

1 H.671

2 Introduced by Representative Olsen of Jamaica

3 Referred to Committee on

4 Date:

5 Subject: Human services; weatherization; recapture of state funds

6 Statement of purpose: This bill proposes to require residential homeowners to
7 return a portion of Vermont weatherization trust fund money used for a
8 weatherization project to the state office of economic opportunity when the
9 homeowner sells the property.

10 An act relating to the recapture of home weatherization assistance program
11 funds

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

13 Sec. 1. 33 V.S.A. § 2501 is amended to read:

14 § 2501. HOME WEATHERIZATION ASSISTANCE TRUST FUND

15 (a) There is created in the state treasury a fund to be known as the home
16 weatherization assistance trust fund to be expended by the director of the state
17 office of economic opportunity in accordance with federal law and this
18 chapter.

19 (b) The fund shall be composed of the receipts from the gross receipts tax
20 on retail sales of fuel imposed by section 2503 of this title, such funds as may

1 be allocated from the oil overcharge fund, such funds as may be allocated from
2 the federal low income energy assistance program, such funds as may be
3 recaptured pursuant to section 2502 of this title, and such other funds as may
4 be appropriated by the general assembly.

5 (c) All balances in the fund at the end of any fiscal year shall be carried
6 forward and remain part of the fund. Interest earned by the fund shall be
7 deposited into the fund. Disbursements from the fund shall be made by the
8 state treasurer on warrants drawn by the commissioner of finance and
9 management. Disbursements may be made from the fund only to support the
10 programs established by this chapter or otherwise as authorized by this chapter.

11 Sec. 2. 33 V.S.A. § 2502 is amended to read:

12 § 2502. HOME WEATHERIZATION ASSISTANCE PROGRAM

13 (a) The director of the state office of economic opportunity shall administer
14 a home weatherization assistance program under such rules, regulations,
15 funding, and funding requirements as may be imposed by federal law.

16 (b) In addition, the director shall supplement, or supplant, any federal
17 program with a state home weatherization assistance program.

18 (1) The state program shall provide an enhanced weatherization
19 assistance amount exceeding the federal per unit limit allowing amounts up to
20 an average of \$6,000.00 per unit allocated on a cost-effective basis. In units
21 where costs exceed the allowable average by more than 25 percent, prior

1 approval of the director of the state economic opportunity office shall be
2 required before work commences. This amount shall be adjusted annually by
3 increasing the last year's amount by the percentage increase in the Consumer
4 Price Index for the previous year.

5 (2) The state program shall provide amounts for low income customers
6 utilizing any high operating cost fuel, to convert to another fuel source under
7 rules adopted by the director based on the cost effectiveness of the converted
8 facility over the life cycle of the equipment.

9 (3) The director, in collaboration with the weatherization service
10 providers and other stakeholders, shall develop the state program so that it will
11 include:

12 (A) Facilitating the development and implementation of a statewide
13 common energy-audit tool or tools that work well on all Vermont housing,
14 including multi-family buildings.

15 (B) With regard to multi-family buildings, requiring either of the
16 following requirements to be met:

17 (i) at least 25 percent or more of the tenants in the building are
18 eligible for the weatherization program; or

19 (ii) at least 50 percent of the units are weatherization affordable,
20 and at least one tenant of the building has applied for the weatherization
21 program and has been determined to be eligible. For purposes of this

1 subdivision, “weatherization affordable” means a unit having a rent that is
2 established at less than 30 percent of the income level established by
3 computing 60 percent of the area median income level or 60 percent of the
4 state median income level, whichever is higher, for the relevant household
5 size. Relevant household size means the number of bedrooms in the unit,
6 plus one.

7 (C) Establishing program eligibility levels at 60 percent of the area
8 median income, or 60 percent of the state median income, whichever is higher.

9 (D) Eliminating the lien requirements on weatherized rental
10 properties, so long as the landlord executes a rent stabilization agreement
11 which has a term of at least one year.

12 (E) Generally, allowing flexibility to accommodate special
13 circumstances in which greater energy savings can be realized or health and
14 safety problems may be alleviated.

15 (F) Increasing the number of low income homes weatherized each
16 year, or the scope of services provided, or both, to reflect increased revenues in
17 the home weatherization assistance trust fund.

18 (4) funding for the installation of solar domestic hot water systems and
19 other renewable energy systems on eligible homes, where cost-effective and
20 consistent with other program needs.

1 (c) The secretary of the agency of human services shall by rule establish
2 rent stabilization agreements and provisions to recapture amounts expended for
3 weatherization of a rental unit which exceed the amount of energy cost
4 reductions projected to be obtained by eligible tenants of the unit. The time
5 periods established for rent stabilization and recapture shall be set taking into
6 account the size of benefits received by tenants and landlords as well as the
7 effect on program participation. Funds recaptured under this section shall be
8 deposited into the weatherization assistance trust fund established under
9 section 2501 of this title.

10 * * *

11 (f) If a property that is not a rental unit is sold within ten years of the
12 completion of a project funded in part by the Vermont weatherization trust
13 fund, the property owner shall return a portion of the total expenditures from
14 the trust fund to the state office of economic opportunity. If the property is
15 sold:

16 (1) up to five years after completion, 100 percent shall be returned;

17 (2) from five to ten years after completion, 50 percent shall be returned.

18 Sec. 3. EFFECTIVE DATE

19 This act shall take effect on January 1, 2013.