

1 TO THE HONORABLE SENATE:

2 The Committee on Economic Development, Housing and General Affairs to  
3 which was referred House Bill No. 479 entitled “An act relating to housing”  
4 respectfully reports that it has considered the same and recommends that the  
5 Senate propose to the House that the bill be amended by striking out all after  
6 the enacting clause and inserting in lieu thereof the following:

7 \* \* \* Vermont Rental Housing Improvement Program \* \* \*

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.

15 (B) Solely with regards to actions undertaken pursuant to this  
16 subdivision, 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 (e), a  
18 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 ~~40 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 and the  
8        proximity to a designated area;

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

11               (4) the demonstration of financing for project completion or completion  
12       of a project component.

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;

(7) any additional covenants required to further secure the loan or bond.

(1) Any funds repaid or returned from the Infrastructure Sustainability

(2) The Bank may use the funds in conjunction with other Bank programs to accomplish the policy objectives outlined in this section.

Sec. 4. 2023 Acts and Resolves No. 47, Sec. 38 is amended to read:

(a) Creation; administration. The Vermont Housing Finance Agency shall design and implement a Rental Housing Revolving Loan Program and shall create and administer a revolving loan fund to provide subsidized loans for rental housing developments that serve middle-income households.

\* \* \*

(7) The Agency shall use one or more legal mechanisms to ensure that:

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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:

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 the Department of Housing and Community

13          Development or 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 the Department of Disabilities, Aging and

20          Independent Living or designee; and

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

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

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

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

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

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

14               (5) opportunities and challenges with enforcement of identified  
15       standards; and

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

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

20        (e) Report. On or before November 1, 2025, the Committee shall submit a  
21       written report to the House Committee on General and Housing and the Senate

1 Committee on Economic Development, Housing and General Affairs with its  
2 findings and any recommendations for legislative action.

3 (f) Meetings.

4 (1) The member of the House of Representatives shall call the first  
5 meeting of the Committee to occur on or before July 15, 2025.

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

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

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

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

16 (2) Members of the Committee who are not otherwise compensated for  
17 their time shall be entitled to per diem compensation as permitted under  
18 32 V.S.A. § 1010 for not more than six meetings. These payments shall be  
19 made from monies appropriated to the Department of Housing and Community  
20 Development for that purpose.



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

5                \* \* \* Housing and Residential Services Planning Committee \* \* \*

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

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

11       (b) Membership. The Committee shall be composed of the following  
12       members:

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

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

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

18                (4) the Commissioner of Disabilities, Aging, and Independent Living or  
19       designee;

20                (5) the Commissioner of Housing and Community Development or  
21       designee;

1           (6) the State Treasurer or designee;

2           (7) one member, appointed by the Developmental Disabilities Housing  
3           Initiative;

4           (8) the Executive Director of the Vermont Developmental Disabilities  
5           Council;

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

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

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

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

12           (c) Powers and duties. The Committee shall create an actionable plan to  
13           develop housing for individuals with developmental disabilities that reflects  
14           the diversity of needs expressed by those individuals and their families,  
15           including individuals with high-support needs who require 24-hour care and  
16           those with specific communication needs. The plan shall include:

17           (1) a schedule for the creation of at least 600 additional units of service-  
18           supported housing;

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

21           (3) anticipated funding needs; and

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

4           (d) Assistance.

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

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

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

17          (f) Meetings.

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

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

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

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

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

9           (2) Members of the Committee who are not otherwise compensated for  
10          their time shall be entitled to per diem compensation as permitted under  
11          32 V.S.A. § 1010 for not more than six meetings. These payments shall be  
12          made from monies appropriated to the Department of Housing and Community  
13          Development for that purpose.

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

18                   \* \* \* Tax Department Housing Data Access \* \* \*

19          Sec. 7. 32 V.S.A. § 5404 is amended to read:

20          § 5404. DETERMINATION OF EDUCATION PROPERTY TAX GRAND

21                  LIST

\* \* \*

(b) Annually, on or before August 15, the clerk of a municipality, or the supervisor of an unorganized town or gore, shall transmit to the Director in an electronic or other format as prescribed by the Director: education and municipal grand list data, including exemption information and grand list abstracts; tax rates; an extract of the assessor database also referred to as a Computer Assisted Mass Appraisal (CAMA) system or Computer Assisted Mass Appraisal database; and the total amount of taxes assessed in the town or unorganized town or gore. The data transmitted shall identify each parcel by a parcel identification number assigned under a numbering system prescribed by the Director. Municipalities may continue to use existing numbering systems in addition to, but not in substitution for, the parcel identification system prescribed by the Director. If changes or additions to the grand list are made by the listers or other officials authorized to do so after such abstract has been so transmitted, such clerks shall forthwith certify the same to the Director.

\* \* \*

\* \* \* Landlord Certificate \* \* \*

Sec. 8. REPEAL; ACT 181 PROSPECTIVE LANDLORD CERTIFICATE  
CHANGES



(8) any additional information that the Commissioner determines is appropriate.

\* \* \*

~~(f) Annually on or before October 31, the Department shall prepare and make available to a member of the public upon request a database in the form of a sortable spreadsheet that contains the following information for each rental unit for which the Department received a certificate pursuant to this section:~~

~~(1) name of owner or landlord;~~

~~(2) mailing address of landlord;~~

~~(3) location of rental unit;~~

~~(4) type of rental unit;~~

~~(5) number of units in building; and~~

(6) ~~School Property Account Number.~~ Annually on or before December 15, the Department shall submit a report on the aggregated data collected under this section to the House Committee on General and Housing and the Senate Committee on Economic Development, Housing and General Affairs.

\* \* \* Land Bank Report \* \* \*

## Sec. 10. DHCD LAND BANK REPORT

(a) On or before November 1, 2026, the Department of Housing and Community Development shall issue a report to the House Committee on General and Housing and the Senate Committee on Economic Development,

1 Housing and General Affairs outlining a legal framework for implementation  
2 of a State land bank. The report shall include proposed legislative language  
3 specific to:

4 (1) the creation and ongoing administration of a statewide land bank;  
5 (2) the authorization of regional or municipal land banks; and  
6 (3) the identification of funding proposals to support the establishment  
7 and sustainability of each separate model.

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

11 (c) On or before January 15, 2026, the Department of Housing and  
12 Community Development shall provide a written update to the House  
13 Committee on General and Housing and the Senate Committee on Economic  
14 Development, Housing and General Affairs on progress made, including a  
15 preliminary assessment of the information required in the final report.

16 \* \* \* Housing and Public Accommodations Protections \* \* \*

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

18 § 4456a. RESIDENTIAL RENTAL APPLICATION FEES; PROHIBITED

19 (a) A landlord or a landlord's agent shall not charge an application fee to  
20 any individual in order to apply to enter into a rental agreement for a  
21 residential dwelling unit. This ~~section~~ subsection shall not be construed to



1 prohibit a person from charging a fee to a person in order to apply to rent  
2 commercial or nonresidential property.

3 (b)(1) In order to conduct a background or credit check, a landlord may  
4 request a Social Security number from a residential rental applicant.

5 (2) In the event an applicant does not have a Social Security number, a  
6 landlord shall accept one of the following:

7 (A) an original or a copy of any unexpired form of government-  
8 issued identification; or

9 (B) an Individual Taxpayer Identification Number.

10 Sec. 12. 9 V.S.A. § 4501 is amended to read:

11 § 4501. DEFINITIONS

12 As used in this chapter:

13 \* \* \*

14 (12)(A) “Harass” means to engage in unwelcome conduct that detracts  
15 from, undermines, or interferes with a person’s:

16 (i) use of a place of public accommodation or any of the  
17 accommodations, advantages, facilities, or privileges of a place of public  
18 accommodation because of the person’s race, creed, color, national origin,  
19 citizenship, immigration status, marital status, sex, sexual orientation, gender  
20 identity, or disability; or

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

9 \* \* \*

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

11 § 4502. PUBLIC ACCOMMODATIONS

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

18 \* \* \*

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

20 § 4503. UNFAIR HOUSING PRACTICES

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

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

9           (2) To discriminate against, or to harass, any person in the terms,  
10 conditions, privileges, and protections of the sale or rental of a dwelling or  
11 other real estate, or in the provision of services or facilities in connection with  
12 a dwelling or other real estate, because of the 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  
15 intends to occupy a dwelling with one or more minor children, or because a  
16 person is a recipient of public assistance, or because a person is a victim of  
17 abuse, sexual assault, or stalking.

18           (3) To make, print, or publish, or cause to be made, printed, or published  
19 any notice, statement, or advertisement, with respect to the sale or rental of a  
20 dwelling or other real estate that indicates any preference, limitation, or  
21 discrimination based on 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 (4) To represent to any person because of the race, sex, sexual  
7 orientation, gender identity, age, marital status, religious creed, color, national  
8 origin, citizenship, immigration status, or disability of a person, or because a  
9 person intends to occupy a dwelling with one or more minor children, or  
10 because a person is a recipient of public assistance, or because a person is a  
11 victim of abuse, sexual assault, or stalking, that any dwelling or other real  
12 estate is not available for inspection, sale, or rental when the dwelling or real  
13 estate is in fact so available.

14 \* \* \*

15 (6) To discriminate against any person in the making or purchasing of  
16 loans or providing other financial assistance for real-estate-related transactions  
17 or in the selling, brokering, or appraising of residential real property, because  
18 of the race, sex, sexual orientation, gender identity, age, marital status,  
19 religious creed, color, national origin, citizenship, immigration status, or  
20 disability of a person, or because a person intends to occupy a dwelling with

1 one or more minor children, or because a person is a recipient of public  
2 assistance, or because a person is a victim of abuse, sexual assault, or stalking.

3 (7) To engage in blockbusting practices, for profit, which may include  
4 inducing or attempting to induce a person to sell or rent a dwelling by  
5 representations regarding the entry into the neighborhood of a person or  
6 persons of a particular race, sex, sexual orientation, gender identity, age,  
7 marital status, religious creed, color, national origin, citizenship, immigration  
8 status, or disability of a person, or because a person intends to occupy a  
9 dwelling with one or more minor children, or because a person is a recipient of  
10 public assistance, or because a person is a victim of abuse, sexual assault, or  
11 stalking.

12 (8) To deny any person access to or membership or participation in any  
13 multiple listing service, real estate brokers' organization, or other service,  
14 organization, or facility relating to the business of selling or renting dwellings,  
15 or to discriminate against any person in the terms or conditions of such access,  
16 membership, or participation, on account of race, sex, sexual orientation,  
17 gender identity, age, marital status, religious creed, color, national origin,  
18 citizenship, immigration status, or disability of a person, or because a person is  
19 a recipient of public assistance, or because a person is a victim of abuse, sexual  
20 assault, or stalking.

21 \* \* \*

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

\* \* \*

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

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

**\* \* \* Housing Appeals \* \* \***

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

## § 8502. DEFINITIONS

As used in this chapter:

\* \* \*

\* \* \*

\* \* \*

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1 provided, however, that decisions of a development review board under 24  
2 V.S.A. § 4420 with respect to local Act 250 review of municipal impacts are  
3 not subject to appeal but shall serve as presumptions under chapter 151 of this  
4 title. An aggrieved person may not appeal an act or decision on a permit  
5 application filed on or before June 30, 2025.

6 \* \* \*

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

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

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

17 \* \* \*

18 (k) Limitations on appeals. Notwithstanding any other provision of this  
19 section:

20 (1) there shall be no appeal from a District Commission decision when  
21 the Commission has issued a permit and no hearing was requested or held, or



1 no motion to alter was filed following the issuance of an administrative  
2 amendment;

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

6 (3) if a District Commission issues a partial decision under subsection  
7 6086(b) of this title, any appeal of that decision must be taken within 30 days  
8 following the date of that decision; ~~and~~

9 (4) it shall be the goal of the Environmental Division to issue a decision  
10 on a case regarding an appeal of an appropriate municipal panel decision under  
11 24 V.S.A. chapter 117 within 90 days following the close of the hearing; and

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

16 \* \* \*

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

18 § 4465. APPEALS OF DECISIONS OF THE ADMINISTRATIVE OFFICER

19 (a) An interested person may appeal any decision or act taken by the  
20 administrative officer in any municipality by filing a notice of appeal with the  
21 secretary of the board of adjustment or development review board of that

1 municipality or with the clerk of that municipality if no such secretary has been  
2 elected. This notice of appeal must be filed within 15 days following the date  
3 of that decision or act, and a copy of the notice of appeal shall be filed with the  
4 administrative officer.

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

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

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

14 (3) A person owning or occupying property in the immediate  
15 neighborhood of a property that is the subject of any decision or act taken  
16 under this chapter, who can demonstrate a physical or environmental impact on  
17 the person’s interest under the criteria reviewed, and who alleges that the  
18 decision or act, if confirmed, will not be in accord with the policies, purposes,  
19 or terms of the plan or bylaw of that municipality.

20 (4) Any 20 persons who may be any combination of voters, residents, or  
21 real property owners within a municipality listed in subdivision (2) of this

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

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

14 (c) For purposes of an appeal of any act or decision by an appropriate  
15 municipal panel pursuant to subchapters 10 and 11, “interested person” shall  
16 not include subdivisions (3) and (4) of subsection (b).

17 (d) In the exercise of its functions under this section, a board of adjustment  
18 or development review board shall have the following powers, in addition to  
19 those specifically provided for elsewhere in this chapter:

20 (1) To hear and decide appeals taken under this section, including where  
21 it is alleged that an error has been committed in any order, requirement,

1 decision, or determination made by an administrative officer under this chapter  
2 in connection with the administration or enforcement of a bylaw.

3 (2) To hear and grant or deny a request for a variance under section  
4 4469 of this title.

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

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

8 \* \* \*

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

12 \* \* \* LURB Study \* \* \*

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

14 Sec. 11a. ACT 250 APPEALS STUDY

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

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

10 Sec. 25. 9 V.S.A. chapter 77 is amended to read:

11 **CHAPTER 77. SMOKE ~~DETECTORS~~ ALARMS AND CARBON**

12 **MONOXIDE ~~DETECTORS~~ ALARMS**

13 **§ 2881. DEFINITIONS**

14 As used in this chapter:

15 \* \* \*

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

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

7           § 2882. INSTALLATION

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

15          (b) Any single-family dwelling when transferred by sale or exchange shall  
16          contain ~~photoelectric-only-type~~ photoelectric-type or UL 217 compliant smoke  
17          ~~detectors~~ alarms in the vicinity of any bedrooms and on each level of the  
18          dwelling installed in accordance with the manufacturer’s instructions and one  
19          or more carbon monoxide ~~detectors~~ alarms installed in accordance with the  
20          manufacturer’s instructions. A single-family dwelling constructed before  
21          January 1, 1994 may contain smoke ~~detectors~~ alarms powered by the electrical

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

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

#### 11 § 2883. REQUIREMENTS FOR TRANSFER OF DWELLING

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

18 (b) If the buyer notifies the seller within 10 days by certified mail from the  
19 date of conveyance of the dwelling that the dwelling lacks any ~~photoelectric-~~  
20 ~~only-type~~ photoelectric-type or UL 217 compliant smoke ~~detectors~~ alarms, or  
21 any carbon monoxide ~~detectors~~ alarms, or that any ~~detector~~ alarm is not

operable, the seller shall comply with this chapter within 10 days after notification.

\* \* \*

Sec. 26. 20 V.S.A. § 2731 is amended to read:

§ 2731. RULES; INSPECTIONS; VARIANCES

\* \* \*

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

\* \* \*

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

Sec. 27. POSITIVE RENTAL PAYMENT CREDIT REPORTING PILOT

(a) Definitions. As used in this section:

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

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

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

4           (4) “Participant tenant” means a tenant that has elected to participate in  
5           the pilot program and whose landlord is a participant property owner.

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

10           (b) Pilot program creation.

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

15           (2) On or before May 1, 2026, the State Treasurer shall contract with a  
16           third party to administer a positive rental payment pilot program and facilitate  
17           the transmission of rent reporting information from a participant property  
18           owner to a consumer reporting agency. The third-party administrator shall be  
19           required to:

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

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

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

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

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

19           (c) Program agreements. A participant property owner shall agree in  
20           writing:

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

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

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

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

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

8           (d) Program participants. On or before June 1, 2026, the Contractor shall,  
9           in coordination with the State Treasurer, recruit no more than 10 participant  
10           property owners and, to the extent practicable, not less than 100 participant  
11           tenants, to participate in the pilot program. The Contractor shall seek to select  
12           participant tenants from populations that are under-served and under-  
13           represented in home ownership. The Contractor shall also seek to recruit  
14           participant landlords who offer:

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

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

19           (3) at least five dwelling units for rent.

20           (e) Termination. The State Treasurer may terminate the pilot program at  
21           any time in the Treasurer's sole discretion or terminate participation of a



1 participant property owner for failure to comply with the requirements of the  
2 program.

3 (f) Reports.

4 (1) On or before November 1, 2027, the State Treasurer shall submit an  
5 interim report to the Senate Committee on Economic Development, Housing  
6 and General Affairs and the House Committee on General and Housing  
7 regarding the findings of the pilot program. The report shall include:

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

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

13 (C) the number of participant tenants who were removed from the  
14 program and for what purpose;

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

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

19 (F) an analysis of the outcomes of rent reporting on participant  
20 tenant's credit scores; and

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

3           (2) On or before November 1, 2028, the State Treasurer shall submit a  
4           final report to the Senate Committee on Economic Development, Housing and  
5           General Affairs and the House Committee on General and Housing regarding  
6           the findings of the pilot program. The report shall include an update to the  
7           information required in the interim report.

8                                 \* \* \* Tax Increment Financing \* \* \*

9           Sec. 28. 24 V.S.A. chapter 53, subchapter 7 is added to read:

10                   Subchapter 7. Community and Housing Infrastructure Program

11           § 1906. DEFINITIONS

12           As used in this subchapter:

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

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

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

20           (4) “Financing” means debt, including principal, interest, and any fees  
21           or charges directly related to that debt, incurred by a sponsor, or other

1 instruments or borrowing used by a sponsor, to pay for a housing infrastructure  
2 project and, in the case of a sponsor that is a municipality, authorized by the  
3 municipality pursuant to section 1910a of this subchapter.

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

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

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

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

15 (9) “Improvements” means:

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

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

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

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

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

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

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

5           § 1907. PURPOSE

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

9           § 1908. CREATION OF HOUSING INFRASTRUCTURE PROJECT AND  
10           HOUSING DEVELOPMENT SITE

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

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

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

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

21                           (B) identification of a sponsor;

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

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

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

7           (F) a development schedule that includes a list, a cost estimate, and a  
8           schedule for the proposed housing infrastructure project and the proposed  
9           housing development;

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

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

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

19          (c) The creation of a housing development site shall occur at 12:01 a.m. on  
20          April 1 of the calendar year in which the Vermont Economic Progress Council

1 approves the use of tax increment financing for the housing infrastructure  
2 project pursuant to section 1910 of this subchapter.

3 § 1909. HOUSING INFRASTRUCTURE AGREEMENT

4 (a) The housing infrastructure agreement for a housing infrastructure  
5 project shall:

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

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

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

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

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

1     § 1910. HOUSING INFRASTRUCTURE PROJECT APPLICATION;

2             VERMONT ECONOMIC PROGRESS COUNCIL

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

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

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

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

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

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

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



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

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

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

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

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

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

1        (f) Tax increment financing plan. The Vermont Economic Progress  
2        Council shall approve a municipality's tax increment financing plan prior to a  
3        sponsor's incurrence of debt for the housing infrastructure project, including, if  
4        the sponsor is a municipality, prior to a public vote to pledge the credit of the  
5        municipality under section 1910a of this subchapter. The tax increment  
6        financing plan shall include:

- 7                (1) a statement of costs and sources of revenue;  
8                (2) estimates of assessed values within the housing development site;  
9                (3) the portion of those assessed values to be applied to the housing  
10        infrastructure project;  
11                (4) the resulting tax increments in each year of the financial plan;  
12                (5) the amount of bonded indebtedness or other financing to be incurred;  
13                (6) other sources of financing and anticipated revenues; and  
14                (7) the duration of the financial plan.

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. Any direct  
16 payment shall be subject to the same public vote provisions of section 1910a of  
17 this subchapter as apply to debt.

18 (b) Education property tax increment. Up to 80 percent of the education  
19 property tax increment may be retained for up to 20 years, beginning the first  
20 year in which debt is incurred for the housing infrastructure project. Upon  
21 incurring the first debt, a municipality shall notify the Department of Taxes

1 and the Vermont Economic Progress Council of the beginning of the retention  
2 period of the education property tax increment.

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

6 (d) Excess tax increment.

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

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

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

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

16 (2) Any remaining portion of the excess education property tax  
17 increment shall be distributed to the Education Fund. Any remaining portion  
18 of the excess municipal property tax increment shall be distributed to the city,  
19 town, or village budget in the proportion that each budget bears to the  
20 combined total of the budgets unless otherwise negotiated by the city, town, or  
21 village.

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



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

(1) the date of approval;

(2) a description of the housing infrastructure project;

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

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

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

(6) projected and actual incremental revenue amounts;

(7) the allocation of incremental revenue; and

(8) projected and actual financing.

(c) On or before January 15, 2035, the Vermont Economic Progress Council shall submit a report to the Senate Committees on Economic Development, Housing and General Affairs and on Finance and the House Committees on Commerce and Economic Development and on Ways and

1 Means evaluating the success of the Community and Housing Infrastructure  
2 Program in achieving its purpose, as stated in section 1907 of this chapter,  
3 including by identifying the amount and kinds of housing produced through  
4 the Program and by determining whether housing development pursued  
5 through the Program meets the project criterion and location criteria of section  
6 1910 of this chapter.

7 § 1910e. AUDITING

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

19 § 1910f. GUIDANCE

20 (a) The Secretary of Commerce and Community Development, after  
21 reasonable notice to a municipality and an opportunity for a hearing, may issue

1 decisions to a municipality on questions and inquiries concerning the  
2 administration of housing infrastructure projects, statutes, rules,  
3 noncompliance with this subchapter, and any instances of noncompliance  
4 identified in audit reports conducted pursuant to section 1910e of this  
5 subchapter.

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

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

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

§ 3325. VERMONT ECONOMIC PROGRESS COUNCIL

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

\* \* \*

VT LEG #383089 v.4

\* \* \* Effective Dates \* \* \*

Sec. 30. EFFECTIVE DATES

This act shall take effect on July 1, 2025, except that Sec. 4 (Rental Housing  
Revolving Loan Program), Sec. 8 (repeal, Act 181 prospective landlord  
certificate changes), and this section shall take effect on passage.

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

\_\_\_\_\_

Senator \_\_\_\_\_

FOR THE COMMITTEE