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**S.79/H.256 Comparison**

- Underlying House statute in regular font
- Senate changes in yellow
- DPH questions/notes in pink
- House General proposed changes

\* \* \* Department of Public Safety; Authority for Rental Housing  
Health and Safety \* \* \*

Sec. 1. 20 V.S.A. chapter 173 is amended to read:

CHAPTER 173. PREVENTION AND INVESTIGATION OF FIRES;  
PUBLIC BUILDINGS; HEALTH AND SAFETY; ENERGY STANDARDS

\* \* \*

Subchapter 2. Division of Fire Safety; Public Buildings; Building Codes;  
Rental Housing Health and Safety; Building Energy Standards

\* \* \*

§ 2729. GENERAL PROVISIONS; FIRE SAFETY; CARBON MONOXIDE

(a) A person shall not build or cause to be built any structure that is unsafe or likely to be unsafe to other persons or property in case of fire or generation and leakage of carbon monoxide.

(b) A person shall not maintain, keep or operate any premises or any part thereof, or cause or permit to be maintained, kept, or operated, any premises or part thereof, under his or her control or ownership in a manner that causes or is

1 likely to cause harm to other persons or property in case of fire or generation  
2 and leakage of carbon monoxide.

3 (c) On premises under a person’s control, excluding single family owner-  
4 occupied houses and premises, that person shall observe rules adopted under  
5 this subchapter for the prevention of fires and carbon monoxide leakage that  
6 may cause harm to other persons or property.

7 (d) Any condominium or multiple unit dwelling using a common roof, or  
8 row houses so-called, or other residential buildings in which people sleep,  
9 including hotels, motels, and tourist homes, excluding single family owner-  
10 occupied houses and premises, whether the units are owned or leased or rented,  
11 shall be subject to the rules adopted under this subchapter and shall be  
12 provided with one or more carbon monoxide detectors, as defined in 9 V.S.A.  
13 § 2881(3), properly installed according to the manufacturer’s requirements.

14 § 2730. DEFINITIONS

15 (a) As used in this subchapter, “public building” means:

16 \* \* \*

17 (D) a building in which people rent accommodations, whether  
18 overnight or for a longer term, including “rental housing” as defined in  
19 subsection (f) of this section;

20 \* \* \*



1 employees, and property against harm arising out of or likely to arise out of  
2 fire.

3 \* \* \*

4 (b) Inspections.

5 (1) The Commissioner shall conduct inspections of premises to ensure  
6 that the rules adopted under this subchapter are being observed and may  
7 establish priorities for enforcing these rules and standards based on the relative  
8 risks to persons and property ~~from fire~~ of particular types of premises.

9 (2) The Commissioner may also conduct inspections to ensure that  
10 buildings are constructed in accordance with approved plans and drawings.

11 (3) When conducting an inspection of rental housing, the Commissioner  
12 shall:

13 (A) issue a written inspection report on the unit or building that:

14 (i) contains findings of fact that serve as the basis of one or more  
15 violations;

16 (ii) specifies the requirements and timelines necessary to correct a  
17 violation;

18 (iii) provides notice that the landlord is prohibited from renting the  
19 affected unit to a new tenant until the violation is corrected; and

1           (iv) provides notice in plain language that the landlord or agents of  
2           the landlord must have access to the rental unit to make repairs as ordered by  
3           the Commissioner consistent with the access provisions in 9 V.S.A. § 4460;

4           (B) provide a copy of the inspection report to the landlord, to the  
5           person who requested the inspection, and to any tenants who are affected by a  
6           violation:

7           (i) electronically, if the Department has an electronic mailing  
8           address for the person; or

9           (ii) by first-class mail, if the Department does not have an  
10          electronic mailing address for the person;

11          (C) if an entire building is affected by a violation, provide a notice of  
12          inspection directly to the individual tenants, and may also post the notice in a  
13          common area, that specifies:

14               (i) the date of the inspection;

15               (ii) that violations were found and must be corrected by a certain  
16          date;

17               (iii) how to obtain a copy of the inspection electronically or by  
18          first-class mail; and

19               (iv) if the notice is posted in a common area, that the notice shall  
20          not be removed until authorized by the Commissioner;

21          (D) make the inspection report available as a public record.

1 (c) Fees. The following fire prevention and building code fees are  
2 established:

3 (1) The permit application fee for a construction plan approval shall be  
4 based on \$8.00 per each \$1,000.00 of the total valuation of the construction  
5 work proposed to be done for all buildings, but in no event shall the permit  
6 application fee exceed \$185,000.00 nor be less than \$50.00.

7 (2) When an inspection is required due to the change in use or  
8 ownership of a public building, the fee shall be \$125.00.

9 (3) The proof of inspection fee for fire suppression, alarm, detection,  
10 and any other fire protection systems shall be \$30.00.

11 (4) Three-year initial certificate of fitness and renewal fees for  
12 individuals performing activities related to fire or life safety established under  
13 subsection (a) of this section shall be:

14 (A) Water-based fire protection system design:

15 (i) Initial certification: \$150.00.

16 (ii) Renewal: \$50.00.

17 (B) Water-based fire protection system installation, maintenance,  
18 repair, and testing:

19 (i) Initial certification: \$115.00.

20 (ii) Renewal: \$50.00.

21 (C) Gas appliance installation, inspection, and service: \$60.00.

1 (D) Oil burning equipment installation, inspection, and service:

2 \$60.00.

3 (E) Fire alarm system inspection and testing: \$90.00.

4 (F) Limited oil burning equipment installation, inspection, and

5 service: \$60.00.

6 (G) Domestic water-based fire protection system installation,

7 maintenance, repair, and testing:

8 (i) Initial certification: \$60.00.

9 (ii) Renewal: \$20.00.

10 (H) Fixed fire extinguishing system design, installation, inspection,

11 servicing, and recharging:

12 (i) Initial certification: \$60.00.

13 (ii) Renewal: \$20.00.

14 (I) Emergency generator installation, maintenance, repair, and

15 testing: \$30.00;

16 (J) Chimney and solid fuel burning appliance cleaning, maintenance,

17 and evaluation: \$30.00.

18 (d) Permit processing. The Commissioner shall make all practical efforts  
19 to process permits in a prompt manner. The Commissioner shall establish time  
20 limits for permit processing as well as procedures and time periods within  
21 which to notify applicants whether an application is complete.

1 (e) Variances; exemptions. Except for any rules requiring the education  
2 module regarding the State’s energy goals described in subdivision (a)(2) of  
3 this section, the Commissioner may grant variances or exemptions from rules  
4 adopted under this subchapter where strict compliance would entail practical  
5 difficulty, unnecessary hardship, or is otherwise found unwarranted, provided  
6 that:

7 (1) any such variance or exemption secures the public safety and health;

8 (2) any petitioner for such a variance or exemption can demonstrate that  
9 the methods, means, or practices proposed to be taken in lieu of compliance  
10 with the rule or rules provide, in the opinion of the Commissioner, equal  
11 protection of the public safety and health as provided by the rule or rules;

12 (3) the rule or rules from which the variance or exemption is sought has  
13 not also been adopted as a rule or standard under 21 V.S.A. chapter 3,  
14 subchapters 4 and 5; and

15 (4) any such variance or exemption does not violate any of the  
16 provisions of 26 V.S.A. chapters 3 and 20 or any rules adopted thereunder.

17 \* \* \*

18 § 2733. ORDERS TO REPAIR, REHABILITATE, OR REMOVE

19 STRUCTURE

1           (a)(1) Whenever the ~~commissioner~~ Commissioner finds that premises or  
2 any part of them does not meet the standards adopted under this subchapter,  
3 the ~~commissioner~~ Commissioner may order it repaired or rehabilitated.

4           (2) If ~~it~~ the premises is not repaired or rehabilitated within a reasonable  
5 time as specified by the ~~commissioner~~ Commissioner in his or her order, the  
6 ~~commissioner~~ Commissioner may order the premises or part of them closed, if  
7 by doing so the public safety will not be imperiled; otherwise he or she shall  
8 order demolition and removal of the structure, or fencing of the premises.

9           (3) Whenever a violation of the rules is deemed to be imminently  
10 hazardous to persons or property, the ~~commissioner~~ Commissioner shall order  
11 the violation corrected immediately.

12           (4) If the violation is not corrected, the ~~commissioner~~ Commissioner  
13 may ~~then~~ order the premises or part of them immediately closed and to remain  
14 closed until the violation is corrected.

15           (b) Whenever a structure, by reason of age, neglect, want of repair, action  
16 of the elements, destruction, either partial or total by fire or other casualty or  
17 other cause, is so dilapidated, ruinous, decayed, filthy, unstable, or dangerous  
18 as to constitute a material menace or damage in any way to adjacent property,  
19 or to the public, and has so remained for a period of not less than one week, the  
20 ~~commissioner~~ Commissioner may order such structure demolished and  
21 removed.

1 (c) Orders issued under this section shall be served by certified mail with  
2 return receipt requested or in the discretion of the ~~commissioner~~  
3 Commissioner, shall be served in the same manner as summonses are served  
4 under the Vermont Rules of Civil Procedure promulgated by the ~~supreme court~~  
5 Supreme Court, to all persons who have a recorded interest in the property  
6 recorded in the place where land records for the property are recorded, and to  
7 all persons who will be temporarily or permanently displaced by the order,  
8 including owners, tenants, mortgagees, attaching creditors, lien holders, and  
9 public utilities or water companies serving the premises.

10 § 2734. PENALTIES

11 (a)(1) A person who violates any provision of this subchapter or any order  
12 or rule issued pursuant thereto shall be fined not more than \$10,000.00.

13 (2) The ~~state's attorney~~ State's Attorney of the county in which such  
14 violation occurs shall prosecute the violation and may commence a proceeding  
15 in the ~~superior court~~ Superior Court to compel compliance with such order or  
16 rule, and such court may make orders and decrees therein by way of writ of  
17 injunction or otherwise.

18 (b)(1) A person who fails to comply with a lawful order issued under  
19 authority of this subchapter in case of sudden emergency shall be fined not  
20 more than \$20,000.00.



1           (2) After considering the type of buildings within the municipality, if the  
2 ~~commissioner~~ Commissioner determines that the training, qualifications, and  
3 procedures are sufficient, he or she may assign responsibility to the  
4 municipality for enforcement of some or all of these rules and standards.

5           (3) The ~~commissioner~~ Commissioner may also assign responsibility for  
6 enforcement of the rules of the access board adopted under section 2902 of this  
7 title.

8           (4) The ~~commissioner~~ Commissioner shall provide continuing review,  
9 consultation, and assistance as may be necessary.

10           (5) The assignment of responsibility may be revoked by the  
11 ~~commissioner~~ Commissioner after notice and an opportunity for hearing if the  
12 ~~commissioner~~ Commissioner determines that the training, qualifications, or  
13 procedures are insufficient.

14           (6) The assignment of responsibility shall not affect the ~~commissioner's~~  
15 Commissioner's authority under this subchapter.

16           (b) If a municipality assumes responsibility under subsection (a) of this  
17 section for performing any functions that would be subject to a fee established  
18 under subsection 2731(a) of this title, the municipality may establish and  
19 collect reasonable fees for its own use, and no fee shall be charged for the  
20 benefit of the ~~state~~ State.





1        (a) The Department of Housing and Community Development, in  
2        coordination with the Division of Fire Safety, the Department of Health, the  
3        Enhanced 911 Board, and the Department of Taxes, shall create and maintain a  
4        registry of the rental housing in this State, which includes a “dwelling unit” as  
5        defined in 9 V.S.A. § 4451 and a “short-term rental” as defined in 18 V.S.A.  
6        § 4301.

7        (b) The Department of Housing and Community Development shall require  
8        for each unit that is registered the following data:

9                (1) the name and mailing address of the owner, landlord, and property  
10              manager of the unit, as applicable;

11              (2) the phone number and electronic mail address of the owner,  
12              landlord, and property manager of the unit, as available;

13              (3) location of the unit;

14              (4) year built;

15              (5) type of rental unit;

16              (6) number of units in the building;

17              (7) school property account number;

18              (8) accessibility of the unit; and

19              (9) any other information the Department deems appropriate.

20        (c) Upon request of the Department of Housing and Community  
21        Development, and at least annually, a municipal, district, or other local

1 government entity that operates a rental housing health and safety program that  
2 requires registration of a rental housing unit and a fee for inclusion on the  
3 registry shall provide to the Department the data for each unit that is required  
4 pursuant to subsection (b) of this section.

5 (d) The registry, and data collected by the registry, shall be protected  
6 pursuant to 1 V.S.A. § 317 (c)(2) and may only be released to specifically  
7 designated persons who, in the discretion of the Department, shall use such  
8 data to further the public good. Registry data may not be disclosed to entities  
9 for the purposes of solicitation campaigns without express authority granted by  
10 the Department. Data about a specific unit may be disclosed to the owner or  
11 operator of the rental unit regulated by the registry for the purpose of  
12 informing the owner or operator of its registry status.

13 (d)(1) The data the Department collects pursuant to this section is exempt  
14 from public inspection and copying pursuant to 1 V.S.A. § 317(c)(1) and the  
15 Department shall not disclose such data except as provided in subdivision (2)  
16 of this subsection.

17 (2) The Department:

18 (A) may disclose data it collects pursuant to this section to other  
19 State, municipal, or regional government entities, to nonprofit organizations, or  
20 to other persons for the purposes of protecting the public health and safety or  
21 promoting the public good;

1           (B) shall not disclose data it collects pursuant to this section for a  
2           commercial purpose; and

3           (C) shall ensure that a person to whom the Department discloses data  
4           it collects pursuant to this section takes necessary steps to protect the data from  
5           further disclosure and complies with subdivision (B) of this subsection.

6           Sec. 3. 3 V.S.A. § 2479 is added to read:

7           § 2479. RENTAL HOUSING REGISTRATION

8           (a) Except as provided in subsection (c) of this section, an owner of rental  
9           housing that is subject to 9 V.S.A. chapter 137 the owner of a dwelling unit, as  
10           defined in 9 V.S.A. § 4501, that is leased or offered for lease shall:

11           (1) file with the Department of Taxes the landlord certificate required  
12           for the renter's rebate or the renter credit program; and

13           (2) within 30 days of filing the certificate, register, provide the  
14           information required by subsection 2478(b) of this title, and pay to the  
15           Department of Housing and Community Development an annual registration  
16           fee of \$35.00 per rental unit, unless the owner has within the preceding  
17           12 months:

18           (A) registered the unit pursuant to subsection (b) of this section; or

19           (B) registered the unit with a municipal, district, or other local  
20           government entity that operates a rental housing health and safety program  
21           with a rental registry that complies with subsection 2478(b) of this title.

1        (b) Except as provided in subsection (c) of this section, an owner of a  
2        short-term rental, as defined in 18 V.S.A. § 4301, shall, annually, within  
3        30 days of renting a unit, register, provide the information required by  
4        subsection 2478(b) of this title, and pay to the Department of Housing and  
5        Community Development an annual registration fee of \$35.00 per rental unit,  
6        unless the owner has within the preceding 12 months:

7                (1) registered the unit pursuant to subsection (a) of this section; or

8                (2) registered the unit with a municipal, district, or other local  
9        government entity that operates a rental housing health and safety program  
10        with a rental registry that complies with subsection 2478(b) of this title.

11        (c)(1) An owner of a mobile home lot within a mobile home park who has  
12        registered the lot with the Department of Housing and Community  
13        Development and who does not own a mobile home on the lot is exempt from  
14        registering the lot pursuant to this section.

15                (2) An owner of a mobile home lot within a mobile home park who has  
16        registered the lot with the Department and who owns a mobile home on the lot  
17        that is available for rent or rented shall register the property with the  
18        Department and pay a fee equal to the fee required by subdivision (a)(2) of this  
19        section less any fee paid within the previous 12 months pursuant to 10 V.S.A.  
20        § 6254(c).



1       **(b) In fiscal year 2022, the amount of \$200,000.00 is appropriated from the**  
2       **General Fund to the Department of Public Safety as one-time startup funding**  
3       **to hire one or more Inspector positions authorized pursuant to subsection (a) of**  
4       **this section.**

5       **(c) The Department may hire additional Inspectors authorized by this**  
6       **section to the extent funds become available from the Rental Housing Safety**  
7       **Special Fund created and maintained pursuant to 3 V.S.A. § 2479.**

8       Sec. 5. DEPARTMENT OF HOUSING AND COMMUNITY  
9               DEVELOPMENT; POSITIONS

10       **(a) The Department of Housing and Community Development is**  
11       **authorized to create one full-time classified position and one half-time**  
12       **classified position to administer and enforce the registry requirements created**  
13       **in 3 V.S.A. § 2478.**

14       **(b) In fiscal year 2022, the amount of \$200,000.00 is appropriated from the**  
15       **General Fund to the Department of Housing and Community Development as**  
16       **one-time startup funding to hire one or more of the positions authorized**  
17       **pursuant to subsection (a) of this section.**

18       **(c) The Department may hire additional staff authorized by this section to**  
19       **the extent funds become available from the Rental Housing Safety Special**  
20       **Fund created and maintained pursuant to 3 V.S.A. § 2479.**

1           \* \* \* Conforming Changes to Current Law Governing the Department of  
2                           Health, State Board of Health, and Local Health Officials \* \* \*

3           Sec. 6. 18 V.S.A. chapter 11 is amended to read:

4   CHAPTER 11. LOCAL HEALTH OFFICIALS

5   \* \* \*

6           § 602a. DUTIES OF LOCAL HEALTH OFFICERS

7           (a) A local health officer, within his or her jurisdiction, shall:

8                           (1) ~~upon request of a landlord or tenant, or upon receipt of information~~  
9                           regarding a condition that may be a public health hazard, conduct an  
10                           investigation;

11                           (2) enforce the provisions of this title, the rules promulgated, and  
12                           permits issued thereunder;

13                           (3) prevent, remove, or destroy any public health hazard; or mitigate any  
14                           significant public health risk in accordance with the provisions of this title;

15                           (4) in consultation with the Department, take the steps necessary to  
16                           enforce all orders issued pursuant to chapter 3 of this title; and

17                           (5) have the authority to assist the Division of Fire Safety in inspecting  
18                           rental housing pursuant to 20 V.S.A. chapter 173, subchapter 2, provided that  
19                           if the local health officer inspects a rental property without an inspector from  
20                           the Division, the offer shall issue an inspection report in compliance with  
21                           20 V.S.A § 2731(b).

1 (b) Upon discovery of violation or a public health hazard or public health  
2 risk that involves a public water system, a food or lodging establishment, or  
3 any other matter regulated by Department rule, the local health officer shall  
4 immediately notify the Division of Environmental Health. Upon discovery of  
5 any other violation, public health hazard, or public health risk, the local health  
6 officer shall notify the Division of Environmental Health within 48 hours of  
7 discovery of such violation or hazard and of any action taken by the officer.

8 ~~§ 603. RENTAL HOUSING SAFETY; INSPECTION REPORTS~~

9 ~~(a)(1) When conducting an investigation of rental housing, a local health~~  
10 ~~officer shall issue a written inspection report on the rental property using the~~  
11 ~~protocols for implementing the Rental Housing Health Code of the Department~~  
12 ~~or the municipality, in the case of a municipality that has established a code~~  
13 ~~enforcement office.~~

14 ~~(2) A written inspection report shall:~~

15 ~~(A) contain findings of fact that serve as the basis of one or more~~  
16 ~~violations;~~

17 ~~(B) specify the requirements and timelines necessary to correct a~~  
18 ~~violation;~~

19 ~~(C) provide notice that the landlord is prohibited from renting the~~  
20 ~~affected unit to a new tenant until the violation is corrected; and~~

1           ~~(D) provide notice in plain language that the landlord and agents of~~  
2           ~~the landlord must have access to the rental unit to make repairs as ordered by~~  
3           ~~the health officer consistent with the access provisions in 9 V.S.A. § 4460.~~

4           ~~(3) A local health officer shall:~~

5           ~~(A) provide a copy of the inspection report to the landlord and any~~  
6           ~~tenants affected by a violation by delivering the report electronically, in~~  
7           ~~person, by first class mail, or by leaving a copy at each unit affected by the~~  
8           ~~deficiency; and~~

9           ~~(B)(i) if a municipality has established a code enforcement office,~~  
10          ~~provide information on each inspection according to a schedule and in a format~~  
11          ~~adopted by the Department in consultation with municipalities that have~~  
12          ~~established code enforcement offices; or~~

13          ~~(ii) if a municipality has not established a code enforcement~~  
14          ~~office, provide information on each inspection to the Department within seven~~  
15          ~~days of issuing the report using an electronic system designed for that purpose,~~  
16          ~~or within 14 days by mail if the municipality is unable to utilize the electronic~~  
17          ~~system.~~

18          ~~(4) If an entire property is affected by a violation, the local health officer~~  
19          ~~shall post a copy of the inspection report in a common area of the property and~~  
20          ~~include a prominent notice that the report shall not be removed until authorized~~  
21          ~~by the local health officer.~~

1           ~~(5) A municipality shall make an inspection report available as a public~~  
2 ~~record.~~

3           ~~(b)(1) A local health officer may impose a civil penalty of not more than~~  
4 ~~\$200.00 per day for each violation that is not corrected by the date provided in~~  
5 ~~the written inspection report, or when a unit is re-rented to a new tenant prior~~  
6 ~~to the correction of a violation.~~

7           ~~(2)(A) If the cumulative amount of penalties imposed pursuant to this~~  
8 ~~subsection is \$800.00 or less, the local health officer, Department of Health, or~~  
9 ~~State's Attorney may bring a civil enforcement action in the Judicial Bureau~~  
10 ~~pursuant to 4 V.S.A. chapter 29.~~

11           ~~(B) The waiver penalty for a violation in an action brought pursuant~~  
12 ~~to this subsection is 50 percent of the full penalty amount.~~

13           ~~(3) If the cumulative amount of penalties imposed pursuant to this~~  
14 ~~subsection is more than \$800.00, or if injunctive relief is sought, the local~~  
15 ~~health officer, Department of Health, or State's Attorney may commence an~~  
16 ~~action in the Civil Division of the Superior Court for the county in which a~~  
17 ~~violation occurred.~~

18           ~~(c) If a local health officer fails to conduct an investigation pursuant to~~  
19 ~~section 602a of this title or fails to issue an inspection report pursuant to this~~  
20 ~~section, a landlord or tenant may request that the Department, at its discretion,~~  
21 ~~conduct an investigation or contact the local board of health to take action.~~

1 [Repealed.]

2 \* \* \*

3 \* \* \* Transition Provisions \* \* \*

4 Sec. 7. RENTAL HOUSING HEALTH AND SAFETY; TRANSITION  
5 PROVISIONS

6 (a) Notwithstanding any provision of law to the contrary:

7 (1) Until the Commissioner of Public Safety adopts rules governing  
8 rental housing health and safety pursuant to 20 V.S.A. § 2731, the Department  
9 of Health, local officials authorized by law, and the Department of Public  
10 Safety have concurrent authority to enforce the Vermont Rental Housing  
11 Health Code adopted by the Department of Health pursuant to 18 V.S.A.  
12 § 102, 3 V.S.A. § 3003(a), and 3 V.S.A. § 801(b)(11).

13 (2) The Commissioner of Public Safety may immediately adopt a rule  
14 incorporating the Rental Housing Health Code without following the  
15 procedures otherwise required for general rulemaking in 3 V.S.A. chapter 25.

16 (3) Except as provided in subdivision (2) of this subsection, the  
17 Commissioner of Public Safety shall comply with the requirements for general  
18 rulemaking in 3 V.S.A. chapter 25 when adopting rules governing rental  
19 housing health and safety.

20 (b) Upon the adoption of rules governing rental housing health and safety  
21 pursuant to the authority in 20 V.S.A. § 2731:

1           (1) the Department of Public Safety is the State government entity with  
2           primary authority to enforce State laws governing rental housing health and  
3           safety;

4           (2) the Department of Public Safety and local officials have concurrent  
5           authority to enforce State and local laws governing rental housing health and  
6           safety pursuant to 18 V.S.A. chapter 11; 20 V.S.A. chapter 173, subchapter 2;  
7           24 V.S.A. chapters 83 and 123; and applicable municipal law; and

8           (3) the Department of Health, the State Board of Health, and local health  
9           officials have concurrent authority to enforce State and local laws governing  
10           public health hazards and public health risks, as those terms are defined in  
11           18 V.S.A. § 2, pursuant to 18 V.S.A. chapters 1, 3, and 11.

12           \*\*\* Study; Penalties for Vacant Property \*\*\*

13           **Sec. 8. PENALTIES FOR VACANT PROPERTY; STUDY**

14           (a) On or before December 15, 2021, the Secretary of Commerce and  
15           Community Development, in consultation with the Executive Director of the  
16           Vermont League of Cities and Towns, shall study and write a report on  
17           approaches to imposing penalties on property owners who leave property  
18           vacant for one year or more, including what protections should be in place to  
19           not penalize owners in the armed services or with disabilities, medical  
20           conditions, or lack of income, which prevent them from maintaining the

1 ~~property. The report shall include recommendations for any necessary~~  
2 ~~legislative action.~~

3 ~~(b) The Secretary shall submit a copy of the report described in~~  
4 ~~subsection (a) of this section to the House Committees on Commerce and~~  
5 ~~Economic Development and on General, Housing, and Military Affairs and the~~  
6 ~~Senate Committee on Economic Development, Housing and General Affairs.~~

7 \* \* \* Vermont Housing Investments \* \* \*

8 Sec. 8. VERMONT RENTAL HOUSING INVESTMENT PROGRAM;

9 PURPOSE

10 (a) Recognizing that Vermont’s rental housing stock is some of the oldest  
11 in the country and that much of it needs to be updated to meet code  
12 requirements and other standards, the Vermont Rental Housing Investment  
13 Program is intended to incentivize private apartment owners to make  
14 significant improvements to both housing quality and weatherization by  
15 providing grants and forgivable loans that are matched in part by the property  
16 owner.

17 (b) The Program seeks to take the lessons learned from the successful Re-  
18 housing Recovery Program established with funds provided by the Federal  
19 CARES Act and implement them in a State-funded program.

20 Sec. 9. 10 V.S.A. chapter 29, subchapter 3 is added to read:

21 Subchapter 3. Housing; Investments

1     § 699. VERMONT RENTAL HOUSING INVESTMENT PROGRAM

2         (a) Creation of program.

3             (1) The Department of Housing and Community Development shall  
4     design and implement the Vermont Rental Housing Investment Program  
5     through which the Department shall award funding to statewide or regional  
6     nonprofit housing organizations, or both, to provide competitive grants and  
7     forgivable loans to private landlords for the rehabilitation and weatherization  
8     of eligible rental housing units.

9             (2) The Department shall develop statewide standards for the Program,  
10     including factors that partner organizations shall use to evaluate applications  
11     and award grants and forgivable loans.

12         (b) Eligible rental housing units. The following units are eligible for a  
13     grant or forgivable loan through the Program:

14             (1) Non-code compliant. The unit does not comply with the  
15     requirements of applicable building, housing, or health laws.

16             (2) Vacant. The unit has not been leased or occupied for at least 90 days  
17     prior to the date of application and remains unoccupied on the date of the  
18     award.

19             (3) Accessory dwelling. The unit is an accessory dwelling unit that  
20     meets the requirements of 24 V.S.A. § 4412(1)(E).

1        (c) Administration. The Department shall require a housing organization  
2        that receives funding under the Program to adopt:

3            (1) a standard application form that describes the application process  
4        and includes instructions and examples to help landlords apply;

5            (2) an award process that ensures equitable selection of landlords,  
6        subject to a housing organization’s exercise of discretion based on the factors  
7        adopted by the Department pursuant to subsection (a) of this section; and

8            (3) a grants and loan management system that ensures accountability for  
9        funds awarded.

10        (d) Program requirements applicable to grants and forgivable loans.

11            (1) A grant or loan shall not exceed \$30,000 per unit.

12            (2) A landlord shall contribute matching funds or in-kind services that  
13        equal or exceed 20 percent of the value of the grant or loan.

14            (3) A project shall include a weatherization component.

15            (4) A project shall comply with applicable building, housing, and health  
16        laws.

17            (5) The terms and conditions of a grant or loan agreement apply to the  
18        original recipient and to a successor in interest for the period the grant or loan  
19        agreement is in effect.

20            (6) The identity of a recipient and the amount of a grant or forgivable  
21        loan are public records that shall be available for public copying and inspection

1 and the Department shall publish this information at least monthly on its  
2 website.

3 (e) Program requirements applicable to grants. For a grant awarded under  
4 the Program, the following requirements apply for a minimum period of five  
5 years:

6 (1) A landlord shall coordinate with nonprofit housing partners and local  
7 coordinated entry organizations to identify potential tenants.

8 (2)(A) Except as provided in subdivision (2)(B) of this subsection, a  
9 landlord shall lease the unit to a household that is exiting homelessness [and  
10 80% AMI?].

11 (B) If, upon petition of the landlord, the Department or the housing  
12 organization that issued the grant determines that a household exiting  
13 homelessness is not available to lease the unit, then the landlord shall lease the  
14 unit:

15 (i) to a household with an income equal to or less than 80 percent  
16 of area median income; or

17 (ii) if such a household is unavailable, to another household with  
18 the approval of the Department or housing organization.

19 (3)(A) A landlord shall accept any housing vouchers that are available to  
20 pay all, or a portion of, the tenant's rent and utilities.

1           (B) If no housing voucher or federal or State subsidy is available, the  
2           total cost of rent for the unit, including utilities not covered by rent payments,  
3           shall not exceed the applicable fair market rent established by the Department  
4           of Housing and Urban Development.

5           (4)(A) A landlord may convert a grant to a forgivable loan upon  
6           approval of the Department and the housing organization that approved the  
7           grant.

8           (B) A landlord who converts a grant to a forgivable loan shall receive  
9           a 10 percent credit for loan forgiveness for each year in which the landlord  
10           participates in the grant program.

11           (f) Requirements applicable to forgivable loans. For a forgivable loan  
12           awarded under the Program, the following requirements apply for a minimum  
13           period of 10 years:

14           (1)(A) A landlord shall accept any housing vouchers that are available to  
15           pay all, or a portion of, the tenant's rent and utilities.

16           (B) If no housing voucher or federal or State subsidy is available, the  
17           cost of rent for the unit, including utilities not covered by rent payments, shall  
18           not exceed the applicable fair market rent established by the Department of  
19           Housing and Urban Development.

20           (2) The Department shall forgive 10 percent of the amount of a  
21           forgivable loan for each year a landlord participates in the loan program.

1           (g) Lien priority. A lien for a grant converted to a loan or for a forgivable  
2           loan issued pursuant to this section is subordinate to:

3                   (1) a lien on the property in existence at the time the lien for  
4           rehabilitation and weatherization of the rental housing unit is filed in the land  
5           records; and

6                   (2) a first mortgage on the property that is refinanced and recorded after  
7           the lien for rehabilitation and weatherization of the rental housing unit is filed  
8           in the land records.

9           Sec. 10. REPORT

10           On or before February 15, 2022 the Department of Housing and  
11           Community Development shall report to the General Assembly concerning the  
12           design, implementation, and outcomes of the Vermont Housing Investment  
13           Program, including findings and any recommendations related to the amount of  
14           grant awards.

15           Sec. 11. VERMONT HOMEOWNERSHIP REVOLVOING LOAN FUND;

16                   PURPOSE

17                   (a) The purpose of the Vermont Homeownership Revolving Loan Fund  
18           created in Sec. 12 of this act is to provide no-interest loans to increase access  
19           to homeownership.

20                   (b) The Program is intended to assist Vermonters who otherwise may be  
21           unable to purchase a home or who may be unable to afford the costs to

1 rehabilitate, weatherize, or otherwise make necessary improvements to a home  
2 they purchase.

3 (c) The Program is also intended to place a special focus on increasing the  
4 homeownership rates of households identifying as Black, Indigenous, or  
5 People of Color, who are systematically disenfranchised from financing real  
6 estate through traditional banking and have therefore been generationally  
7 dispossessed of the ability to develop lasting wealth.

8 Sec. 12. 10 V.S.A. § 699a is added to read:

9 § 699a. VERMONT HOMEOWNERSHIP REVOLVING LOAN FUND

10 (a) Creation of Program. The Department of Housing and Community  
11 Development shall design and implement the Vermont Homeownership  
12 Revolving Loan Fund, through which the Department shall provide funding to  
13 statewide or regional nonprofit housing organizations, or both, to issue no-  
14 interest loans to first-time homebuyers.

15 (b) Eligible housing units. The following units are eligible for a loan  
16 through the Program:

17 (1) Existing structure. The unit is an existing single-family dwelling,  
18 multifamily dwelling with not more than four units, mobile home, or  
19 condominium.

20 (2) Accessory dwelling. The unit is an accessory dwelling unit that  
21 meets the requirements of 24 V.S.A. § 4412(1)(E).

1        (c) Eligible applicants; priorities.

2            (1) To be eligible for a loan through the Program, an applicant shall:

3                    (A) be a first-time homebuyer in Vermont;

4                    (B) have a household income of not more than 120 percent of the  
5 area median income; and

6                    (C) occupy the home as his or her full time residence.

7            (2) A housing organization shall give priority to an applicant whose  
8 employer provides down payment assistance or funding for rehabilitation  
9 costs.

10        (d) Administration. The Department shall require a housing organization  
11 that receives funding under the Program to adopt:

12            (1) a standard application form that describes the application process  
13 and includes instructions and examples to help homebuyers apply;

14            (2) an award process that ensures equitable selection of homebuyers;  
15 and

16            (3) a loan management system that ensures accountability for funds  
17 awarded.

18        (e) Set-aside for Black, Indigenous, or People of Color. A minimum of 25  
19 percent of Program funds shall be awarded to applicants identifying as Black,  
20 Indigenous, or People of Color. The Department and its nonprofit partners  
21 shall work to ensure appropriate utilization of these funds.

1        (f) Program requirements.

2            (1) A loan issued through the Program:

3                    (A) shall not exceed a standard limit set by the Department, which  
4        shall not exceed \$50,000;

5                    (B) shall be zero interest and payments shall be suspended while the  
6        homebuyer occupies the home;

7                    (C) shall become due in full upon the sale or transfer of the home or  
8        upon refinancing with approval by the Department and the housing  
9        organization that issued the loan.

10            (2) A rehabilitation project that is funded by a loan through the Program  
11        shall include a weatherization component and shall comply with applicable  
12        building, housing, and health laws.

13            (3) A homebuyer may use not more than 25 percent of a loan for down  
14        payment and closing costs and fees.

15            (4) A homebuyer shall repay a loan.

16            (g) Revolving loan fund. The Department shall use the amounts from loans  
17        that are repaid to provide additional funding through the Program.

18        Sec. 13. DUTIES CONTINGENT ON FUNDING

19            The duties of the Department of Housing and Community Development  
20        specified in Secs. 10 and 12 of this act are contingent upon available funding.

21                                    **\*\*\* Appropriations \*\*\***

1 Sec. 14. APPROPRIATIONS

2 (a) The amount of \$4,000,000.00 is appropriated from the General Fund to  
3 the Department of Housing and Community Development to provide grants  
4 and loans as follows:

5 (1) \$3,000,000 for grants and loans through the Vermont Rental  
6 Housing Investment Program created in 10 V.S.A. § 699; and

7 (2) \$1,000,000 for loans through the Vermont Homeownership  
8 Revolving Loan Fund created in 10 V.S.A. § 699a.

9 (b) The amount of \$200,000.00 is appropriated from the General Fund to  
10 the Department of Housing and Community Development as one-time start-up  
11 funding to assist in creating the rental housing registry created in 3 V.S.A.  
12 § 2478 and to fund the positions authorized in Sec. 5 of this act.

13 (c) The amount of \$200,000.00 is appropriated from the General Fund to  
14 the Division of Fire Safety as one-time start-up funding for the positions  
15 authorized in Sec. 4 of this act.

16 (d) From the amounts collected from rental housing registration fees  
17 pursuant to 3 V.S.A. § 2479, the Commissioner of Finance and Management  
18 shall allocate:

19 (1) \$200,000.00 to the Department of Housing and Community  
20 Development to assist in creating the rental housing registry created in  
21 3 V.S.A. § 2478 and to fund the positions authorized in Sec. 5 of this act; and



1           (1) Sec. 1 (DPS authority for rental housing health and safety).

2           (2) Sec. 2 (rental housing registry).

3           (3) Sec. 6 (conforming changes to Department of Health statutes).

4           (4) Sec. 7 (DPS rulemaking authority and transition provisions).

5           (b) The following sections take effect on July 1, 2021:

6           (1) Sec. 4 (DPS positions).

7           (2) Sec. 5 (DHCD positions);

8           (3) Secs. 8-10 (Vermont Housing Investment Program).

9           (c) Sec. 3 (rental housing registration) shall take effect on January 1, 2022.

10