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H.391

Introduced by Representatives Burrows of West Windsor, Leavitt of Grand
Isle, Buss of Woodstock, Cole of Hartford, Cordes of Lincoln,
Goldman of Rockingham, Krasnow of South Burlington, Minier
of South Burlington, Nugent of South Burlington, Ode of
Burlington, Pouech of Hinesburg, Priestley of Bradford,
Rachelson of Burlington, Stone of Burlington, Surprenant of
Barnard, Templeman of Brownington, and Williams of Barre
City

Referred to Committee on

Date:

Subject: Housing

Statement of purpose of bill as introduced: This bill proposes to create an
eviction diversion program within the Vermont State Housing Authority to
avoid eviction for nonpayment of rent in appropriate cases, to authorize
funding and a position within the Authority to administer the Program, and to
seal court records for eviction actions in appropriate cases.

An act relating to creating an eviction diversion program

1 It is hereby enacted by the General Assembly of the State of Vermont:

2 Sec. 1. EVICTION DIVERSION PROGRAM

3 (a) Program created.

4 (1) The Vermont State Housing Authority, in coordination with
5 Vermont Legal Aid, shall create the Eviction Diversion Program consistent
6 with the provisions of this act.

7 (2) The objective of the Program is to prevent, when possible, the filing
8 of ejectment actions regarding residential tenancies, by incentivizing landlords
9 and tenants to explore alternatives to eviction prior to filing.

10 (b) Program funding; position authorized.

11 (1) In fiscal year 2024, the amount of \$1,600,000.00 is appropriated
12 from the General Fund to the Vermont State Housing Authority to provide
13 funding for the Eviction Diversion Program consistent with this act.

14 (2) The Authority is authorized to create and fund one full-time
15 equivalent position for an Eviction Diversion Coordinator whose duties shall
16 included the following:

17 (A) administer the Program;

18 (B) screen landlords and tenants for eligibility to participate in and
19 receive funds through the Program; and

20 (C) identify eligibility and refer landlords and tenants to other
21 available and appropriate sources of funding and support, including repair

1 funds, rent arrearage funds, housing opportunity grant funds, existing rent
2 support and subsidy programs, legal assistance programs, and mediation
3 services.

4 (c) Public outreach; notice to landlords and tenants.

5 (1) The Eviction Diversion Coordinator shall collaborate with the
6 Vermont Judiciary, Vermont Legal Aid, and the Vermont Landlord
7 Association to design a public awareness campaign and conduct outreach to
8 landlords and tenants concerning the eviction diversion services available
9 through the Program.

10 (2) The Coordinator shall make publicly available and to landlords a
11 standard document that summarizes the Program and provides contact
12 information for the Program, which document a landlord may provide to a
13 tenant with a notice of termination issued pursuant to 9 V.S.A. § 4467(a).

14 (d) Program eligibility.

15 (1) A tenant is eligible to participate in the Program if:

16 (A) the tenant is in arrears in an amount equivalent to three or fewer
17 months' rent;

18 (B) the tenant's household income is at or below 100 percent of area
19 median income; and

20 (i) the tenant's housing expenses are greater than household
21 income;

1 (ii) the tenant's rent as increased by 10 percent or more in the
2 previous 24 months; or

3 (iii) the tenant or a member of the tenant's household has
4 experienced a medical emergency, incarceration, or job loss in the previous 12
5 months;

6 (C) the tenant has not applied to the Program in the previous 12
7 months; and

8 (D) the tenant consents to participate in mediation or other
9 appropriate method of dispute resolution, as determined by the Coordinator.

10 (2) A landlord is eligible to participate in the Program if:

11 (A) the landlord agrees to participate in mediation or other
12 appropriate method of dispute resolution, as determined by the Coordinator;
13 and

14 (B) as a condition of receiving payment, the landlord agrees to
15 rescind the termination of tenancy.

16 (e) Program procedure.

17 (1) Following notice of termination for nonpayment of rent pursuant to 9
18 V.S.A. § 4467(a), a landlord or a tenant may submit a request to the
19 Coordinator to evaluate eligibility to participate in the Program.

20 (2) The Coordinator shall determine eligibility and notify the landlord
21 and tenant not later than five days following receipt of a request.

1 (3) If the landlord and tenant who are determined to be eligible choose
2 to participate in the Program, the 14-day period specified in 9 V.S.A. § 4467(a)
3 and the 60-day period specified in 9 V.S.A. § 4467(k) shall be suspended until:

4 (A) the parties reach agreement and the landlord rescinds the
5 termination notice; or

6 (B) the parties do not reach agreement and formally withdraw from
7 the Program.

8 (4) A landlord and tenant who choose to participate in the Program shall
9 engage in mediation or other appropriate method of dispute resolution, as
10 determined by the Coordinator, with the purposes of:

11 (A) identifying the causes and appropriate responses for the tenant's
12 nonpayment of rent;

13 (B) identifying financial aid and other supports provided through the
14 Program and other services that can help prevent future violations of the
15 residential rental agreement;

16 (C) adopting a mediation agreement or similar action plan that
17 specifies the terms of resolving the dispute and any terms and conditions with
18 which the parties must comply to resolve the dispute and avoid future
19 violations of the residential rental agreement.

1 (5) Upon successful completion of mediation and resolution of the
2 dispute, as agreed by the parties, the Coordinator shall issue payment directly
3 to the landlord on behalf of the tenant in an amount not to exceed the lesser of:

4 (A) the actual amount of unpaid rent and the landlord's reasonable
5 costs and fees arising from termination of the tenancy; or

6 (B) \$3,000,00.00.

7 Sec. 2. 9 V.S.A. § 4468a is added to read:

8 § 4468a. EJECTMENT ACTIONS; PROTECTION OF TENANT PRIVACY

9 Notwithstanding any provision of law to the contrary, unless and until a
10 court issues a final order for ejectment pursuant to 12 V.S.A. chapter 169,
11 subchapter 3, the court shall seal and withhold from public inspection and
12 copying any records that include the personally identifiable information of a
13 tenant against whom the action for ejectment is brought.

14 Sec. 3. EFFECTIVE DATE

15 This act shall take effect on passage.