

1 TO THE HONORABLE SENATE:

2 The Committee on Judiciary to which was referred House Bill No. 772
3 entitled “An act relating to residential rental agreements, eviction procedures,
4 and the creation of the positive rental payment credit reporting pilot program”
5 respectfully reports that it has considered the same and recommends that the
6 Senate propose to the House that the bill be amended by striking out all after
7 the enacting clause and inserting in lieu thereof the following:

8 * * * Residential Rental Agreements * * *

9 Sec. 1. 9 V.S.A. chapter 137 is amended to read:

10 CHAPTER 137. RESIDENTIAL RENTAL AGREEMENTS

11 Subchapter 1. General

12 § 4451. DEFINITIONS

13 As used in this chapter:

14 * * *

15 (11) “Domestic abuse” has the same meaning as abuse in 15 V.S.A.

16 § 1101(1).

17 (12) “Protected tenant” has the same meaning as in section 4471 of this
18 title.

19 (13) “Sexual assault” has the same meaning as in 12 V.S.A. § 5131(5).

20 (14) “Stalking” has the same meaning as in 12 V.S.A. § 5131(6).

21 * * *

1 § 4461. SECURITY DEPOSITS

2 (a)(1) A security deposit is any advance, deposit, or prepaid rent, however
3 named, which is refundable to the tenant at the termination or expiration of the
4 tenancy. The function of a security deposit is to secure the performance of a
5 tenant’s obligations to pay rent and to maintain a dwelling unit.

6 (2) A landlord shall not charge for or receive a security deposit
7 exceeding an amount equal to two months’ rent, in addition to any rent for the
8 first month paid on or before initial occupancy.

9 (3) Subject to the requirements of this section, a landlord may charge a
10 separate security deposit in addition to the amount authorized in subdivision
11 (2) of this subsection as a condition for allowing the tenant to have a pet or
12 pets during the rental period. A landlord shall not charge any amount under
13 this subdivision for any animal that mitigates a disability.

14 * * *

15 (c)(1) A landlord shall return the security deposit along with a written
16 statement itemizing any deductions to a tenant within 14 days ~~from~~ after the
17 date on which the landlord discovers that the tenant vacated or abandoned the
18 dwelling unit or the date the tenant vacated the dwelling unit, provided the
19 landlord received notice from the tenant of that date. In the case of the
20 seasonal occupancy and rental of a dwelling unit not intended as a primary

1 residence, the security deposit and written statement shall be returned within
2 60 days.

3 (2) If a landlord terminates a tenancy under subsection 4467(d) or (e) of
4 this title and at the request of the tenant, the landlord shall return one-half of
5 the security deposit, subject to any deductions authorized by subsection (b) of
6 this section, along with a written statement itemizing any deductions to the
7 tenant not later than 45 days before the date in the termination notice.

8 * * *

9 (e) If a landlord fails to return the security deposit with a statement within
10 ~~14 days~~ the timeframes outlined in subsection (c) of this section, the landlord
11 forfeits the right to withhold any portion of the security deposit. If the failure
12 is willful, the landlord shall be liable for double the amount wrongfully
13 withheld, plus reasonable attorney's fees and costs.

14 * * *

15 (g)(1) A town or municipality may adopt an ordinance governing security
16 deposits on dwellings. The ordinance shall be supplemental to and not
17 inconsistent with the minimum protections of the provisions of this section.

18 (2) The ordinance ~~may~~ shall not limit how a security deposit is held.

19 (3) The ordinance may:

1 overdose as provided in 18 V.S.A. § 4254 and evidence obtained from the
2 good faith request for medical assistance for a drug overdose shall not be used
3 in an ejectment action brought under 12 V.S.A. chapter 169.

4 (4)(A) A landlord shall not terminate a rental agreement of a protected
5 tenant under this subsection (b) because of an incident or pattern of domestic
6 abuse, sexual assault, or stalking.

7 (B) A protected tenant may request to bifurcate the rental agreement
8 as authorized in section 4472a of this title.

9 * * *

10 Sec. 1a. 9 V.S.A. § 4472a is added to read:

11 § 4472a. RIGHT TO BIFURCATION OF A RENTAL AGREEMENT

12 (a)(1) Notwithstanding a contrary provision of a rental agreement or of
13 subchapter 2 of this chapter, a landlord may approve a protected tenant's
14 written request to bifurcate a rental agreement in order to eject, remove, or
15 terminate a rental agreement with any individual who is a tenant or lawful
16 occupant of the dwelling unit that engages in abuse, sexual assault, or stalking,
17 against the protected tenant without ejecting, removing, or terminating the
18 rental agreement with the protected tenant.

19 (2) If the protected tenant includes with a written request to bifurcate the
20 rental agreement a copy of a court order that requires the perpetrator to leave
21 the premises, a landlord shall bifurcate a rental agreement in order to eject,

1 remove, or terminate a rental agreement to any individual who is a tenant or
2 lawful occupant of the dwelling unit that engages in abuse, sexual assault, or
3 stalking against the protected tenant without ejecting, removing, or terminating
4 the rental agreement with the protected tenant.

5 (3) Nothing in this subsection shall be construed to require that a
6 protected tenant submit documentation of the status of the protected tenant as a
7 victim of domestic violence, sexual assault, or stalking in order to request to
8 bifurcate a rental agreement under this section.

9 (b)(1) In the event the bifurcation and removal of an individual under
10 subsection (a) of this section results in the protected tenant being unable to
11 cover the rent of the dwelling unit, the landlord shall provide the protected
12 tenant with a reasonable opportunity to locate additional tenants or to
13 otherwise find new housing.

14 (2) A reasonable opportunity under this section shall be not less than 90
15 days.

16 * * * Ejectment * * *

17 Sec. 2. [Deleted.]

18 Sec. 3. 12 V.S.A. chapter 169 is amended to read:

19 CHAPTER 169. EJECTMENT

20 * * *

21 Subchapter 3. Superior Court Ejectment

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§ 4853a. PAYMENT OF RENT INTO COURT; EXPEDITED HEARING

~~{Subsection (a) as amended by 2007, Act No. 125 (Adj. Sess.), § 1.}~~

~~(a) In any action against a tenant for possession, the landlord may file a motion for an order that the tenant pay rent into court. The motion may be filed and served with the complaint or at any time after the complaint has been filed. The motion shall be accompanied by affidavit setting forth particular facts in support of the motion.~~

~~{Subsection (a) as amended by 2007, Act No. 176 (Adj. Sess.), § 51.}~~

(a) In any action against a tenant for possession brought in accordance with this chapter, 9 V.S.A. chapter 137, 10 V.S.A. chapter 153, or 11 V.S.A. chapter 14, the landlord may file a motion for an order that the tenant pay rent into court. The motion may be filed and served with the complaint or at any time after the complaint has been filed. The motion shall be accompanied by affidavit setting forth particular facts in support of the motion.

* * *

§ 4854a. PROPERTY OF TENANT REMAINING ON PREMISES AFTER
EVICITION

(a) A landlord may dispose of any personal property remaining in a dwelling unit or leased premises without notice or liability to the tenant or owner of the personal property:

1 or licensees from entering the dwelling unit’s common areas if the invitee or
2 licensee subject to the order has violated the terms of the lease agreement.

3 Sec. 5. 13 V.S.A. § 3705 is amended to read:

4 § 3705. UNLAWFUL TRESPASS

5 (a)(1) A person shall be imprisoned for not more than three months or fined
6 not more than \$500.00, or both, if, without legal authority or the consent of the
7 person in lawful possession, the person enters or remains on any land or in any
8 place as to which notice against trespass is given by:

9 * * *

10 (g)(1) Notwithstanding subsection (a) of this section or any provision of
11 law to the contrary, a landlord of a dwelling unit may cause to be served an
12 order against trespass that prohibits a tenant’s invitees or licensees from
13 trespassing in the dwelling unit or any of the dwelling unit’s common areas if:

14 (A) the tenant responsible for the invitee or licensee consents to the
15 order;

16 (B) the invitee or licensee subject to the order has violated the terms
17 of the dwelling unit’s lease agreement;

18 (C) the invitee or licensee has violated a State or federal law while on
19 the premises of the dwelling unit; or

1 (D) the invitee or licensee has previously been ejected from a
2 dwelling unit on the premises under 12 V.S.A. chapter 169 due to a
3 termination of a rental agreement under 9 V.S.A. § 4467(b).

4 (2) Consent required under subdivision (1)(A) of this subsection shall be
5 provided on an individualized basis. It shall be against the public policy of this
6 State for a tenant to provide blanket consent under subdivision (1)(A) for all
7 invitees or licensees, and any provision of a rental agreement that provides
8 blanket consent from a tenant shall be void and unenforceable.

9 (3) An order against trespass served under this subsection shall be
10 enforceable for one year from the date of the order being served. The order
11 may be renewed for subsequent one-year periods if the landlord causes to be
12 served a new order.

13 (4) As used in this subsection:

14 (A) “Dwelling unit” means a building or the part of a building that is
15 used as a home, residence, or sleeping place by one or more persons who
16 maintain a household.

17 (B) “Premises” means a dwelling unit; its appurtenances and the
18 building; and the grounds, areas, and facilities held out for the use of tenants
19 generally or whose use is promised to the tenant.

20 (C) “Tenant” means a person entitled under a rental agreement to
21 occupy a residential dwelling unit to the exclusion of others.

1 Sec. 6. [Deleted.]

2 * * * Positive Rental Payment Pilot Program * * *

3 Sec. 7. POSITIVE RENTAL PAYMENT CREDIT REPORTING PILOT

4 (a) Definitions. As used in this section:

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

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

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

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

13 (5) “Rental payment information” means information concerning a
14 participant tenant’s timely payment of rent. “Rent payment information” does
15 not include information concerning a participant tenant’s payment or
16 nonpayment of fees.

17 (b) Pilot program creation.

18 (1) The State Treasurer shall create and implement a two-year positive
19 rental payment credit reporting pilot program to facilitate the reporting of rent
20 payment information from participant tenants to consumer reporting agencies.

1 (2) On or before May 1, 2027, the State Treasurer shall contract with a
2 third party to administer a positive rental payment credit reporting pilot
3 program and facilitate the transmission of rent reporting information from a
4 participant property owner to a consumer reporting agency. The third-party
5 administrator shall be required to:

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

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

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

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

1 (E) offer an optional financial education course for participant
2 tenants.

3 (c) Pilot program agreements. A participant property owner shall agree in
4 writing:

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

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

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

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

12 (5) to assist in the recruitment of tenants to participate in the pilot
13 program.

14 (d) Pilot program participants. On or before June 1, 2027, the contractor
15 shall, in coordination with the State Treasurer, recruit not more than 10
16 participant property owners and, to the extent practicable, not fewer than 100
17 participant tenants to participate in the pilot program. The contractor shall
18 seek to select participant tenants from populations that are underserved and
19 underrepresented in home ownership. The contractor shall also seek to recruit
20 participant landlords who offer:

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

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

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

6 (e) Termination. The State Treasurer may terminate the pilot program at
7 any time in the Treasurer’s sole discretion or terminate participation of a
8 participant property owner for failure to comply with the requirements of the
9 pilot program.

10 (f) Reports.

11 (1) On or before November 1, 2028, the State Treasurer shall submit an
12 interim report to the House Committee on General and Housing and the Senate
13 Committee on Economic Development, Housing and General Affairs regarding
14 the findings of the pilot program. The report shall include:

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

18 (B) the number of participant tenants who ceased participating in the
19 pilot program voluntarily;

20 (C) the number of participant tenants who were removed from the
21 pilot program and the reasons why;

1 (D) a breakdown of costs of administering the pilot program,
2 including the monthly costs associated with rent reporting;

3 (E) a description of challenges faced by the participant property
4 owners and participant tenants during the pilot program;

5 (F) an analysis of the outcomes of rent reporting on participant
6 tenants' credit scores; and

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

9 (2) On or before November 1, 2029, the State Treasurer shall submit a
10 final report to the House Committee on General and Housing and the Senate
11 Committee on Economic Development, Housing and General Affairs regarding
12 the findings of the pilot program. The report shall include an update to the
13 information required in the interim report.

14 (g) Appropriation contingency. The duty to implement this section is
15 contingent upon an appropriation of funds in fiscal year 2027 from the General
16 Fund for the specific purposes described in this section.

17 * * * Residential Security Deposit Transition Period * * *

18 Sec. 8. SECURITY DEPOSIT; TRANSITION PERIOD

19 Notwithstanding 9 V.S.A. § 4461(a), a landlord may maintain a security
20 deposit that exceeds an amount equal to two months' rent, provided that the
21 residential rental agreement was in effect prior to July 1, 2026. Upon the

1 termination of the rental agreement, the landlord shall return the security
2 deposit in compliance with the requirements of 9 V.S.A. § 4461.

3 * * * Technical Training * * *

4 Sec. 9. LANDLORD AND TENANT EDUCATION AND TECHNICAL
5 ASSISTANCE PROGRAM

6 (a) The Champlain Valley Office of Economic Opportunity (CVOEO) shall
7 provide education and technical assistance to Vermont landlords and tenants
8 regarding their rights, obligations, and remedies for statutory violations under
9 Vermont rental statutes.

10 (b)(1) Training for tenants shall include training under the Preferred Renter
11 Certification Program or its future equivalent.

12 (2) For landlords, CVOEO shall develop a curriculum to address any
13 resource and information gaps to increase positive interactions with tenants
14 and improve renter household stability.

15 (c) Assistance under this program shall include in-person, virtual, and on-
16 demand options.

17 (d) The duty to implement this section is contingent upon an appropriation
18 of funds in fiscal year 2027 from the General Fund for the specific purposes
19 described in this section.

20 Sec. 10. [Deleted.]

1 (3) whether current State facilities have the capacity to support a
2 dedicated housing docket statewide and whether new or expanded facilities
3 would be required or whether current technical capacities within the Judiciary
4 can handle the virtual statewide implementation of a centralized housing
5 docket; and

6 (4) any other matter deemed relevant to the issue of implementing a
7 statewide housing docket.

8 (b) The report shall include information on the legal issues to consider in
9 requiring an expedited hearing for ejectment actions brought due to a
10 termination of a residential rental agreement under 9 V.S.A. § 4467(b)(2),
11 including:

12 (1) how the court could determine that a tenant is an ongoing threat to
13 the health and safety of others if that were to be a condition upon which an
14 expedited ejectment hearing would be allowed;

15 (2) at what point in the ejectment process the 21-day timeline for an
16 expedited hearing should begin;

17 (3) any legal issues with including damage to the dwelling unit under 9
18 V.S.A. § 4467(b)(2) subject to an expedited ejectment hearing and how the
19 court would determine that damage to the dwelling unit is a threat to the health
20 and safety of others; and

