

250 COMMISSION REPORT DRAFTING

I. **SUMMARY**

A. **Structure of report**

This report is submitted by the Commission on Act 250: the Next 50 Years (the Commission), which was created by 2017 Acts and Resolves No. 47 (Act 47).¹ The report concerns the statutes and program originally established by 1970 Acts and Resolves No. 250, now known as “Act 250” and codified at 10 V.S.A. chapter 151.

The report includes the following sections: this summary; a description of the Commission’s charge; a description of the Commission’s activities, including its public engagement process; and four sections on the tasks assigned to it by Act 47. These four sections consist of: (1) tasks related to the original goals of Act 250 and overarching issues, (2) issues on the Act 250 criteria, (3) issues on jurisdiction, and (4) issues on process interface with other permitting programs, and appeals.

B. **Summary of charge and process**

Act 47 created a commission of six legislators to “review the vision for Act 250 adopted in the 1970s and its implementation with the objective of ensuring that, over the next 50 years, Act 250 supports Vermont’s economic, environmental, and land use planning goals.”² The Act also appointed advisors to provide assistance to the Commission, including representatives of State agencies, regional and municipal entities, and development and environmental interests. The Act and the list of appointed advisors are attached as Appendices [nos. to be filled in], respectively.

As directed by Act 47, the Commission’s process included three phases that are described in Section III of this report: a phase of gathering information on Act 250’s purpose, history, and implementation; a public engagement phase; and a phase of deliberation and report preparation.

Major themes that emerged from the public engagement process were: [to be completed]

C. **Conclusions and recommendations**

As explained below, the Commission’s conclusions and recommendations are as follows:

[bullet point list to be completed]

¹2017 Acts and Resolves No. 47 (Act 47), Sec. 2(a).

²Act 47, Sec. 1(b).

II. DESCRIPTION OF CHARGE

- A. 2017 Acts and Resolves No. 47 (Act 47)/three phases/cross-reference text in appendix
- B. 2018 Acts and Resolves No. 194 (Act 194) – additional tasks re trails, forest products processing operations
[TO BE COMPLETED]

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III. COMMISSION PROCESS

- A. Introduction; cross-reference minutes in appendix
- B. Phase 1; description; cross-reference NRB submission in appendix
- C. Phase 2; description; cross-reference public engagement report in appendix
- D. Phase 3; description

[TO BE COMPLETED]

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IV. **TASK GROUP 1: THE FINDINGS AND THE CAPABILITY AND DEVELOPMENT PLAN; OVERARCHING ISSUES**

A. **Charges**

Successful or unsuccessful in meeting goals. Act 47, Sec. 2(e)(2)(A) – “An evaluation of the degree to which Act 250 has been successful or unsuccessful in meeting the goals set forth in the Findings and the Plan.”

Changes since 1970. Act 47, Sec. 2(e)(2)(D) – “An examination of changes that have occurred since 1970 that may affect Act 250, such as changes in demographics and patterns and structures of business ownership.”

Revisions to plan. Act 47, Sec. 2(e)(2)(B) – “An evaluation of whether revisions should be made to the Plan.”

B. **Facts/Background**

1. **The 1970 Findings and 1973 Capability and Development Plan**

In Act 47, “the Findings” means the four findings adopted in the eponymous “Act 250,” that is, Sec. 1 of 1970 Acts and Resolves No. 250.³ Act 47 also defines “the Plan” to mean a series of 19 further legislative findings adopted in 1973, which the General Assembly stated constitutes the Capability and Development Plan called for by the 1970 legislation.⁴

In summary, the Findings from 1970 concluded that:

- unplanned and uncontrolled land use has resulted in development that may be destructive to the environment and unsuitable to the needs of Vermonters,
- comprehensive planning is necessary to guide the use of land,
- it was necessary to establish State commissions with authority to regulate the use in the State of the land and the environment, and
- the use of the land and the environment must be regulated to ensure that those uses are not unduly detrimental to the environment, promote orderly growth and development, and are suitable to the needs of Vermonters.

These findings were included verbatim in Act 47, which is attached in Appendix [no. to be filled in].

³ 2017 Acts and Resolves No. 47, Sec. 1(a)(3).

⁴ Id., Sec. 1(a)(4); 1973 Acts and Resolves No. 85, Sec. 6.

The 19 legislative findings from 1973 that constitute the Plan are more detailed and address the following topics:

- the capability of the land to support development;
- the use of natural resources, including agricultural and forest productivity, mineral resources, conservation of the recreational opportunities, and protection of the beauty of the landscape;
- public and private capital investment, including the demands placed on public services by development;
- planning for growth, including the issues of strip development and keeping village and town centers vital;
- seasonal home development;
- general policies for economic development;
- specific areas for resource development;
- planning for housing, including housing for residents of low or moderate income;
- resource use and conservation, including those resources protected under Act 250's Criteria 1 (air and water pollution) and 9 (capability and development plan);
- preserving the value and availability of outdoor recreational opportunities;
- protecting special areas, such as sites of historic, cultural, or archaeological value;
- controlling adverse effects on scenic resources;
- encouraging energy conservation;
- taxation of land;
- planning government facilities and public utilities based on reasonable growth projections;
- public facilities or services adjoining agricultural or forestry lands;
- planning for transportation and utility corridors;
- planning for integrated transportation systems; and
- planning for waste disposal.

The General Assembly also stated that the findings that constitute the Plan “shall not be used as criteria in the consideration of applications . . .”⁵ A copy of the Plan is attached in Appendix [no. to be filled in].

On the settlement patterns issue discussed later in this report, the Plan found that strip development and scattered residential development have economic and environmental costs, including costs to government and loss of agricultural land. It also found that village and town centers should be renovated for commercial and commercial .and industrial development, where feasible, and that residential and other development should be located off the highways, near the village center.⁶

⁵1973 Acts and Resolves No. 85, Secs. 7, 10.

⁶*Id.*, Sec. 7(a)(4)(A), (B).

Act 250's ability to achieve the goals contained in the Findings and the Plan is necessarily limited because its jurisdiction is limited.⁷ It is estimated that about 75 percent of development in Vermont is not subject to Act 250.⁸

With respect to planning goals enunciated in the Findings and the Plan, Act 250's authority to perform land use planning was repealed in 1984.⁹ Its ability to facilitate achieving planning goals is primarily through a review criterion that requires conformance with local and regional plans.¹⁰

2. Changes Since 1970

Vermont's population grew from approximately 447,000 in 1970 to 627,000 in 2016.¹¹

In January 1976, Vermont had a labor force population of 213,677, with 195,099 employed and 18,658 unemployed. The unemployment rate was 8.7 percent.¹²

In August 2018, Vermont had a labor force population of 348,192, with 338,297 employed and 9895 unemployed. The unemployment rate was 2.8 percent.¹³

From 1970 to 2017:

- In constant dollars (2009, adjusted for inflation), Vermont's per capita annual income rose from approximately \$16,500 to approximately \$45,400.¹⁴
- In current dollars (not adjusted for inflation), Vermont's per capita annual income increased from approximately \$3,700 to approximately \$51,100.¹⁵
- As a percentage of U.S. annual per capita income, Vermont's annual per capita income increased from 88 to 101 percent.¹⁶

⁷ 10 V.S.A. § 6001, 6081.

⁸R.M. Sanford and H.B. Stroud, "Evaluating the Effectiveness of Act 250 in Protecting Vermont Streams," *Journal of Environmental Planning and Management*. Vol. 43, No. 5 (2000).

⁹ 1984 Acts and Resolves No. 114, Sec. 5.

¹⁰10 V.S.A. § 6086(a)(10).

¹¹Vt. Dept. of Health, Population of Vermont Towns 1930-2016 (Dec. 1, 2017); retrieved from http://www.healthvermont.gov/sites/default/files/documents/xls/STAT_Population_of_Vermont_towns_1930-2016.xls, Nov. 2, 2018.

¹²U.S. Bureau of Labor Statistics, Data for Vermont, retrieved from <https://www.bls.gov/eag/eag.vt.htm> (click on back data), Nov. 2, 2018. January 1976 is the earliest date available from this site.

¹³*Id.*

¹⁴Regional Economic Analysis Project, Vermont vs. United States Comparative Trends Analysis: Per Capita Personal Income Growth and Change, 1958-2017, retrieved from https://united-states.reaproject.org/analysis/comparative-trends-analysis/per_capita_personal_income/tools/500000/0/, Nov. 5, 2018.

¹⁵*Id.*

¹⁶*Id.*

During that same period, Vermont's ranking among U.S. states for per capita annual income rose from 33 to 19.¹⁷

Vermont's rate of land development has substantially exceeded its rate of population growth. Vermont land was developed at approximately 2.5 to three times the State's rate of population growth between 1982 and 2003.¹⁸ From 2002 to 2007, the land development rate was approximately four times the rate of population growth, and from 2007 to 2012, it was approximately six times the rate of population growth.¹⁹

Impairment of Vermont waters remains significant:

- In 2002, the General Assembly found that in Vermont 126 surface waters were listed as impaired under the Clean Water Act.²⁰ In 2018, there are approximately 224 surface waters on the lists of impaired waters prepared by the Agency of Natural Resources (ANR) under that act.²¹
- The overall miles of Vermont rivers and streams impaired for one or more uses was reported as 311 in 2004 and 365.2 in 2016.²²
- In January 2010, ANR reported that 17 of Vermont's waters were principally impaired for stormwater runoff.²³ In 2018, 17 Vermont waters are listed as principally impaired for stormwater runoff.²⁴

Vermont also is experiencing significant creation of small parcels. From 2004 to 2016, 8,645 new parcels between zero and 10 acres in size were created in the State.²⁵

C. **Discussion and Recommendation**

[TO BE COMPLETED, including whether changes should be made to Plan]

¹⁷Vt. Dept. of Labor, Economic and Labor Market Information, Per Capita Personal Income (Sep, 2018), retrieved from <http://www.vtlmi.info/pcpivt.xlsx>, Nov. 2, 2018.

¹⁸Vt. Forum on Sprawl, Exploring Sprawl, Issue 6 at 2 (Aug. 1999); V. Bolduc and H. Kessel, Vermont in Transition: A Summary of Social Economic and Environmental Trends at 36 (Dec. 2008).

¹⁹B. Shupe, Powerpoint Presentation (Oct. 26, 2018).

²⁰2002 Acts and Resolves No. 109, Sec. 1(7),

²¹State of Vermont, 303(d) Lists of Impaired Waters, Parts A, B, and D (Sep. 2018).

²²Vt. Dept. of Environmental Conservation (DEC), 2004 Water Quality Assessment Report (305b Report) at 27; 2016 Water Quality Integrated Assessment Report at 28. The 2018 Vermont water quality assessment or 305b report is not readily comparable to the 2004 305b report because the 2018 report: (a) is based on a splitting of one former aquatic use into separate uses and a renaming of several other uses and (b) does not state overall impairment data for rivers and streams. DEC, State of Vermont Water Quality Integrated Assessment Report 2018 at 25, 26.

²³Vt. ANR, Annual Report on the Management of Stormwater Impaired waters in Vermont at 2 (Jan. 2010).

²⁴State of Vermont, 303(d) Lists of Impaired Waters, Parts A and D (Sep. 2018).

²⁵J. Fidel and K. McCarthy, Tracking Parcelization Over Time: Updating the Vermont Database to Inform Planning and Policy (Phase III Report) at 17 (Sep. 2018).

V. **TASK GROUP 2: ISSUES ON THE CRITERIA**

A. **Revising criteria with respect to issues emerging since 1970**

1. Charge

Act 47, Sec. 2(e)(2)(C)(i) – “Whether the criteria reflect current science and adequately address climate change and other environmental issues that have emerged since 1970. On climate change, the Commission shall seek to understand, within the context of the criteria of Act 250, the impacts of climate change on infrastructure, development, and recreation within the State, and methods to incorporate strategies that reduce greenhouse gas emissions.”

2. Summary List of Criteria

A summary list of the criteria is as follows, with their full text attached as Appendix [no. to be filled in]:

- (1) Undue water or air pollution
 - (A) Headwaters
 - (B) Waste disposal
 - (C) Water conservation
 - (D) Floodways
 - (E) Streams
 - (F) Shorelines
 - (G) Wetlands
- (2) Sufficient water available
- (3) Unreasonable burden on an existing water supply
- (4) Unreasonable soil erosion or reduction in the capacity of the land to hold water
- (5) Traffic
 - (A) Unreasonable congestion or unsafe conditions with respect to transportation
 - (B) Incorporate transportation demand management strategies
- (6) Unreasonable burden on the ability of a municipality to provide educational services
- (7) Unreasonable burden on the ability of the local governments to provide municipal or governmental services
- (8) Undue adverse effect on the scenic or natural beauty of the area, aesthetics, historic sites or rare and irreplaceable natural areas
 - (A) Necessary wildlife habitat and endangered species
- (9) Capability and development plan
 - (A) Impact of growth
 - (B) Primary agricultural soils
 - (C) Productive forest soils
 - (D) Earth resources
 - (E) Extraction of earth resources
 - (F) Energy conservation

- (G) Private utility services
- (H) Costs of scattered development
- (J) Public utility services
- (K) Development affecting public investments
- (L) Settlement patterns
- (10) Conformance with local or regional plan or capital program

3. Facts

Climate change poses serious risks to human health, functioning ecosystems that support a diversity of species and economic growth, and Vermont's agricultural, forestry, tourist, and recreation industries. These risks include an increase in extreme weather events, the frequency and intensity of flooding, and record-breaking high temperatures, as well as in tick-borne diseases and invasive species.²⁶

Vermont also may become a receiving state for climate refugees as Northeast coastal populations are increasingly impacted by rising sea levels.²⁷

The primary driver of climate change in Vermont and elsewhere is the increase of atmospheric carbon dioxide from the burning of fossil fuels, which has a warming effect that is amplified because atmospheric water vapor, another greenhouse gas, increases as temperature rises.²⁸

Major sources of Vermont's greenhouse gas emissions are the consumption of fossil fuels for transportation, for residential and commercial uses such as heating buildings and water, and for agriculture and industrial processes. Vermont's greenhouse gas emissions increased from approximately nine million metric tons (MMT CO_2) in 1990 to 10 million MMT CO_2 in 2015, with a peak of just under 11 million MMT CO_2 in 2004.²⁹

For developments and subdivisions within Act 250's jurisdiction, the statute provides, through its review criteria, authority over the construction, operation, and maintenance of a project, including its buildings and uses. This authority includes air pollution, energy use, and traffic generated. This authority does not specifically address greenhouse gas emissions from the project or its associated traffic or the ability of the project to adapt to climate change impacts.³⁰

²⁶30 V.S.A. § 255(a)(2); Vermont Climate Action Commission, Final Report at 1-2 (July 31, 2018); U.S. EPA, "What Climate Change Means for Vermont" (August 2016); Gund Institute, Vermont Climate Assessment at 10-14 (2014).

²⁷Gund Institute, Vermont Climate Assessment at 122.

²⁸30 V.S.A. § 255(a)(1); 2013 Acts and Resolves No. 89, Sec. 1; U.S. EPA, "What Climate Change Means for Vermont" (August 2016); Vt. Dept. of Public Service, 2016 Comprehensive Energy Plan at 28, Sec. 3.2.

²⁹2013 Acts and Resolves No. 89, Sec. 1; Vermont Climate Action Comm., Final Report at 2-3 (July 31, 2018).

³⁰10 V.S.A. § 6086(a).

Act 250 does have authority to review issues related to projects in floodways through its floodways subcriterion, which has not been amended since 1973.³¹ This criterion therefore does not necessarily reflect recent work by the Agency of Natural Resources (ANR) on river corridor and floodplain protection and flood readiness.³²

4. Discussion and Recommendation

[TO BE COMPLETED]

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³¹10 V.S.A. § 6086(a)(1)(D);1973 Acts and Resolves No. 85, Sec. 10

³²10 V.S.A. chapter 32; Vt. ANR, River Corridor and Flood Protection, program description, retrieved from <https://dec.vermont.gov/watershed/rivers/river-corridor-and-floodplain-protection>, Nov. 7, 2018; State of Vermont, Flood Ready Vermont, retrieved from <https://floodready.vermont.gov/>, Nov. 7, 2018.

B. Settlement patterns and the criteria:

1. Charge

Act 47, Sec. 2 (e)(2)(C)(ii) – “Whether the criteria support development in areas designated under 24 V.S.A. chapter 76A, and preserve rural areas, farms, and forests outside those areas.”

2. Facts/Background

a) *Overview*

Vermont statute and policy seek to maintain a pattern of compact village and urban centers surrounded by countryside because of that pattern’s contribution to the character of the State and its economic and environmental benefits when contrasted with development that is scattered across the landscape. For example, the Department of Housing and Community Development (DHCD) has provided an estimate that the total annual cost to a Vermont town to provide services to a household is \$1416 in a downtown as opposed to \$3462 in rural and suburban areas.³³

DHCD also has provided estimates showing that median annual household vehicle miles decrease significantly for residents of designated downtowns and neighborhoods and those living within a half mile of downtowns.³⁴ One can therefore infer that promoting this settlement pattern avoids fossil fuel emissions such as greenhouse gases. In addition, total energy costs for households living within one-half mile of designated downtowns are reduced by 16 to 31 percent in comparison to other households.³⁵

Land in urban and village centers tends to support greater numbers of individuals and jobs and to be more valuable for property tax purposes than land outside those centers. It is estimated that an acre of impervious surface inside the centers supports 12 individuals and 10.67 jobs, while an acre of impervious surface outside the centers supports five individuals and 2.23 jobs.³⁶ For example, a mixed use property on 0.12 acres in a downtown district had \$154,820 per acre property tax value while the same value for box stores on 65.8 acres outside an urban center was \$4,310 per acre.³⁷

Vermont has long recognized the importance of settlement patterns. As described above, the 1973 Capability and Development Plan included findings directly relevant to this issue. Further, in 1988’s Act 200, the General Assembly adopted a goal for regional and municipal planning to support Vermont’s historic settlement pattern of compact village and

³³ C. Cochran and D. Azaria, Powerpoint: State Designation Programs (Dec. 13, 2017)

³⁴ *Id.*

³⁵ J. Adams, Powerpoint, Settlement Patterns in Vermont (Oct. 26, 2018).

³⁶ *Id.*

³⁷ *Id.*

urban centers surrounded by countryside. This goal is one of the goals for regional and municipal planning codified at 24 V.S.A. § 4302 (§ 4302).³⁸ As subsequently amended, this goal includes encouraging intensive residential development in areas related to community centers, discouraging strip development along highways, and encouraging economic growth in existing village and urban centers and in designated growth centers.³⁹

b) *State Designation Program*

In 1998, the General Assembly adopted a designation program under 24 V.S.A. Chapter 76A, which states a purpose to support the State's historic downtowns and villages through the designation process and its benefits and to encourage a large percentage of future growth in designated growth centers.⁴⁰

The program provides for designations of downtowns, village centers, new town centers, growth centers, and neighborhood development areas. It seeks to provide incentives, align policies, and give Vermont communities the technical assistance needed to encourage new development and redevelopment in compact, designated areas. The program's incentives are for both the public and private sector within the designated area, including tax credits for historic building rehabilitations and code improvements, permitting benefits for new housing, funding for transportation-related public improvements and priority consideration for other state grant programs.⁴¹

To obtain designations under the program, the municipal planning process for the relevant town must be confirmed by the regional planning commission as consistent with the planning goals of § 4302.⁴²

As of 2017, the program had designated 23 downtowns, 124 village centers, two new town centers, six growth centers, and five neighborhood development areas.⁴³

c) *Act 250 and State Designation Program Interface*

Act 250 currently interfaces with the State designation program in several ways. First, Act 250 provides for offsite mitigation of primary agricultural soils if the project is in a designated downtown district, growth center, new town center designated on or before January 1, 2014, or neighborhood development area associated with a downtown development district.⁴⁴

³⁸1988 Acts and Resolves, No. 200, Sec. 7, amending 24 V.S.A. § 4302.

³⁹24 V.S.A. § 4302(c)(1).

⁴⁰ 24 V.S.A. § 2790(b)(1), (d)(1).

⁴¹24 V.S.A. chapter 76A; Vt. DHCD, State Designation Programs, overall description, retrieved from <https://accd.vermont.gov/community-development/designation-programs>, Nov. 7, 2018.

⁴²24 V.S.A. §§ 2793(b)(3), 2793a(a), 2793b(b)(1), 2793c(c)(3), 2793e(a), 4350.

⁴³Vt. DHCD, State Designation Programs Overview (2017).

⁴⁴10 V.S.A. §§ 6086(a)(9)(B), (9)(C).

Second, in 2014, the General Assembly created a settlement patterns criterion within Act 250 that states a goal to promote Vermont's historic settlement pattern. This criterion, known as Criterion 9(L), requires Act 250 projects outside "existing settlements" to make efficient use of land, energy, and infrastructure and to show that they will not contribute to strip development. The statute defines "existing settlement" to include areas designated under the State designation program as well as other existing compact centers.⁴⁵ 10 V.S.A. § 6001 states in relevant part:

(16)(A) "Existing settlement" means an area that constitutes one of the following:

(i) a designated center; or
(ii) an existing center that is compact in form and size; that contains a mixture of uses that include a substantial residential component and that are within walking distance of each other; that has significantly higher densities than densities that occur outside the center; and that is typically served by municipal infrastructure such as water, wastewater, sidewalks, paths, transit, parking areas, and public parks or greens.

(B) Strip development outside an area described in subdivision (A)(i) or (ii) of this subdivision (16) shall not constitute an existing settlement.

In turn, "designated center" means "a downtown development district, village center, new town center, growth center, Vermont neighborhood, or neighborhood development area designated under 24 V.S.A. chapter 76A."⁴⁶

Third, an Act 250 project that is not physically contiguous to an "existing settlement" as defined above must meet the criterion on the costs of scattered development, known as Criterion 9(H). This criterion requires the applicant to show that the direct and indirect public costs of the project do not outweigh its public benefits including tax revenue and employment opportunities.⁴⁷

Fourth, development in a designated downtown district that is subject to Act 250 may seek findings of fact and conclusions of law in lieu of issuance of a permit or permit amendment using an expedited process that does not require an application fee and that reviews the project under many but not all of the Act 250 criteria.⁴⁸

Fifth, a municipality may seek findings of fact and conclusions of law under Act 250 from the Natural Resources Board (NRB) for a designated growth center within the municipality. A master plan permit also may be sought for all or part of a growth center.⁴⁹

⁴⁵2014 Acts and Resolves No. 147, Secs. 1 and 2, amending 10 V.S.A. §§ 6001(16) and 6086(a)(9)(L).

⁴⁶10 V.S.A. § 6001(30).

⁴⁷10 V.S.A. § 6086(a)(9)(H).

⁴⁸10 V.S.A. § 6086b.

⁴⁹24 V.S.A. § 2793c(f), (i)(5).

Sixth, projects in a designated neighborhood development area that are subject to Act 250 pay 50 percent of the otherwise required application fee.⁵⁰

Finally, the Act seeks to encourage mixed income housing and mixed use development in designated areas through its “priority housing project” provisions. These provisions exempt priority housing projects located in designated downtowns and several of the other available designations if the municipality has population of 10,000 or more. They also reduce Act 250 jurisdiction over priority housing projects in designated areas located in smaller municipalities.⁵¹

As of 2017, DHCD estimated that the “priority housing project” provisions supported the development of 586 housing units, saved an average of \$50,000 in permit fees per project, and reduced permit timelines an estimate average of seven months.⁵²

d) *Outside Designated Areas and Existing Centers*

DHCD indicates that the areas designated by the State designation program comprise 1/400th of the total area of Vermont.⁵³

The NRB has provided a map entitled “Vermont Act 250 Permit Distribution.” When compared to a map of areas designated by the State designation program, the NRB’s map indicates significant distribution of Act 250 permits outside the designated areas. The NRB’s map also indicates scattered distribution of Act 250 permits across the State, with linear distributions that appear to correspond to highways or valley locations and clusters in and around various parts of the State that are more urbanized.⁵⁴

Two of the Act 250 criteria specifically address development outside the areas designated by the State designation program: Criterion 9(H) on the costs of scattered development and Criterion 9(L) on settlement patterns. Each of these criteria applies if a project subject to Act 250 is outside an existing settlement, and the term “existing settlement” includes the areas designated by the program as well as other existing compact centers.⁵⁵

When Act 250 has jurisdiction over a project outside the designated areas and other existing centers, various additional criteria may act to provide protection to farms and forests affected by the project as well as the rural qualities of the project area, if any. These criteria include wetlands, scenic beauty and aesthetics, rare and irreplaceable natural areas, necessary wildlife habitat, primary agricultural soils, and productive forest soils.⁵⁶

⁵⁰10 V.S.A. § 6083a(d)

⁵¹10 V.S.A. § 6001(3)(A)(iv), (3)(D)(viii), (27), (28), (29), (35).

⁵²C. Cochran and D. Azaria, Powerpoint: State Designation Programs (Dec. 13, 2017)

⁵³Id.

⁵⁴Vt. Natural Resources Board, map. “VT Act 250 Permit Distribution (produced Aug. 30, 2017); Vermont Planning Atlas Map, Designation Layer (generated Oct. 24, 2018).

⁵⁵10 V.S.A. §§ 6001(16), 6086(a)(9)(H), (9)(L).

⁵⁶ 10 V.S.A. §§ 6086(a)(1)(G), (8), (8)(A), (9)(B), (9)(C).

When Act 250 does not have jurisdiction over a project outside the designated areas and existing centers, the Act 250 criteria do not apply, although a municipality may choose to adopt them for conditional use review.⁵⁷

Available data show that, statewide from 2008 to 2018, 83 percent of new residential structures and 60.63 percent of commercial structures were located outside existing centers.⁵⁸ The spread of residential development outside the centers is underscored by map comparisons of Vermont's population distribution, which show that Vermont's daytime population is much more concentrated in the centers than its 24-hour population distribution.⁵⁹

Available data also show that, statewide from 2004 to 2016, Vermont lost 147,684 acres or approximately 15 percent of its woodland, and 53,406 acres, or 9.3 percent, of its farmland.⁶⁰ During the same period, the acreage devoted to residential use increased by 162,670 acres, or seven percent.⁶¹

3. Discussion and Recommendation

[TO BE COMPLETED]

⁵⁷10 V.S.A. §§ 6001, 6081, 6086; 24 V.S.A. § 4414(3)(C).

⁵⁸J. Adams, Powerpoint, Settlement Patterns in Vermont (Oct. 26, 2018).

⁵⁹Id.

⁶⁰Fidel and McCarthy, Phase III Report at 24.

⁶¹Id.

C. **Forest fragmentation**

1. Charge

Act 47, Sec. 2(e)(2)(C) (iii) – “Whether the criteria support natural resources, working lands, farms, agricultural soils, and forests in a healthy ecosystem protected from fragmentation and loss of wildlife corridors.”

2. Facts

The area in Vermont covered by forests is declining. As stated above, between 2004 and 2016, Vermont lost 147,684 acres of woodland.⁶² The U.S. Forest Service also reports that Vermont lost five percent of its forests over 100 acres between 2001 and 2006.⁶³ In Vermont, between 2004 and 2016 the amount of undeveloped woodland in parcels 50 acres or larger decreased by 124,845 acres.⁶⁴

In addition, land subdivision is on the increase. From 2002 to 2009, 2,749 lots were created from 925 subdivisions affecting a total of 70,827 acres of land. Between 50% and 68.8% of those subdivisions were located within wildlife habitat blocks mapped by the Agency of Natural Resources.⁶⁵ Between 2004 and 2016, the number of parcels of land between zero and 10 acres increased by 8,695 parcels.⁶⁶ During the same period, the per-acre value of land in Vermont nearly doubled.⁶⁷ As land values increased, the number of parcels under 50 acres increased as well, further dividing the land.⁶⁸

“Forest fragmentation is the breaking of large, contiguous, forested areas into smaller pieces of forest. Typically, these pieces are separated by roads, agriculture, utility corridors, subdivisions, or other human infrastructure development.”⁶⁹ Fragmentation isolates forest patches and prevents the movement of plants and animals. This interrupts natural processes, like breeding and gene flow, leading to population decline.⁷⁰

Fragmented forest patches run a higher risk of shifting toward edge-adapted and invasive species. This puts the health of trees and other plants at significant risk.⁷¹

⁶²Id.

⁶³Vermont Forest Partnership Memorandum at 2 (Sep. 14, 2018).

⁶⁴Fidel and McCarthy, Phase III Report at 27.

⁶⁵VNRC, Informing Land Use Planning and Forestland Conservation Through Subdivision and Parcelization Trend Information at 15 (May 2014).

⁶⁶Fidel and McCarthy, Phase III Report at 17.

⁶⁷Id. at 44.

⁶⁸Id. at 45.

⁶⁹Vt. Dept. of Forests, Parks, and Recreation, 2015 Forest Fragmentation Report at 23.

⁷⁰Id. at 33.

⁷¹Id. at 34.

Poor forest health hurts Vermont’s economic interests, including particularly its forest products and tourism industries. “Fragmentation of Vermont forests presents a significant threat to the operability and economic viability of the forest products economy. As forest fragments become ever smaller, practicing forestry within them becomes operationally impractical, economically non-viable, and culturally unacceptable.”⁷² Tourism in Vermont often centers on the natural beauty of the state. “Changes in scenic quality and recreational opportunities—owing to loss of open space, decreased parcel size, and fragmentation—degrades the recreational experience and lead to increased likelihood of land-use conflicts.”⁷³

3. Discussion and Recommendation

[TO BE COMPLETED]

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⁷²Id.

⁷³Id. at 43.

D. Forest products processing, permit conditions

1. Charge

Act 194, Sec. 7–“The Commission on Act 250: the Next 50 Years (Commission) established under 2017 Acts and Resolves No. 47 (Act 47) shall review whether permit conditions in permits issued under 10 V.S.A. chapter 151 (Act 250) to forest processing operations negatively impact the ability of a forest processing operation to operate in an economically sustainable manner, including whether Act 250 permit conditions limit the ability of a forest processing operation to alter production or processing in order to respond to market conditions. If the Commission determines that Act 250 permit conditions have a significant negative economic impact on forestry processing operations, the Commission shall recommend alternatives for mitigating those negative economic impacts. The Commission shall include its findings and recommendation on this issue, if any, in the report due to the General Assembly on December 15, 2018 under Act 47.”

2. Facts

There are 19 sawmills in Vermont producing one million board feet or more per year. There is only one pellet mill. In the last five years, there have been seven Act 250 applications for wood processing facilities. All seven were granted permits. The average length of time to receive the permit was 110 days. Only one of the new permits contained conditions related to traffic. Two of the permits contained conditions related to hours of operation.⁷⁴

The wood harvest season is approximately 180 days long, most of which is in winter. “Working lands operations are weather dependent. The harvesting and delivery of forest products must take place when the ground conditions are suitable for heavy equipment, typically meaning dry or frozen conditions. As our climate changes, these conditions are less prevalent or predictable, which creates short windows in which site conditions and available markets must be paired.”⁷⁵

“Hours of operation and truck traffic are primary concerns as these businesses receive raw materials that must be removed from the forest and hauled on gravel roads when appropriate frozen or dry conditions prevail or deliver wood energy products to customers, and this is often at night or can be on weekends or holidays for which these applicants have found themselves limited in permit conditions and concerned that they must make choices between operating their business or violating those permit conditions.”⁷⁶

⁷⁴G. Boulboul, Vt. Natural Resources Board, testimony (Oct. 11, 2018).

⁷⁵M. Snyder and S. Lincoln, Vt. Dept. of Forests, Parks, and Recreation, Forest Products Processing and Act 250 Memorandum, at 2 (Dec. 8, 2017).

⁷⁶*Id.* at 3.

The Commission has not received statistics that demonstrate and quantify negative impacts to forest processing operations specifically caused by Act 250 permit conditions. The Commission has received anecdotal testimony regarding those impacts.

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VI. TASK GROUP 3: ISSUES ON JURISDICTION

A. Revising jurisdiction to achieve goals

1. Charges

Achieving Goals. Act 47, Sec. 2(e)(2)(G)(ii) – “Potential revisions to Act 250’s definitions of development and subdivision for ways to better achieve the goals of Act 250, including the ability to protect forest blocks and habitat connectivity.”

Promoting desired settlement patterns. Act 47, Sec. (2) (e)(2)(C)(iv) – “Whether Act 250 promotes compact centers of mixed use and residential development surrounded by rural lands.”

Protecting important natural resources. Act 47, Sec. (2) (e)(2)(C)(v) – “Whether Act 250 applies to the type and scale of development that provides adequate protection for important natural resources as defined in 24 V.S.A. § 2791.”

The phrase “important natural resources” means “headwaters, streams, shorelines, floodways, rare and irreplaceable natural areas, necessary wildlife habitat, wetlands, endangered species, productive forestlands, and primary agricultural soils, all of which are as defined in 10 V.S.A. chapter 151.”⁷⁷

2. Background

Act 250 only applies to projects that meet one of its jurisdictional thresholds. The statute prohibits, without a permit, the sale or offer for sale of any interest in a subdivision in the State, commencing construction on a subdivision or development, or commencing development.⁷⁸

In general, Act 250 will apply to a project if it constitutes: (a) a “development” as defined in the Act, (b) a “subdivision” as defined in the Act; (c) a “substantial change” to a pre-existing development or subdivision, or (d) a “material change” to a permitted project.⁷⁹ Exemptions to Act 250 jurisdiction are discussed in the next section.

a) *“Development”*

The term “development” applies to multiple categories of projects that are variously defined in terms of type, purpose, size, elevation, the existence or non-existence of

⁷⁷24 V.S.A. § 2791(14).

⁷⁸10 V.S.A. § 6081(a).

⁷⁹10 V.S.A. §§ 6001, 6081(a),(b); Act 250 Rule 34(A), (B).

permanent and zoning and subdivision bylaws in the town, or a combination of factors. “Development” includes:

- The construction of improvements for a commercial, industrial, or residential use above the elevation of 2,500 feet.
- The construction of improvements for any commercial or industrial purpose on more than 10 acres of land, or on more than one acre of land if the municipality does not have both permanent zoning and subdivision bylaws.
- The construction of 10 or more housing units, or the construction or maintenance of mobile homes or trailer parks with 10 or more units, within a radius of five miles.
- The construction of improvements for a governmental purpose if the project involves more than 10 acres or is part of a larger project that will involve more than 10 acres of land.
- The construction of a support structure which is primarily for communication or broadcast purposes and which extends 50 feet, or more, in height above ground level or 20 feet, or more, above the highest point of an attached existing structure.
- The exploration for fissionable source materials beyond the reconnaissance phase or the extraction or processing of fissionable source material.
- The drilling of an oil or gas well.
- Any withdrawal of more than 340,000 gallons of groundwater per day from any well or spring on a single tract of land or at a place of business, independent of the acreage of the tract of land.⁸⁰

The 10 unit threshold for housing project does not apply to a “priority housing project,” which is defined to include mixed income housing or mixed use located in areas designated by the State designation program.⁸¹ Priority housing projects are entirely exempt if located in municipalities of 100,000 or more.⁸² For smaller municipalities, the jurisdictional thresholds are: (a) 75, if the population is 6,000 to 10,000; (b) 50, if the population is 3,000 to 6,000, and (c) 25, if the population is less than 3,000.⁸³ However, a priority housing project consisting of 10 or more units will require an Act 250 permit if it involves the demolition of a listed historic building, unless the State Division for Historic Preservation makes certain determinations listed in statute.⁸⁴

b) *“Subdivision”*

The term “subdivision” applies to three categories related to the creation of lots:

- Creation of 10 or more lots of any size, by a person on tracts which the person owns or controls, within a five-mile radius or within the jurisdictional limits of a District Commission within a continuous period of five years.

⁸⁰10 V.S.A. § 6001(3)(A).

⁸¹10 V.S.A. § 6001(35).

⁸²10 V.S.A. § 6001(3)(D)(viii).

⁸³10 V.S.A. § 6001(3)(A)(iv).

⁸⁴10 V.S.A. § 6001(3)(A)(iv), (D)(viii).

- Within a town that does not have both permanent zoning and subdivision regulations, the creation of six or more lots of any size, by a person on tracts which the person owns or controls, within a continuous period of five years.
- The sale, by public auction, of any interest in a tract or tracts of land, owned or controlled by a person, which have been partitioned or divided for the purpose of resale into five or more lots within a radius of five miles and within any period of 10 years.⁸⁵

The term “person” is broadly defined and includes individuals or entities affiliated with each other for profit, consideration, or any other beneficial interest derived from the partition or division of land.⁸⁶

c) *“Substantial change”/Pre-existing Development or Subdivision*

Act 250 exempts so-called pre-existing developments and subdivisions, which can be thought of as projects that predate the Act but would meet the Act’s definition of development or subdivision if they were undertaken today.⁸⁷ The next section contains more specifics on these exemptions.

The Act requires a permit for a “substantial change” in a pre-existing development or subdivision.⁸⁸ “Substantial change” is defined by rule to mean “any cognizable change to a pre-existing development or subdivision which may result in significant adverse impact with respect to any of the criteria specified in 10 V.S.A. § 6086(a)(1) through (a)(10).”⁸⁹

In turn, “cognizable change” means “any physical change or change in use, including, where applicable, any change that may result in a significant impact on any finding, conclusion, term or condition of the project’s permit.”⁹⁰

d) *“Material change”/Permitted Project*

When a project has received an Act 250 permit, the Act 250 rules require a permit amendment for a “material change.”⁹¹ The term is defined as:

[A]ny cognizable change to a development or subdivision subject to a permit under Act 250 or findings and conclusions under 10 V.S.A. § 6086b, which has a significant impact on any finding, conclusion, term or condition of the project’s permit or which may result in a significant adverse impact with respect to any of the criteria specified in 10 V.S.A. § 6086(a)(1) through (a)(10).⁹²

⁸⁵10 V.S.A. § 6001(19).

⁸⁶10 V.S.A. § 6001(14).

⁸⁷10 V.S.A. § 6081(b); Act 250 Rule 2(C)(8), (9).

⁸⁸10 V.S.A. § 6081(b).

⁸⁹Act 250 Rule 2(C)(7).

⁹⁰Act 250 Rule 2(C)(26).

⁹¹Act 250 Rule 34(A).

⁹²Act 250 Rule 2(C)(6).

3. Discussion and Recommendation

[TO BE COMPLETED]

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B. **Exemptions**

1. Relationship to Findings and the Plan

a) *Charge*

Act 47, Sec. (2) (e)(2)(C)(iii) – “Whether the exemptions from Act 250 jurisdiction further or detract from achieving the goals set forth in the Findings and the Plan, including the exemptions for farming and for energy projects.”

b) *Facts/Background*

The following is a list of all of the types of projects explicitly exempt from jurisdiction.⁹³ In other words, they do not need Act 250 permit even if they would otherwise meet one of the jurisdictional thresholds discussed in the preceding section. They can be grouped into the following categories:

- **Energy:** electric generation and transmission, natural gas facilities

No permit is required for the construction of improvements for an electric generation or transmission facility that requires a certificate of public good or a natural gas facility as defined in the statute.⁹⁴

- **Fairs:** agricultural fairs, equine fairs

Provided certain statutory factors are met, development does not include the construction of improvements for: (a) an agricultural fair that is registered with the Agency of Agriculture, Food, and Markets⁹⁵ or (b) equine events.⁹⁶

- **Government services and infrastructure:** solid waste facilities, wastewater treatment facilities, water supply improvements, public schools, government buildings, water or sewer lines

No permit or permit amendment is required for a solid waste management facility subject to a provisional certification under 10 V.S.A. § 6605d.⁹⁷ No permit is required for preexisting municipal, county, or State wastewater treatment facility enhancements that do not expand capacity by more than 10 percent, preexisting municipal, county, or State water supply enhancements that do not expand capacity by more than percent, public school expansion that does not expand capacity by more than 10 percent, and municipal, county, or State building renovation or reconstruction that does not expand capacity by more than

⁹³E. Czajkowski, Exemptions to 10 V.S.A. Chapter 151 (Act 250) Memorandum, VT LEG #327881 v.2

⁹⁴10 V.S.A. § 6001(3)(D)(ii).

⁹⁵10 V.S.A. §§ 6001(3)(D)(iv), 6081(u).

⁹⁶10 V.S.A. § 6001(3)(D)(v).

⁹⁷10 V.S.A. § 6081(c).

10 percent.⁹⁸ No permit is required for municipal water or sewer line replacement that does not expand capacity by more than 10 percent, when part of the municipality's regular maintenance or replacement of facilities.⁹⁹

- **Landfills:** Earth removal sites associated with landfill closing, closure of a landfill that began prior to July 1, 1992

No permit is required for earth removal sites associated with a landfill closing, if a municipal zoning permit is obtained.¹⁰⁰ No permit or permit amendment is required for closure operations at an unlined landfill which began disposal operations prior to July 1, 1992, as defined in statute.¹⁰¹

- **Lots conveyed to the State or conservation organizations:** Long Trail lots, conservation rights and interest lots

No permit is required for lots created to convey land to the State or an organization, in order to preserve the Long Trail.¹⁰² No permit is required for lots created to convey to the State or a qualified organization for "conservation rights and interest."¹⁰³

- **Preexisting development or subdivision:** preexisting developments, preexisting subdivisions, state highways

No permit is required for subdivisions that were exempt under Department of Health regulations that were in effect on January 21, 1970 or that received a permit from the Board of Health prior to June 1, 1970; for construction of a development that began before June 1, 1970 and was finished by March 1, 1971; or for State highways that had a hearing held prior to June 1, 1970.¹⁰⁴

- **Projects in designated centers:** certain priority housing projects, mixed use and mixed income housing within designated center

No permit is required for construction of a priority housing project in a municipality with at least 10,000 people.¹⁰⁵ No permit or permit amendment is required for a change to a mixed use and mixed income housing project located entirely within a designated center, provided certain statutory requirements are met.¹⁰⁶ No permit or permit amendment is required for a priority housing project in a designated center other than a downtown development district, provided that that the project remains below the applicable

⁹⁸10 V.S.A. § 6081(d)(1)-(4).

⁹⁹10 V.S.A. § 6081(e).

¹⁰⁰10 V.S.A. § 6081(g).

¹⁰¹10 V.S.A. § 6081(h).

¹⁰²10 V.S.A. § 6001(19)(B)(i).

¹⁰³10 V.S.A. § 6001(19)(B)(ii).

¹⁰⁴10 V.S.A. § 6081(b).

¹⁰⁵10 V.S.A. § 6001(3)(D)(viii).

¹⁰⁶10 V.S.A. § 6081(p)(1).

jurisdictional threshold and complies with any existing Act 250 permit.¹⁰⁷ No permit or permit amendment required for development or a subdivision within a designated downtown development district, if it has received positive findings under 10 V.S.A. § 6086b.¹⁰⁸

- **Remedial action:** remedial action authorized by ANR, including if the site already has a permit

No permit or permit amendment needed for the construction of improvements for remedial action authorized by ANR, as well as any abatement, remedial, or corrective action taken for water pollution control, waste management, or development soils.¹⁰⁹

- **Special exemptions:** slate quarry, railroad repairs, shooting range, de minimis improvements

A slate quarry in operation prior to June 1, 1970, if lying unused, is deemed held in reserve and not abandoned, provided it met statutory requirements for registering the quarry by January 1, 1997.¹¹⁰ No permit or permit amendment is required for a change to a shooting range that has been in operation since January 1, 2006, provided certain statutory requirements are met.¹¹¹ No permit is required for railroad repairs with no expansion, if they are part of the railroad's maintenance. No permit amendment required for de minimis improvements, as defined by rule.¹¹²

- **Telecommunications facilities:** improvements not ancillary to broadcast/communications structure; replacement, repair and routine maintenance of telecommunications facilities built prior to July 1, 1997 and of permitted facilities; telecommunication facilities obtaining a certificate of public good

No permit is required for future improvements that are not ancillary to the support structure to a broadcast/communication structure.¹¹³ No permit is required for the replacement, repair, or routine maintenance of a telecommunications facility in existence prior to July 1, 1997, except in the case of a replacement that constitutes a material or substantial change.¹¹⁴ No permit amendment is required for the replacement, repair, or routine maintenance of a permitted telecommunications facility, except in the case of a replacement that constitutes a material or substantial change.¹¹⁵ "Development" does not include a telecommunications facility for which the Public Utility Commission issues a certificate of public good.¹¹⁶

¹⁰⁷10 V.S.A. § 6081(p)(2).

¹⁰⁸10 V.S.A. § 6081(v).

¹⁰⁹10 V.S.A. §§ 6001(3)(D)(vi)(I)(aa)-(ff), 6081 (w) (aa)-(ff).

¹¹⁰10 V.S.A. § 6081(j).

¹¹¹10 V.S.A. § 6081(w).

¹¹²Act 250 Rule 2(C)(3)(c).

¹¹³10 V.S.A. § 6001(3)(A)(ix)(I)(bb).

¹¹⁴10 V.S.A. § 6081(m).

¹¹⁵10 V.S.A. § 6081(n).

¹¹⁶10 V.S.A. § 6001(3)(D)(ii).

- **Working lands:** farming, logging, forestry, farming on primary agricultural soils, composting

No permit required for the construction of improvements for farming, logging, and forestry purposes below the elevation of 2,500 feet.¹¹⁷ No permit amendment is required for farming that will occur on primary agricultural soils.¹¹⁸ No permit is required for construction of improvements for storage, preparation, and sale of compost, provided certain statutory requirements are met.¹¹⁹

c) *Discussion and Recommendation*

[TO BE COMPLETED]

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¹¹⁷ 10 V.S.A. § 6001 (3)(D)(i)

¹¹⁸ 10 V.S.A. §6081 (s)(1)

¹¹⁹ 10 V.S.A. § 6001(3)(D)(vii)

2. Ridgelines

a) *Charge*

Act 47, Sec. 2(e)(2)(G)(iii) – “The scope of Act 250’s jurisdiction over projects on ridgelines, including its ability to protect ridgelines that are lower than 2,500 feet, and projects on ridgelines that are expressly exempted from Act 250.”

b) *Facts*

Based on a review of dictionary definitions, a ridgeline can be described as a long, narrow section of the earth’s surface, such as chain of mountains or hills that form a continuous elevated crest or the divide between adjacent valleys, or as an area of higher ground separating two adjacent streams or watersheds.¹²⁰

Currently, Act 250 governs the construction of improvements for commercial, industrial, or residential use above 2,500 feet.¹²¹ There are exempt categories of projects that may affect areas above 2,500 feet, such as electric generation and telecommunications facilities permitted by the Public Utility Commission.¹²² Elevations below 2,500 feet are susceptible to logging, farm, and forestry projects, as well as other projects that are exempt from jurisdiction.

Act 250’s headwaters criterion applies to lands above 1,500 feet in elevation, among other lands.¹²³

Vermont’s mean elevation is 1,000 feet above sea level.¹²⁴ Vermont has 223 mountains that rise above 2,000 feet.¹²⁵ It has 35 mountains that top 3,500 feet.¹²⁶

Wind energy projects at high elevations have been an issue in Vermont. In general, the strength and persistence of the wind typically increases with elevation, such that the strongest winds are often found at the highest mountain summits.¹²⁷ Research into the best the locations for wind power found that the areas that were the windiest and on public

¹²⁰American Heritage Dict., ridge, retrieved from <https://ahdictionary.com/word/search.html?q=ridge>; Cambridge Dict., ridge, retrieved from <https://dictionary.cambridge.org/us/dictionary/english/ridge>; Dictionary.com, ridgeline, retrieved from <https://www.dictionary.com/browse/ridgeline>; all Nov. 2, 2018.

¹²¹10 V.S.A. § 6001 (3)(A)(vi).

¹²²10 V.S.A. § 6001(3)(D)(ii).

¹²³10 V.S.A. § 6086(a)(1)(A).

¹²⁴Ereference desk, Almanac Quick Facts, Vermont State Facts and Figures, retrieved from <http://www.ereferencedesk.com/resources/almanac/vermont.html>, Nov. 2, 2018.

¹²⁵World Atlas: Vermont, retrieved from <https://www.worldatlas.com/webimage/countrys/namerica/usstates/vtland.htm>, Nov. 2, 2018.

¹²⁶Encyclopedia Britannica, Vermont, retrieved from <https://www.britannica.com/place/Vermont>, Nov. 2, 2018.

¹²⁷Vt. Dept. of Public Service, Wind Energy Planning Resources for Utility-Scale Systems in Vermont (October 2002) at 7.

land were above 2,500 feet and that this constituted less than one percent of the total land area in Vermont.¹²⁸

The relative rarity of these high elevation sites makes them a concern for those seeking to protect unique habitat and the scenic beauty of Vermont. “For instance, with wind energy projects sited along high ridgelines, it’s not uncommon to encounter multiple rare, unique and high quality natural communities supporting rare plant and animals.”¹²⁹

Ridgeline locations are highly susceptible to damage due to their generally remote locations. They typically support interior forests, which are the most at risk from fragmentation. Further, the physical characteristics of ridgelines often make them important corridors for the movement of a wide range of species.¹³⁰

c) *Discussion and Recommendation*

[TO BE COMPLETED]

¹²⁸Vermont Environmental Research Associates, Inc., Estimating the Hypothetical Wind Power Potential on Public Lands in Vermont (December 2003) at 14.

¹²⁹Vt. ANR, Report on the Environmental and Land Use Impacts of Renewable Electric Generation in Vermont in Response to Act 56 of 2015 at 14.

¹³⁰*Id.* at 21.

C. Release from jurisdiction

1. Charge

Act 47, Sec. 2(e)(2)(G)(i) – “Circumstances under which land might be released from Act 250 jurisdiction.”

2. Facts

Under Act 250, with three exceptions, all permits are issued for an indefinite time period.¹³¹ In addition to being permanent, all permits run with the land and are enforceable against the permit holder and all successors in interest.¹³²

The three exceptions are for projects involving mineral resource extraction, solid waste disposal facilities, and logging above 2,500 feet.¹³³ The permits granted for these types of projects must contain a specific date for completion of the project, a plan for the reclamation of the land used, and the expiration date of the permit.¹³⁴ When a permit expires, the land is no longer subject to Act 250 jurisdiction if the permitted improvements are removed, the operation has ceased, the land is reclaimed according to the plan, and there is no other activity to trigger the statute’s application.¹³⁵

In the case of the exceptions, the permit’s duration is set based on the time during which the land is suitable for the stated use.¹³⁶ The duration must extend through this period at a minimum.¹³⁷

Permits can be abandoned prior to construction, which also releases the land from Act 250 jurisdiction. If a permit is issued and construction of the project does not begin within three years, the permit is considered abandoned. This is known as involuntary abandonment.¹³⁸ However, a permit is not considered abandoned if the project is subject to litigation that prevents construction.¹³⁹ A permit can also be voluntarily abandoned by the holder of the permit any time before construction of the project begins.¹⁴⁰

3. Discussion and Recommendation

[TO BE COMPLETED]

¹³¹10 V.S.A. § 6090(b)(2).

¹³²Act 250 Rule 33(C)(3).

¹³³10 V.S.A. § 6090(b)(1).

¹³⁴Act 250 Rule 33(b).

¹³⁵*In re Huntley*, 2004 VT 115, ¶¶ 9-11, 15.

¹³⁶10 V.S.A. § 6090(b)(1).

¹³⁷Rule 32(b)(2).

¹³⁸Rule 38(A).

¹³⁹10 V.S.A. § 6091(b).

¹⁴⁰Rule 38(B).

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D. **Projects in multiple towns**

1. Charge

Act 47, Sec. 2(e)(2)(G)(iii) – “Potential jurisdictional solutions for projects that overlap between towns with and without both permanent zoning and subdivision bylaws.”

2. Facts

[TO BE COMPLETED]

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E. Jurisdiction over trails

1. Charge

Act 194, Sec. 3 (a) “In addition to the currently assigned tasks under 2017 Acts and Resolves No. 47 (Act 47), the Commission on Act 250: the Next 50 Years (the Commission) established under that act shall evaluate the strengths and challenges associated with regulation of recreational trails under 10 V.S.A. chapter 151 (Act 250) and alternative structures for the planning, review, and construction of future trail networks and the extension of existing trail networks. The Commission shall include recommendations on this issue in its report to the General Assembly due on or before December 15, 2018 under Act 47.”

2. Facts

Act 250 jurisdiction is governed primarily by its definitions of “development” and “subdivision.” These definitions do not contain language that is specific to when a recreational trail becomes subject to Act 250.¹⁴¹

Instead, a recreational trail project may require an Act 250 permit in one of three situations. First, if the trail project is for a commercial purpose, it will trigger Act 250 if it is on a tract of tracts of land totaling 10 or more acres in a town with zoning or subdivision bylaws or more than one acre in a town that does not have both of these bylaws.¹⁴² For a commercial project, the entirety of the tract or tracts would be counted for the purpose of determining jurisdiction, though if a permit is required Act 250 would only regulate the trail corridor and the area directly or indirectly affected by the trail.¹⁴³

Second, if the trail project is for a municipal, county, or State purpose, including a trail that is part of the Vermont Trails System, it will trigger Act 250 if the land physically altered as part of the project and any land incidental to the use totals more than 10 acres.¹⁴⁴

Third, if the trail project is on land already subject to an Act 250 permit for other reasons, it will trigger Act 250 if it constitutes a material change to the permitted project.¹⁴⁵

Trail projects vary in type, use, and potential impact.¹⁴⁶ In the last five years, there have been 31 permit applications for recreational trails. All of them were granted. Eighty percent of the applications were processed within 60 days.¹⁴⁷

¹⁴¹10 V.S.A. §§ 6001, 6081.

¹⁴²10 V.S.A. § 6001 (3)(A).

¹⁴³Act 250 Rules 2(C)(5), 71(A).

¹⁴⁴10V.S.A. § 6001(3)(A); Act 250 Rules 2(C)(5), 71 (B).

¹⁴⁵Act 250 Rules 2(C)(6), 34(A).

¹⁴⁶Act 194 Recreational Trails Working Group, Report to the Act 47 Commission regarding Act 250 and Recreational Trail Regulation in Vermont at 3 (Oct. 1, 2018).

¹⁴⁷G. Boulboul, Vt. Natural Resources Board, testimony (Oct. 11, 2018).

Also in the last five years, the Act 250 program issued 38 jurisdictional opinions concerning recreational trails. Of these opinions, 32 found that jurisdiction did not attach.¹⁴⁸ Some of the reasons for the conclusions of non-jurisdiction were: there was no material change to the permitted project, the trail project was determined to be routine maintenance, or the trail project did not reach the required acreage threshold.¹⁴⁹

3. Discussion and Recommendation

[TO BE COMPLETED]

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¹⁴⁸Id.

¹⁴⁹Id.

VII. **TASK GROUP 4: ACT 250-PROCESS; INTERFACE WITH OTHER PERMITTING; APPEALS**

A. **Application and review process before the District Commissions; role of Natural Resources Board**

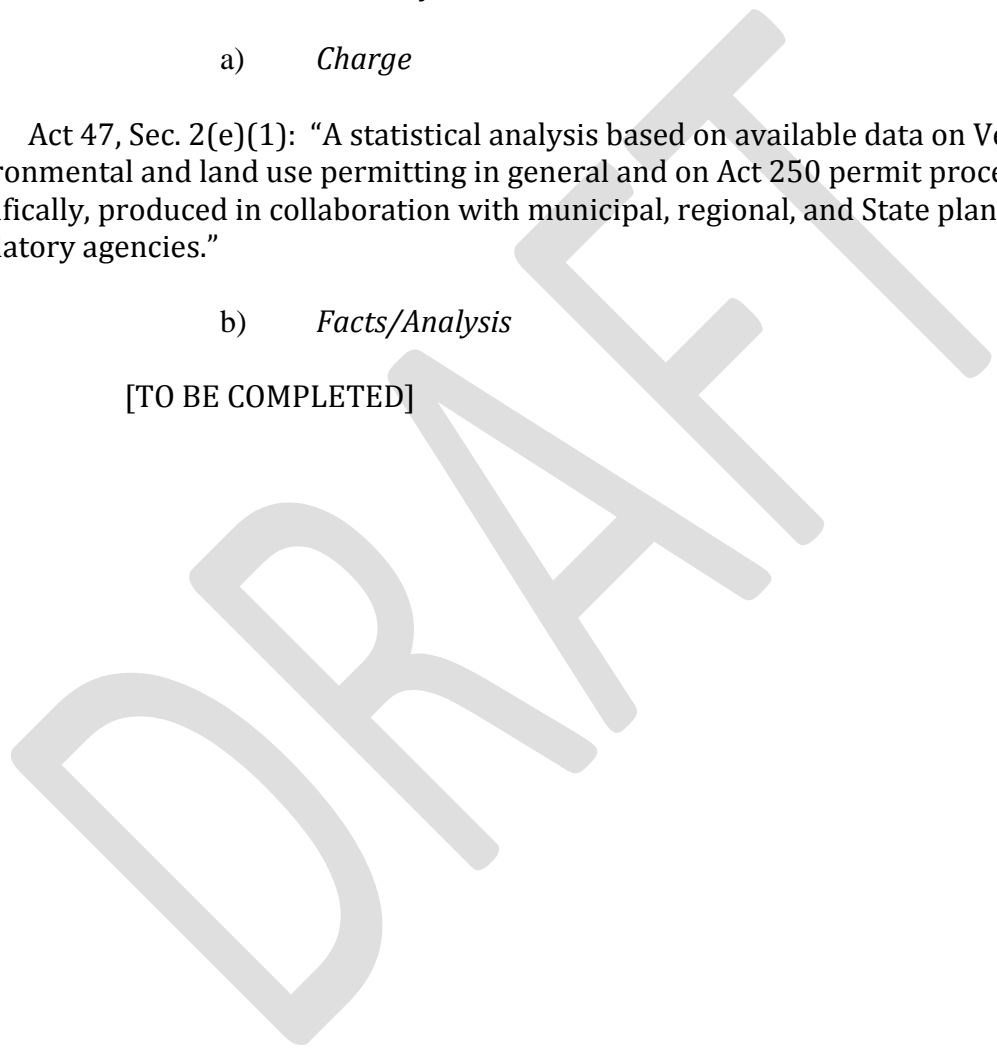
1. **Statistical analysis**

a) *Charge*

Act 47, Sec. 2(e)(1): “A statistical analysis based on available data on Vermont environmental and land use permitting in general and on Act 250 permit processing specifically, produced in collaboration with municipal, regional, and State planners and regulatory agencies.”

b) *Facts/Analysis*

[TO BE COMPLETED]



2. Evaluation

a) *Charge*

Act 47, Sec. 2(e)(2)(F) – “An evaluation of how well the Act 250 application, review, and appeals processes are serving Vermonters and the State’s environment and how they can be improved, including consideration of:

(i) Public participation before the District Environmental Commissions and in the appeals process, including party status.

(ii) The structure of the Natural Resources Board. . . .”

b) *Facts*

(1) *District Commissions*

Nine District Environmental Commissions serve Vermont. Each consists of a chair, two members, and up to four alternate members. The members are removable for cause only, except the chair who serves at the pleasure of the Governor.¹⁵⁰ District Commissioners are not salaried. They receive a \$50 per diem and expenses.¹⁵¹ Each District Commission is served by one or more District Coordinators and other staff, all employed by the NRB.¹⁵²

[Insert DEC permit processing data or cross reference above statistical analysis]

The public may participate in District Commission proceedings related to permit applications and in the issuance of jurisdictional opinions by District Coordinators.¹⁵³

For permit applications, the statute specifies the following parties: the applicant; the landowner if other than the applicant; the municipality; the municipal and regional planning commissions; any State agency affected by the proposed project; and any adjoining property owner or other person “who has a particularized interest protected by this chapter that may be affected by an act or decision by a District Commission.”¹⁵⁴

If a person seeks party status under this last category, “particularized interest,” the statute requires either an oral or written petition to the District Commission and specifies information to be included in the petition.¹⁵⁵ A decision on party status is appealable.¹⁵⁶

¹⁵⁰10 V.S.A. § 6026.

¹⁵¹10 V.S.A. § 6028, 32 V.S.A. § 1010.

¹⁵²Natural Resources Board, District Staff and Environmental Commissions, retrieved from <https://nrp.vermont.gov/act250-program/district-staff-and-commissions>, Nov. 5, 2018.

¹⁵³10 V.S.A. §§ 6007(c), (d), 6085(c).

¹⁵⁴10 V.S.A. § 6085(c).

¹⁵⁵Id.

¹⁵⁶10 V.S.A. § 8504(d)(2)(B).

The statute requires that District Commissions reexamine party status before the close of hearings and consider the extent to which a person continues to qualify for party status.¹⁵⁷ Loss of party status because of such reexamination would affect a person's ability to appeal on the merits.¹⁵⁸

The statute allows a person to participate as a friend of the commission rather than as a party. Friend of the commission status does not carry the ability to appeal.¹⁵⁹

If the District Commission processes an application as a minor, parties have the right to comment and request a hearing.¹⁶⁰ A hearing request must include a petition for party status if made by a person who is required to demonstrate qualification for "particularized interest" status.¹⁶¹

Hearings are held for major applications and for minor applications when the District Commission grants a hearing request or determines to hold a hearing on its own motion.¹⁶² When hearings are held, parties have the right to present and respond to evidence and conduct cross-examination.¹⁶³

Before a hearing is held, a District Commission may conduct a prehearing conference to: determine preliminary party status, make preliminary rules on procedural matters, clarify the issues in controversy and set a schedule for future proceedings; identify evidence, documents, and witnesses, to be presented at a hearing by any party; or promote nonadversarial resolution of issues.¹⁶⁴

Jurisdictional opinions are issued by District Coordinators rather than District Commissions. They pertain to whether Act 250 applies to a project or to whether a permit application is complete. Any person may request a jurisdictional opinion. After issuance, reconsideration of the opinion may be requested.¹⁶⁵

(2) *Natural Resources Board*

The NRB consists of five members and five alternate members appointed by the Governor. The members are removable for cause only, except that the Chair serves at the pleasure of the Governor. The Chair is a full-time, salaried position.¹⁶⁶ Other NRB members are not salaried. They receive a \$50 per diem and expenses.¹⁶⁷

¹⁵⁷10 V.S.A. § 6085((c)(6).

¹⁵⁸10 V.S.A. § 8502(7), 8504(a).

¹⁵⁹10 V.S.A. §§ 6085(c)(5), 8502(7), 8504(a).

¹⁶⁰10 V.S.A. § 6084 (b), (c);

¹⁶¹Act 250 Rule 51(B)(3)(e).

¹⁶²10 V.S.A. § 608

¹⁶³10 V.S.A. § 6002; 3 V.S.A. § 809-810.

¹⁶⁴Act 250 Rule 16.

¹⁶⁵10 V.S.A. § 6007(c); Act 250 Rules 3, 10(D).

¹⁶⁶10 V.S.A. § 6021; 32 V.S.A. § 1003(b)(1)(CC).

¹⁶⁷10 V.S.A. § 6028, 32 V.S.A. § 1010.

The NRB has the following functions:

- adopting rules of procedure for the District Commissions and itself;
- adopting substantive rules for the Act 250 program;
- overseeing the administration and enforcement of Act 250;
- initiating permit revocation proceedings before the Environmental Division;
- participating in proceedings before the Environmental Division in all matters relating to Act 250;
- hearing appeals from decisions on whether municipal and regional plans should be given an affirmative determination of energy compliance.¹⁶⁸

c) *Discussion and Recommendation*

[TO BE COMPLETED]

¹⁶⁸10 V.S.A. §§ 6025, 6027, 8004, 8504(n); 24 V.S.A. § 4352(f).

B. Interface with other permit processes

1. Charge

Act 47, Sec. 2(e)(2)(E) – “An examination of the interface between Act 250 and other current permit processes at the local and State levels and opportunities to consolidate and reduce duplication. This examination shall include consideration of the relationship of the scope, criteria, and procedures of Act 250 with the scope, criteria, and procedures of Agency of Natural Resources permitting, municipal and regional land use planning and regulation, and designation under 24 V.S.A. chapter 76A.”

2. Facts/Background

a) *Supervisory Authority*

When the Act 250 program has jurisdiction over a project, it has primary or supervisory authority over any other applicable environmental or land use review process.¹⁶⁹ “Act 250 itself explicitly proclaims its primacy over, without preemption of, ancillary permit and approval processes.”¹⁷⁰ The program “sits as the final decision maker in environmental matters in Vermont.”¹⁷¹

b) *Other Permits; Presumptions*

The NRB is enabled by rule to allow other State and municipal permits and approvals to create presumptions of compliance with various Act 250 criteria if they satisfy the requirements of those criteria.¹⁷² Presumptions take the place of evidence and typically may be rebutted by evidence contrary to the presumed fact.¹⁷³

Current Act 250 rules place a high bar on a party seeking to rebut another permit, effectively requiring a party to produce affirmative testimony that the criterion is not met.¹⁷⁴ The statute also requires that the District Commissions give substantial deference to the technical determinations of ANR.¹⁷⁵

The Act 250 program is required to give presumptive weight to determinations of municipal development review boards (DRB) resulting from local Act 250 review of a project’s municipal impacts under 24 V.S.A. § 4420.¹⁷⁶

¹⁶⁹In re Hawk Mountain Corp., 149 Vt. 179, 184-85 (1988).

¹⁷⁰In re Agency of Transp., 157 Vt. 203, 208 (1991).

¹⁷¹Southview Assocs., Ltd. v. Individual Members of Vermont Env'tl. Bd., 782 F. Supp. 279, 283 (D. Vt. 1991), *aff'd sub nom. Southview Assocs., Ltd. v. Bongartz*, 980 F.2d 84 (2d Cir. 1992).

¹⁷²10 V.S.A. § 6086(b).

¹⁷³VRE 301(a), applicable in Act 250 proceedings through 10 V.S.A. § 6002 and 3 V.S.A. § 810; *Tyrrell v. Prudential Ins. Co. of Am.*, 109 Vt. 6, 23-24 (1937); Black’s Law Dict. (10th ed. 2014).

¹⁷⁴Act 250 Rule 19(F)(2).

¹⁷⁵10 V.S.A. § 6086(d).

¹⁷⁶*Id.*

Under the relevant statutes, the local Act 250 review of municipal impacts corresponds directly with the District Commissions in terms of criteria and procedures. The criteria for which this review is available are worded nearly identically to the Act 250 criteria for educational services, local governmental services, and conformance with the local plan.¹⁷⁷

Similarly, both the DRBs engaging in local Act 250 review and the District Commissions are required to follow quasi-judicial procedures that: (a) direct that all parties be given notice and an opportunity to respond and present evidence on all issues involved, (b) require testimony under oath or affirmation and the use of the Vermont Rules of Evidence, (c) prohibit ex parte communications, and (d) require that decisions be in writing with findings of fact based exclusively on the record and conclusions of law based on those findings.¹⁷⁸

State permits and approvals given presumptive weight do not employ quasi-judicial procedures and instead use a less formal notice and comment process. For example, applications for ANR permits typically involve notice of the application, notice of a draft decision, and an opportunity to submit comment and request a public meeting. The rules of evidence do not apply to what is contained in the record and what may be relied on, testimony is not taken under oath, and ex parte communications are not prohibited. Decisions have to contain a concise statement of their legal and factual basis rather than findings of fact and conclusions of law.¹⁷⁹

The scope of other State permits and approvals is typically more limited than Act 250, which involves a comprehensive review of a development or subdivision under a suite of criteria related to the environment, land use, and economic impacts to governments.¹⁸⁰ In contrast, ANR's permits usually relate to specific activities, resources, and environmental media, such as discharges to waters, wetlands, and air emissions.¹⁸¹

The criteria or standards used for application review by Act 250 and other State permits differ in their complexity and focus. On a statutory level, Act 250 requires a set of findings under 10 criteria of moderate specificity that take up approximately six pages of statute, with criteria 1 and 9 encompassing detailed lists of seven and 11 subcriteria, respectively.¹⁸²

In contrast, statutes requiring permits from ANR typically require a permit from the Secretary of Natural Resources, who is given general policy direction and the authority to adopt rules. For example, the General Assembly has provided approximately half a page of factors to consider in determining which wetlands are significant enough to be protected,

¹⁷⁷Compare 10 V.S.A. § 6086(a)(6), (7), (10) with 24 V.S.A. § 4420(c)(1)-(3).

¹⁷⁸3 V.S.A. chapter 25, subchapter 2; 10 V.S.A. § 6002; 24 V.S.A. § 4420(b)(1), chapter 36.

¹⁷⁹See 10 V.S.A. chapter 170 generally, and specifically 10 V.S.A. §§ 7711, 7713.

¹⁸⁰10 V.S.A. § 6001, 6081, 6086(a).

¹⁸¹10 V.S.A. §§ 556, 556a, 913, 1259.

¹⁸²10 V.S.A. § 6086(a)(1)-(10).

given the Secretary authority to adopt wetland rules, and, except for certain uses, prohibited activity in a significant wetland or its buffer zone without approval by the Secretary.¹⁸³

ANR's rules implementing these statutes often consist of detailed technical and engineering-based provisions that address the specific environmental impact or resource regulated by ANR. For example, the Stormwater Management Rule consists of 26 pages that address such matters as applicability, exemptions, and permitting standards that vary according to the type of permit sought and whether the discharge is to an impaired or unimpaired water. This rule in turn incorporates the Vermont Stormwater Management Manual, which consists of 113 pages that address in detail such as matters as the design of stormwater treatment measures and the treatment standards to be met.¹⁸⁴

Act 250 criteria that incorporate ANR regulations often require additional inquiry by the District Commission. For example, the Act 250 criterion on air and water pollution begins with language that requires the District Commission to consider several factors such as the land's elevation, slope, and ability to support waste disposal as well as applicable ANR regulations.¹⁸⁵

Similarly, the subcriterion on waste disposal requires the applicant to show that the project will comply with applicable ANR regulations and "will not involve the injection of waste materials or any harmful or toxic substances into ground water or wells."¹⁸⁶

c) *Local and Regional Planning*

As discussed above, Act 250 is a regulatory program that no longer has responsibility to perform land use planning. It has limited jurisdiction. When a project is subject to Act 250, it is reviewed through a quasi-judicial process for compliance with a comprehensive set of criteria on the environment, land use, and economic impacts to governments.

Under 24 V.S.A. chapter 117, regional and municipal planning commissions engage in land use planning that is comprehensive for the area to which the planning applies and which may, in the case of a municipality, lead to adoption of regulatory bylaws that affect nearly all land use in the municipality.¹⁸⁷ The plans are adopted through notice and comment procedures.¹⁸⁸

Act 250 intersects with local and regional planning primarily through a criterion requiring that a project conform with the local and regional plans. It does not contain a

¹⁸³10 V.S.A. §§ 905b(18), 913.

¹⁸⁴Vt. ANR, Environmental Protection Rule Chapters 18 (Stormwater Management Rule) and 36 (Vermont Stormwater Management Manual) (July 1, 2017).

¹⁸⁵10 V.S.A. § 6086(a)(1).

¹⁸⁶10 V.S.A. § 6086(a)(1)(B).

¹⁸⁷24 V.S.A. §§ 4348a, 4382, 4410-4414.

¹⁸⁸24 V.S.A. §§ 4348, 4384, 4385.

definition or other language indicating how that conformance is to be determined, except to state that the town's bylaws are consulted only if the District Commission finds town plan provisions to be ambiguous and only to the extent that the bylaws implement and are consistent with the plan provisions.¹⁸⁹

In a series of cases starting with In re Molgano, the Vermont Supreme Court ruled that plan provisions cannot be applied in Act 250 unless they enunciate a specific policy rather than a "nonregulatory abstraction."¹⁹⁰ In Molgano, the Court enunciated no constitutional or statutory basis for creating these rules.¹⁹¹

However, a recent Supreme Court case on this issue referred to constitutional case law under the due process clause. This case law requires that statutes and regulations be sufficient to place citizens on notice of what activities are allowed or prohibited.¹⁹² As the Court, "[A] statute must be sufficiently clear to give a person of ordinary intelligence a reasonable opportunity to know what is proscribed."¹⁹³

While Act 250 requires conformance with local and regional plans, it does not incorporate the statutory goals for regional and municipal planning set forth in § 4302. In this regard, local plans may but do not have to be consistent with those goals.¹⁹⁴ Regional plans must be consistent with these goals.¹⁹⁵

In an Act 250 proceeding, if there is a conflict between the local and regional plans, the local plan takes precedence unless the project has a substantial regional effect.¹⁹⁶

d) *State Designation Program*

The State designation program is described in detail above, including its interface with Act 250. The program is not a regulatory process. It is a program under which land area designations conferring various benefits are granted to municipalities by a State board called the Vermont Downtown Development Board. The governing statutes require application by the municipality and typically specify the application requirements in detail. The Board grants the determination if it determines that the statutory requirements are met. There is no appeal from this decision but reconsideration may be requested.¹⁹⁷

¹⁸⁹10 V.S.A. § 6086(a)(10).

¹⁹⁰In re Molgano, 163 Vt. 25, 29, 31 (1994); In re Kisiel, 172 Vt. 124, 130 (2000); In re John A. Russell Corp., 2003 VT 93, ¶ 19.

¹⁹¹See, e.g., Molgano, 163 Vt. at 29.

¹⁹²In re B & M Realty, LLC, 2016 VT 114, ¶ 33; In re Appeal of JAM Golf, LLC, 2008 VT 110, ¶ 17; In re Handy, 171 Vt. 336, 347 (2000); Brody v. Barasch, 155 Vt. 103, 110 (1990).

¹⁹³Brody, 155 Vt. at 110.

¹⁹⁴10 V.S.A. § 6086(a)(10); 24 V.S.A. § 4382.

¹⁹⁵24 V.S.A. § 4348a(a).

¹⁹⁶24 V.S.A. § 4348(h).

¹⁹⁷24 V.S.A. chapter 76A.

3. Discussion and Recommendation

[TO BE COMPLETED]

DRAFT

C. Appeals

1. *Charge*

Act 47, Sec. 2(e)(2)(F) – “An evaluation of how well the Act 250 application, review, and appeals processes are serving Vermonters and the State’s environment and how they can be improved, including consideration of:

* * *

(iii) De novo or on the record appeals.

(iv) Comparison of the history and structure of the former Environmental Board appeals process with the current process before the Environmental Division of the Superior Court.

(v) Other appellate structures.”

2. *Facts*

[TO BE COMPLETED]

DRAFT

D. Misuse of opportunity to participate or appeal:

1. *Charge*

Act 47, Sec. 2(e)(2)(G)(v) – “The potential of a person that obtains party status to offer to withdraw the person’s opposition or appeal in return for payment or other consideration that is unrelated to addressing the impacts of the relevant project under the Act 250 criteria.”

2. *Facts*

[TO BE COMPLETED]

DRAFT