1	H.791
2	Introduced by Representatives Masland of Thetford, Anthony of Barre City,
3	and Cole of Hartford
4	Referred to Committee on
5	Date:
6	Subject: Municipal government; affordable housing; impact fees
7	Statement of purpose of bill as introduced: This bill proposes to require
8	municipalities to collect an impact fee upon issuing a permit to build a house
9	over 5,000 square feet.
10	
10	An act relating to impact fees and affordable housing
11	It is hereby enacted by the General Assembly of the State of Vermont:
12	Sec. 1. 24 V.S.A. chapter 131 is amended to read:
13	CHAPTER 131. IMPACT FEES
14	§ 5200. PURPOSE
15	It is the intent of this chapter to enable municipalities to require the
16	beneficiaries of new development to pay their proportionate share of the cost
17	of affordable housing, municipal, and school capital projects that benefit them
18	and to require them to pay for or mitigate the negative effects of construction.
19	§ 5201. DEFINITIONS
20	As used in this chapter:

1	(1) "Municipality" means a town, a city, or an incorporated village or an
2	unorganized town or gore. "Affordable home" or "affordable housing" means
3	a residential home that contains not more than 5,000 square feet of living
4	space, including the square footage of an attached accessory dwelling unit as
5	defined in chapter 117 of this title.
6	(2) "Capital project" means:
7	(A) any physical betterment or improvement including furnishings,
8	machinery, apparatus, or equipment for such physical betterment or
9	improvement, including the construction of affordable housing;
10	(B) any preliminary studies and surveys relating to any physical
11	betterment or improvement;
12	(C) land or rights in land; or
13	(D) any combination of these.
14	(3) "Impact fee" means a fee levied as a condition of issuance of a
15	zoning or subdivision permit that will be used to cover any portion of the costs
16	of an existing or planned capital project, including the construction of
17	affordable housing, that will benefit or is attributable to the users of the
18	development or to compensate the municipality for any expenses it incurs as a
19	result of construction. The fee may be levied for recoupment of costs for
20	previously expended capital outlay for a capital project that will benefit the
21	users of the development.

1	(4) "Municipality" means a town, a city, or an incorporated village or an
2	unorganized town or gore.
3	(5) "Offsite mitigation" means permanent protection of land not
4	necessarily adjacent to the development site and which that compensates for
5	the impact of the development.
6	* * *
7	§ 5203. PROCEDURE
8	* * *
9	(g) If a permit for the construction of a residential house is not considered
10	affordable housing pursuant to subdivision 5201(1) of this title, a municipality
11	shall collect an impact fee of not less than \$10,000.00 per 1,000 square feet of
12	the house or a greater sum as determined by the municipality's formula,
13	excluding the first 5,000 square feet. Proceeds from this impact fee shall be
14	distributed to the Vermont Housing Finance Agency for purposes of
15	supporting affordable housing efforts that benefit the developer or owner of the
16	<u>house.</u>
17	* * *
18	Sec. 2. EFFECTIVE DATE
19	This act shall take effect on July 1, 2024.