

Testimony on H.772
An Act relating to Rental Agreements
Vermont Association of Realtors®

The Vermont Association of Realtors® has 2000 members across our state. We have many members who are landlords and more members who work for landlords as property managers. We view landlords as “Housing Suppliers” addressing a critical need for housing in our state. Many landlords are small business owners, mom and pops that own a duplex or a triplex to build their families assets while providing housing for their community.

Ultimately, increasing Housing Supply is the solution to our housing challenges and we appreciate the work of this committee over the years enacting Act 47 the HOME Act, housing exemptions in Act 181 especially the interim exemptions that have proven to boost rental housing and Act 69 creating the Community Housing Infrastructure Program.

Goal of H.772 is to reduce timing to resolve landlord tenant issues. However, because of the level of confidence in the post office, the first thing this bill does is add 2 days to the rebuttable notice element.

Page 3 line 4 Subchapter 2 regarding Residential Rental Agreements allows landlords to charge for Background and Credit Checks. We learned in House General that if the tenant pulls a credit report it is a soft pull, if the landlord generates a credit report it will be a hard pull of credit. While this may initially not impact the tenants credit rating, if reports are pulled on multiple 90 day timeframes it may have an impact over time. We suggest a period after applicant page 4 line 5 and adding “The tenant or applicant may provide a current credit report ... “

Page 7 line 14 4467 Termination of Tenancy.
We appreciate the tightening of notice to 10 days plus the 5 day mail requirement. Current law is 3 day mail and 14 day notice total 17 so we pick up two days.

(b) page 8 line 4 Termination for breach of rental agreement. This is the heart of the bill.

Yesterday I participated in a forum of Realtor® Government Affairs Directors from across the county called the National Association of Realtors® Rent Control Roundtable. I was happy to report that we have no rent control in this bill, however they were quick to point out that this is Just Cause language

This is Just Cause, Call it what you want but at the end of the day this puts into place Just Cause reasons for termination of tenancy.

So I researched all causes which are:

- **Nonpayment of Rent**: The most common reason, usually requiring a formal notice period allowing the tenant to pay.
- **Violation of Lease Terms**: Breaking specific rules in the lease, such as subletting without permission, violating "no smoking" policies, or exceeding occupancy limits.
- Refusal to allow landlord access to unit.
- **Illegal Activity**: Engaging in criminal acts on the premises, including drug trafficking, violent acts, or illegal firearm possession.
- **Damage to Property**: Causing significant damage to the unit that goes beyond ordinary wear and tear.
- **Nuisance or Safety Violations**: Creating excessive noise, endangering neighbors, or maintaining unsafe/unsanitary conditions.
- **Holdover Tenant**: Refusing to move out after the lease term has expired.

Page 8 line 16 eliminates “criminal or illegal drug activity” as a cause, does this protect other tenants? This is a big departure from current law,

Reducing the timeframe for termination for threat to health and safety from 14 days to 5 is a real change to protect other tenants in the building.

Our real concerns regard termination under (d) page 11 is Termination when a property is sold or repurposed. This contemplates 4 reasons for the landlord to terminate. They are:

1. Sale of the Building
2. Landlord or family reoccupying
3. Withdrawal from rental market
4. Significant renovation If a landlord is dealing with Lead Paint, they will need to work on the building tenant free

Because Banks will generally only lock financing for 30 days, we encourage the committee to keep the 30 day notice already in statute.

Page 12 line 17 (g) conversion to condominium, existing statute is very detailed and protects the rights of the tenant.

Page 14 line 13 (l) Affirmative Defense requiring a safety code violation issued by Health and Safety to the landlord and their failure to address is the correct way to define the affirmative defense language.

Page 18 line 15 deletes “partial payment from the court’s options, Since 90% + of eviction proceedings are for non payment of rent, partial payment should not be an option.

Page 19 (g) we understand that this is not a commonly used option

Page 19 (i) gives the parties the opportunity to agree on how rent is paid into court and to negotiate a solution to the ejectment action.

Page 26 Positive Rental Payment Pilot Program we agree with Senator Brock. If positive rent payments go to the credit reporting agencies, then failure to do so should be reported as well by adding:

Page 27 line 18 (C) and report to credit agencies.



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In closing, our Government Affairs Committee has one overarching concern regarding the sale of a property and the need to keep the 30 days' notice already in statute.

Respectfully,

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