

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 (C) the ability and desire of landlords to house eligible households;

2 (D) the support services available for landlords; and

3 (E) the prior uptake and success rates for participating landlords.

4 (3) The Department shall coordinate with the local Coordinated Entry
5 Lead Agencies and HomeOwnership Centers to direct referrals for those
6 individuals or families prioritized to be housed pursuant to the five-year grants
7 or forgivable loans.

8 (4) Funds from the set aside not utilized after nine months shall become
9 available for 10-year forgivable loans.

10 (5) The Department shall annually publish the amount of the set aside
11 on its website.

12 * * *

13 (i) Creation of the Vermont Rental Housing Improvement Program Fund.
14 Funds repaid or returned to the Department from forgivable loans or grants
15 funded by the Program shall return to the Vermont Rental Housing
16 Improvement Program Fund to be used for Program expenditures and
17 administrative costs at the discretion of the Department.

(j) Annual report. Annually, the Department shall submit a report to the
House Committees on Human Services and on General and Housing and the
Senate Committee on Economic Development, Housing and General Affairs
regarding the following:

(1) separately, the number of units funded and the number of units rehabilitated through grants, through a five-year forgivable loan, and through a 10-year forgivable loan;

(2) for grants and five-year forgivable loans, for the first year after the expiration of the lease requirements outlined in subdivision (e)(2)(A) of this section, whether the unit is still occupied by a tenant who meets the qualifications of that subdivision;

(3) for each program, for the first year after the expiration of the applicable lease requirements outlined in this section, the amount of rent charged by the landlord and how that rent compares to fair market rent established by the Department of Housing and Urban Development; and

(4) the rate of turnover for tenants housed utilizing grants or five-year forgivable loans and 10-year forgivable loans separately.

* * * MHIR * * *

Sec. 2. 10 V.S.A. § 700 is added to read:

§ 700. VERMONT MANUFACTURED HOME IMPROVEMENT AND
REPAIR PROGRAM

(a) There is created within the Department of Housing and Community Development the Manufactured Home Improvement and Repair Program. The Department shall design and implement the Program to award funding to statewide or regional nonprofit housing organizations, or both, to provide

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;

(6) the necessary security for the loan or bond; and

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

(h) Revolving fund.

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

Fund shall be deposited into the Fund and used to continue the program

established in this section.

(2) The Bank may use the funds in conjunction with other Bank

programs to accomplish the policy objectives outlined in this section.

* * * VHFA Rental Housing Revolving Loan Program * * *

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

Sec. 38. RENTAL HOUSING REVOLVING LOAN PROGRAM

(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.

(b) Loans; eligibility; criteria.

* * *

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

(A) a subsidized unit remains affordable to a household earning the applicable percent of area median income for the longer of:

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

9 Sec. 5. STATE HOUSING AND RESIDENTIAL SERVICES PLANNING

10 COMMITTEE; REPORT

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

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

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

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

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

1 (4) the Commissioner of Disabilities, Aging, and Independent Living or
2 designee;

3 (5) the Commissioner of Housing and Community Development or
4 designee;

5 (6) the State Treasurer or designee;

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

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

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

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

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

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

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

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

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

5 (3) anticipated funding needs; and

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

9 (d) Assistance.

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

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

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

1 (f) Meetings.

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

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

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

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

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

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

19 (h) Intent to appropriate. Notwithstanding subsection (g)(2) of this section,
20 per diems for the cost of attending meetings shall only be available in the event

1 an appropriation is made in fiscal year 2026 from the General Fund to the
2 Department of Housing and Community Development for that purpose.

3 * * * Tax Department Housing Data Access * * *

4 Sec. 6. 32 V.S.A. § 5404 is amended to read:

5 § 5404. DETERMINATION OF EDUCATION PROPERTY TAX GRAND
6 LIST

7 * * *

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

* * *

* * * Landlord Certificate * * *

Sec. 7. REPEAL; ACT 181 PROSPECTIVE LANDLORD CERTIFICATE
CHANGES

2024 Acts and Resolves No. 181, Secs. 98 (landlord certificate
amendments) and 114(5) (effective date of landlord certificate amendments)
are repealed.

Sec. 8. 32 V.S.A. § 6069 is amended to read:

§ 6069. LANDLORD CERTIFICATE

* * *

(b) The owner of each rental property shall, on or before January 31 of each
year, furnish a certificate of rent to the Department of Taxes.

(c) A certificate under this section shall be in a form prescribed by the
Commissioner and shall include the following:

(1) the name of the each renter;

(2) the address and any property tax parcel identification number of the
homestead, the information required under subsection (f) of this section, the
School Property Account Number of the rental property;

(3) the name of the owner or landlord of the rental property;

(4) the phone number, email address, and mailing address of the owner
or landlord of the rental property, as available;

6 * * *

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

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

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

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

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

20 * * * Land Bank Report * * *

VT LEG #383089 v.5

1 (a) On or before November 1, 2026, the Department of Housing and
2 Community Development shall issue a report to the House Committee on
3 General and Housing and the Senate Committee on Economic Development,
4 Housing and General Affairs outlining a legal framework for implementation
5 of a State land bank. The report shall include proposed legislative language
6 specific to:

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

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

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

19 * * * Housing and Public Accommodations Protections * * *

20 Sec. 10. 9 V.S.A. § 4456a is amended to read:

21 § 4456a. RESIDENTIAL RENTAL APPLICATION ~~FEES; PROHIBITED~~

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

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

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

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

(B) an Individual Taxpayer Identification Number.

Sec. 11. 9 V.S.A. § 4501 is amended to read:

§ 4501. DEFINITIONS

As used in this chapter:

* * *

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

(i) use of a place of public accommodation or any of the accommodations, advantages, facilities, or privileges of a place of public accommodation because of the person's race, creed, color, national origin,

1 citizenship, immigration status, marital status, sex, sexual orientation, gender
2 identity, or disability; or

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

11 * * *

12 Sec. 12. 9 V.S.A. § 4502 is amended to read:

13 § 4502. PUBLIC ACCOMMODATIONS

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

20 * * *

21 Sec. 13. 9 V.S.A. § 4503 is amended to read:

§ 4503. UNFAIR HOUSING PRACTICES

(a) It shall be unlawful for any person:

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

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

(3) To make, print, or publish, or cause to be made, printed, or published any notice, statement, or advertisement, with respect to the sale or rental of a

1 dwelling or other real estate that indicates any preference, limitation, or
2 discrimination based on race, sex, sexual orientation, gender identity, age,
3 marital status, religious creed, color, national origin, citizenship, immigration
4 status, or disability of a person, or because a person intends to occupy a
5 dwelling with one or more minor children, or because a person is a recipient of
6 public assistance, or because a person is a victim of abuse, sexual assault, or
7 stalking.

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

16 * * *

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

1 disability of a person, or because a person intends to occupy a dwelling with
2 one or more minor children, or because a person is a recipient of public
3 assistance, or because a person is a victim of abuse, sexual assault, or stalking.

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

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

* * *

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

§ 8502. DEFINITIONS

As used in this chapter:

* * *

(7) “Person aggrieved” means a person who alleges an injury to a particularized interest protected by the provisions of law listed in section 8503 of this title, attributable to an act or decision by a district coordinator, District Commission, the Secretary, an appropriate municipal panel, or the Environmental Division that can be redressed by the Environmental Division or the Supreme Court. For purposes of appeals pursuant to 24 V.S.A. chapter 117, the injury alleged shall be to a particularized interest protected by 24 V.S.A. § 4302(c).

* * *

(9) “Appropriate municipal panel” has the same meaning as 24 V.S.A. § 4303(3).

Sec. 15. 10 V.S.A. § 8504 is amended to read:

§ 8504. APPEALS TO THE ENVIRONMENTAL DIVISION

* * *

(b) Planning and zoning chapter appeals.

(1) Within 30 days ~~of~~ following the date of the act or decision, an interested person, as defined in 24 V.S.A. § 4465, or a person aggrieved owning or occupying property in the immediate neighborhood of a property that is the subject of the decision or act, who has participated as defined in 24 V.S.A. § 4471 in the municipal regulatory proceeding under that chapter may

1 appeal to the Environmental Division an act or decision made under that
2 chapter by ~~a board of adjustment, a planning commission, or a development~~
3 ~~review board~~ the appropriate municipal panel; provided, however, that
4 decisions of a development review board under 24 V.S.A. § 4420 with respect
5 to local Act 250 review of municipal impacts are not subject to appeal but shall
6 serve as presumptions under chapter 151 of this title. An aggrieved person
7 shall not appeal an act or decision on a permit application filed on or before
8 June 30, 2025.

9 * * *

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

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

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

20 * * *

1 (k) Limitations on appeals. Notwithstanding any other provision of this
2 section:

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

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

10 (3) if a District Commission issues a partial decision under subsection
11 6086(b) of this title, any appeal of that decision must be taken within 30 days
12 following the date of that decision; ~~and~~

13 (4) it shall be the goal of the Environmental Division to issue a decision
14 on a case regarding an appeal of an appropriate municipal panel decision under
15 24 V.S.A. chapter 117 within 90 days following the close of the hearing; and

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

20 * * *

1 Sec. 16. 24 V.S.A. § 4465 is amended to read:

2 § 4465. APPEALS OF DECISIONS OF THE ADMINISTRATIVE OFFICER

3 (a) An interested person may appeal any decision or act taken by the
4 administrative officer in any municipality by filing a notice of appeal with the
5 secretary of the board of adjustment or development review board of that
6 municipality or with the clerk of that municipality if no such secretary has been
7 elected. This notice of appeal must be filed within 15 days following the date
8 of that decision or act, and a copy of the notice of appeal shall be filed with the
9 administrative officer.

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

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

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

19 (3) A person owning or occupying property in the immediate
20 neighborhood of a property that is the subject of any decision or act taken
21 under this chapter, who can demonstrate a particularized physical or

1 environmental ~~impact on~~ injury to the person's interest under the criteria
2 reviewed, and who alleges that the decision or act, if confirmed, will not be in
3 accord with the policies, purposes, or terms of the plan or bylaw of that
4 municipality.

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

16 (5) Any department and administrative subdivision of this State owning
17 property or any interest in property within a municipality listed in subdivision
18 (2) of this subsection, and the Agency of Commerce and Community
19 Development of this State.

1 (c) For purposes of an appeal of any act or decision by an appropriate
2 municipal panel pursuant to subchapters 10 and 11, “interested person” shall
3 not include subdivision (b)(4) of this section.

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

7 (1) To hear and decide appeals taken under this section, including where
8 it is alleged that an error has been committed in any order, requirement,
9 decision, or determination made by an administrative officer under this chapter
10 in connection with the administration or enforcement of a bylaw.

11 (2) To hear and grant or deny a request for a variance under section
12 4469 of this title.

13 Sec. 17. 24 V.S.A. § 4441 is amended to read:

14 § 4441. PREPARATION OF BYLAWS AND REGULATORY TOOLS;
15 AMENDMENT OR REPEAL

16 * * *

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

20 * * * LURB Study * * *

21 Sec. 18. 2024 Acts and Resolves No. 181, Sec. 11a is amended to read:

1 Sec. 11a. ACT 250 APPEALS STUDY

2 (a) On or before ~~January 15, 2026~~ November 15, 2025, the Land Use
3 Review Board shall issue a report evaluating whether to transfer appeals of
4 permit decisions and jurisdictional opinions issued pursuant to 10 V.S.A.
5 chapter 151 to the Land Use Review Board or whether they should remain at
6 the Environmental Division of the Superior Court. The Board shall convene a
7 stakeholder group that at a minimum shall be composed of a representative of
8 environmental interests, attorneys that practice environmental and
9 development law in Vermont, the Vermont League of Cities and Towns, the
10 Vermont Association of Planning and Development Agencies, the Vermont
11 Chamber of Commerce, the Land Access and Opportunity Board, the Office of
12 Racial Equity, the Vermont Association of Realtors, a representative of non-
13 profit housing development interests, a representative of for-profit housing
14 development interests, a representative of commercial development interests,
15 an engineer with experience in development, the Agency of Commerce and
16 Community Development, and the Agency of Natural Resources in preparing
17 the report. The Board shall provide notice of the stakeholder meetings on its
18 website and each meeting shall provide time for public comment.

19 (b) The report shall at minimum recommend:

20 (1) whether to allow consolidation of appeals at the Board, or with the
21 Environmental Division of the Superior Court, and how, including what

1 resources the Board would need, if transferred to the Board, appeals of permit
2 decisions issued under 24 V.S.A. chapter 117 and the Agency of Natural
3 Resources can be consolidated with Act 250 appeals;

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

7 (3) procedural rules to govern the Board's administration of Act 250 and
8 the adjudication of appeals of Act 250 decisions. These rules shall include
9 procedures to create a firewall and eliminate any potential for conflicts with
10 the Board managing appeals and issuing permit decisions and jurisdictional
11 opinions; and

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

15 (c) The report shall be submitted to the Senate Committees on Economic
16 Development, Housing and General Affairs and on Natural Resources and
17 Energy and the House Committee on Environment and Energy.

18 * * * Brownfields * * *

19 Sec. 19. 10 V.S.A. § 6604c is amended to read:

20 § 6604c. MANAGEMENT OF DEVELOPMENT SOILS

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

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

9 (2) the development soils have been tested for arsenic, lead, and
10 polyaromatic hydrocarbons pursuant to a monitoring plan approved by the
11 Secretary that ensures that the soils do not leach above groundwater
12 enforcement standards;

13 (3) the location where the soils are managed is appropriate for the
14 amount and type of material being managed;

15 (4) the soils are capped in a manner approved by the Secretary;

16 (5) any activity that may disturb the development soils at the permitted
17 location shall be conducted pursuant to a soil management plan approved by
18 the Secretary; and

19 (6) the permittee files a record notice of where the soils are managed in
20 the land records.

21 * * *

1 Sec. 20. REPORT ON THE STATUS OF MANAGEMENT OF
2 DEVELOPMENT SOILS

3 (a) As part of the biennial report to the House Committee on Environment
4 and the Senate Committee on Natural Resources and Energy under 10 V.S.A.
5 § 6604(c), the Secretary of Natural Resources shall report on the status of the
6 management of development soils in the State under 10 V.S.A. § 6604c. The
7 report shall include:

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

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

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

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

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

19 (b) As used in this section, “development soil” has the same meaning as in
20 10 V.S.A. § 6602(39).

1 Sec. 21. 10 V.S.A. § 6641 is amended to read:

2 § 6641. BROWNFIELD PROPERTY CLEANUP PROGRAM; CREATION;
3 POWERS

4 (a) There is created the Brownfield Property Cleanup Program to enable
5 certain interested parties to request the assistance of the Secretary to review
6 and oversee work plans for investigating, abating, removing, remediating, and
7 monitoring a property in exchange for protection from certain liabilities under
8 section 6615 of this title. The Program shall be administered by the Secretary
9 who shall:

10 * * *

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

15 Sec. 22. BROWNFIELDS PROCESS IMPROVEMENT; REPORT

16 On or before November 1, 2025, the Secretary of Natural Resources shall
17 report to the House Committees on Environment and on General and Housing
18 and the Senate Committees on Economic Development, Housing and General
19 Affairs and on Natural Resources and Energy with proposals to make the
20 Program established pursuant to 10 V.S.A. chapter 159, subchapter 3

1 (brownfields reuse and liability limitation) substantially more efficient. At a
2 minimum, the report shall include both of the following:

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

7 (2) An analysis of strengths and weaknesses of implementing a licensed
8 site professional program within the State. The Secretary shall make a
9 recommendation on whether such a program should be implemented. If the
10 Secretary recommends implementation, the report shall include any changes to
11 statute or budget needed to implement this program.

12 Sec. 23. FISCAL YEAR 2026 ENVIRONMENTAL CONTINGENCY FUND
13 DISBURSEMENT FOR BROWNFIELDS

14 In fiscal year 2026, the Secretary of Natural Resources is authorized to
15 disburse up to \$2,000,000.00 from the Environmental Contingency Fund for
16 the assessment, planning, and cleanup of brownfields sites.

17 * * * Smoke and Carbon Monoxide Alarms * * *

18 Sec. 24. 9 V.S.A. chapter 77 is amended to read:

19 CHAPTER 77. SMOKE ~~DETECTORS~~ ALARMS AND CARBON
20 MONOXIDE ~~DETECTORS~~ ALARMS

21 § 2881. DEFINITIONS

As used in this chapter:

* * *

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

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

§ 2882. INSTALLATION

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

1 (b) Any single-family dwelling when transferred by sale or exchange shall
2 contain ~~photoelectric-only-type~~ photoelectric-type or UL 217 compliant smoke
3 ~~detectors~~ alarms in the vicinity of any bedrooms and on each level of the
4 dwelling installed in accordance with the manufacturer's instructions and one
5 or more carbon monoxide ~~detectors~~ alarms installed in accordance with the
6 manufacturer's instructions. A single-family dwelling constructed before
7 January 1, 1994 may contain smoke ~~detectors~~ alarms powered by the electrical
8 service in the building or by battery, or by a combination of both. In a single-
9 family dwelling newly constructed after January 1, 1994 that is provided with
10 electrical power, smoke ~~detectors~~ alarms shall be powered by the electrical
11 service in the building and by battery. In a single-family dwelling newly
12 constructed after July 1, 2005 that is provided with electrical power, carbon
13 monoxide ~~detectors~~ alarms shall be powered by the electrical service in the
14 building and by battery.

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

18 § 2883. REQUIREMENTS FOR TRANSFER OF DWELLING

19 (a) The seller of a single-family dwelling, including one constructed for
20 first occupancy, whether the transfer is by sale or exchange, shall certify to the
21 buyer at the closing of the transaction that the dwelling is provided with

1 ~~photoelectric-only type~~ photoelectric-type or UL 217 compliant smoke
2 ~~detectors~~ alarms and carbon monoxide ~~detectors~~ alarms in accordance with this
3 chapter. This certification shall be signed and dated by the seller.

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

10 * * *

11 Sec. 25. 20 V.S.A. § 2731 is amended to read:

12 § 2731. RULES; INSPECTIONS; VARIANCES

13 * * *

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

20 * * *

21 * * * Positive Rental Payment Pilot Program * * *

1 Sec. 26. POSITIVE RENTAL PAYMENT CREDIT REPORTING PILOT

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

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

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

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

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

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

15 (b) Pilot program creation.

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

20 (2) On or before May 1, 2026, the State Treasurer shall contract with a
21 third party to administer a positive rental payment pilot program and facilitate

1 the transmission of rent reporting information from a participant property
2 owner to a consumer reporting agency. The third-party administrator shall be
3 required to:

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

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

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

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

20 (E) offer an optional financial education course for participant
21 tenants.

1 (c) Program agreements. A participant property owner shall agree in
2 writing:

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

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

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

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

9 (5) to assist in the recruitment of tenants to participate in the pilot
10 program.

11 (d) Program participants. On or before June 1, 2026, the Contractor shall,
12 in coordination with the State Treasurer, recruit not more than 10 participant
13 property owners and, to the extent practicable, not less than 100 participant
14 tenants, to participate in the pilot program. The Contractor shall seek to select
15 participant tenants from populations that are under-served and under-
16 represented in home ownership. The Contractor shall also seek to recruit
17 participant landlords who offer:

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

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

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

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

6 (f) Reports.

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

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

14 (B) the number of participant tenants who ceased participating in the
15 program voluntarily;

16 (C) the number of participant tenants who were removed from the
17 program and the reasons why;

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

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

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

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

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

10 Sec. 26a. POSITIVE RENTAL PAYMENT CREDIT REPORTING PILOT;

11 IMPLEMENTATION

12 The duty to implement Sec. 26 of this act shall be contingent upon an
13 appropriation of funds in fiscal year 2026 from the General Fund to the Office
14 of the State Treasurer for the purposes of carryout that section.

15 * * * Tax Increment Financing * * *

16 Sec. 27. 24 V.S.A. chapter 53, subchapter 7 is added to read:

17 Subchapter 7. Community and Housing Infrastructure Program

18 § 1906. DEFINITIONS

19 As used in this subchapter:

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

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

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

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

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

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

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

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

3 (9) “Improvements” means:

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

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

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

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

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

20 (13) “Related costs” means expenses incurred and paid by a
21 municipality, exclusive of the actual cost of constructing and financing

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

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

14 § 1907. PURPOSE

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

18 § 1908. CREATION OF HOUSING INFRASTRUCTURE PROJECT AND
19 HOUSING DEVELOPMENT SITE

20 (a) The legislative body of a municipality may create within its jurisdiction
21 a housing infrastructure project, which shall consist of improvements that

1 stimulate the development of housing, and a housing development site, which
2 shall consist of the parcel or parcels on which a housing development is
3 installed or constructed and any immediately contiguous parcels.

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

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

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

9 (B) identification of a sponsor;

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

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

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

16 (F) a development schedule that includes a list, a cost estimate, and a
17 schedule for the proposed housing infrastructure project and the proposed
18 housing development;

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

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

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

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

11 § 1909. HOUSING INFRASTRUCTURE AGREEMENT

12 (a) The housing infrastructure agreement for a housing infrastructure
13 project shall:

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

15 (2) clearly identify the developer and the housing development for the
16 housing development site;

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

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

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

5 § 1910. HOUSING INFRASTRUCTURE PROJECT APPLICATION;

6 VERMONT ECONOMIC PROGRESS COUNCIL

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

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

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

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

15 (c) Process requirements. The Vermont Economic Progress Council shall
16 review a municipality’s housing infrastructure project application to determine
17 whether the municipality has:

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

20 (2) executed a housing infrastructure agreement for the housing
21 infrastructure project adhering to the standards of section 1909 of this

1 subchapter with a developer and, if the municipality is not financing the
2 housing infrastructure project itself, a sponsor; and

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

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

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

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

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

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

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

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

17 § 1910a. INDEBTEDNESS

18 (a) A municipality approved for tax increment financing under section
19 1910 of this subchapter may incur indebtedness against revenues of the
20 housing development site at any time during a period of up to five years
21 following the creation of the housing development site. The Vermont

1 Economic Progress Council may extend this debt incursion period by up to
2 three years. If no debt is incurred for the housing infrastructure project during
3 the debt incursion period, whether by the municipality or sponsor, the housing
4 development site shall terminate.

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

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

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

17 (e) A municipal legislative body shall provide information to the public
18 prior to the public vote required under subsection (b) of this section. This
19 information shall include the amount and types of debt and related costs to be
20 incurred, including principal, interest, and fees; terms of the debt; the housing
21 infrastructure project to be financed; the housing development projected to

1 occur because of the housing infrastructure project; and notice to the voters
2 that if the tax increment received by the municipality from any property tax
3 source is insufficient to pay the principal and interest on the debt in any year,
4 the municipality shall remain liable for the full payment of the principal and
5 interest for the term of the indebtedness. If interfund loans within the
6 municipality are used, the information must also include documentation of the
7 terms and conditions of the loan.

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

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

12 § 1910b. ORIGINAL TAXABLE VALUE; TAX INCREMENT

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

20 (b) Annually throughout the life of the housing development site, the lister
21 or assessor shall include not more than the original taxable value of the real

1 property in the assessed valuation upon which the treasurer computes the rates
2 of all taxes levied by the municipality and every other taxing district in which
3 the housing development site is situated, but the treasurer shall extend all rates
4 so determined against the entire assessed valuation of real property for that
5 year.

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

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

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

1 to the treasurer, who shall thereafter include the entire assessed valuation of the
2 housing development site in the assessed valuations upon which the municipal
3 and other tax rates are computed and extended, and thereafter no taxes from
4 the housing development site shall be deposited in the special tax increment
5 financing account.

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

13 § 1910c. USE OF TAX INCREMENT; RETENTION PERIOD

14 (a) Uses of tax increments. A municipality may apply tax increments
15 retained pursuant to this subchapter to debt incurred within the period
16 permitted under section 1910a of this subchapter, to related costs, and to the
17 direct payment of the cost of a housing infrastructure project. Any direct
18 payment shall be subject to the same public vote provisions of section 1910a of
19 this subchapter as apply to debt.

20 (b) Education property tax increment. Up to 80 percent of the education
21 property tax increment may be retained for up to 20 years, beginning the first

1 year in which debt is incurred for the housing infrastructure project. Upon
2 incurring the first debt, a municipality shall notify the Department of Taxes
3 and the Vermont Economic Progress Council of the beginning of the retention
4 period of the education property tax increment.

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

8 (d) Excess tax increment.

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

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

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

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

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

1 combined total of the budgets unless otherwise negotiated by the city, town, or
2 village.

3 § 1910d. INFORMATION REPORTING

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

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

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

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

1 (b) Annually on or before April 1, the Vermont Economic Progress Council
2 and the Department of Taxes shall submit a report to the Senate Committees on
3 Economic Development, Housing and General Affairs and on Finance and the
4 House Committees on Commerce and Economic Development and on Ways
5 and Means on housing infrastructure projects approved pursuant to this
6 subchapter, including for each of the following:

7 (1) the date of approval;

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

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

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

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

17 (6) projected and actual incremental revenue amounts;

18 (7) the allocation of incremental revenue; and

19 (8) projected and actual financing.

20 (c) On or before January 15, 2035, the Vermont Economic Progress
21 Council shall submit a report to the Senate Committees on Economic

1 Development, Housing and General Affairs and on Finance and the House
2 Committees on Commerce and Economic Development and on Ways and
3 Means evaluating the success of the Community and Housing Infrastructure
4 Program in achieving its purpose, as stated in section 1907 of this chapter,
5 including by identifying the amount and kinds of housing produced through
6 the Program and by determining whether housing development pursued
7 through the Program meets the project criterion and location criteria of section
8 1910 of this chapter.

9 § 1910e. AUDITING

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

1 § 1910f. GUIDANCE

2 (a) The Secretary of Commerce and Community Development, after
3 reasonable notice to a municipality and an opportunity for a hearing, may issue
4 decisions to a municipality on questions and inquiries concerning the
5 administration of housing infrastructure projects, statutes, rules,
6 noncompliance with this subchapter, and any instances of noncompliance
7 identified in audit reports conducted pursuant to section 1910e of this
8 subchapter.

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

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

1 may by rule provide for appeals before final judgment from a Superior Court
2 before issuing a final decision.

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

5 Sec. 28. 32 V.S.A. § 3325 is amended to read:

6 § 3325. VERMONT ECONOMIC PROGRESS COUNCIL

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

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

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

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

16 * * *

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

1 administrative decision that is not subject to the contested case hearing
2 requirements under 3 V.S.A. chapter 25 and is not subject to judicial review.

3 * * * Effective Dates * * *

4 Sec. 29. EFFECTIVE DATES

5 This act shall take effect on July 1, 2025, except that Sec. 4 (Rental Housing
6 Revolving Loan Program), Sec. 7 (repeal; Act 181 prospective landlord
7 certificate changes), and this section shall take effect on passage.

8
9 (Committee vote: _____)

10 _____

11 Senator _____

12 FOR THE COMMITTEE