

1 describing the Board’s recommended process and membership for reviewing  
2 housing infrastructure project applications.

3 Sec. 26. 32 V.S.A. § 3325 is amended to read:

4 § 3325. VERMONT ECONOMIC PROGRESS COUNCIL

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

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

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

12 (3) the Community and Housing Infrastructure Program pursuant to 24  
13 V.S.A. chapter 53, subchapter 7.

14 \* \* \*

15 (g) Decisions not subject to review. A decision of the Council to approve  
16 or deny an application under subchapter 2 of this chapter, ~~or~~ to approve or  
17 deny a tax increment financing district pursuant to 24 V.S.A. chapter 53,  
18 subchapter 5 and section 5404a of this title, or to approve or deny a housing  
19 infrastructure project pursuant to 24 V.S.A. chapter 53, subchapter 7 is an  
20 administrative decision that is not subject to the contested case hearing  
21 requirements under 3 V.S.A. chapter 25 and is not subject to judicial review.

1 Sec. 27. 32 V.S.A. § 5404a(f) is amended to read:

2 (f) A municipality that establishes a tax increment financing district under  
3 24 V.S.A. chapter 53, subchapter 5 shall collect all property taxes on properties  
4 contained within the district and apply not more than 70 percent of the State  
5 education property tax increment, and not less than 85 percent of the municipal  
6 property tax increment, to repayment of financing of the improvements and  
7 related costs for up to 20 years pursuant to 24 V.S.A. § 1894, if approved by  
8 the Vermont Economic Progress Council pursuant to this section, subject to the  
9 following:

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

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

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

17 (B) The Council shall consider complete applications in the order  
18 they are submitted, except that if during any calendar month the Council  
19 receives applications for more districts than are actually available in a county,  
20 the Council shall evaluate each application and shall approve the application

1 that, in the Council’s discretion, best meets the economic development needs  
2 of the county.

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

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

10 (4) The Council shall only approve under this section applications for  
11 tax increment financing submitted prior to July 1, 2028.

12 \* \* \* Smoke and Carbon Monoxide Alarms \* \* \*

13 Sec. 28. 9 V.S.A. chapter 77 is amended to read:

14 CHAPTER 77. SMOKE ~~DETECTORS~~ ALARMS AND CARBON  
15 MONOXIDE ~~DETECTORS~~ ALARMS

16 § 2881. DEFINITIONS

17 As used in this chapter:

18 \* \* \*

19 (2) “Smoke ~~detector~~ alarm” means a device that detects visible or  
20 invisible particles of combustion and sounds a warning alarm, is operated from  
21 a power supply within the unit or wired to it from an outside source, and is

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

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

9 § 2882. INSTALLATION

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

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

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

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

### 13 § 2883. REQUIREMENTS FOR TRANSFER OF DWELLING

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

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

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

5 \* \* \*

6 Sec. 29. 20 V.S.A. § 2731 is amended to read:

7 § 2731. RULES; INSPECTIONS; VARIANCES

8 \* \* \*

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

15 \* \* \*

16 \* \* \* VHFA Off-Site Construction \* \* \*

17 Sec. 30. VHFA OFF-SITE CONSTRUCTION REPORT

18 Provided there are sufficient resources, the Vermont Housing Finance  
19 Agency shall issue a report by December 15, 2026 that, at a minimum:

20 (1) identifies and recommends a set of State policy objectives and  
21 priorities related to off-site housing construction;



1

2

3 (Committee vote: \_\_\_\_\_)

4

\_\_\_\_\_

5

Representative \_\_\_\_\_

6

FOR THE COMMITTEE