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H.782

Introduced by Representatives Marcotte of Coventry, Sheldon of Middlebury,  
and Stevens of Waterbury

Referred to Committee on

Date:

Subject: Municipal and county government; housing; zoning

Statement of purpose of bill as introduced: This bill proposes to make  
numerous changes to the State and municipal land use laws in order to increase  
housing.

An act relating to community and housing investment

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

\* \* \* Findings \* \* \*

Sec. 1. FINDINGS

The General Assembly finds:

(1) The State is facing unprecedented demographic and economic  
changes, burdening many Vermonters with high housing costs and contributing  
to the displacement of middle- and low-income Vermonters.

(2) Vermont's housing supply does not match new market conditions  
and demands, affecting the State's ability to recruit employees for available

1 jobs, sustain its population, and pay for public facilities, utilities, and services  
2 foundational to strong communities and a resilient and sustainable economy.

3 \* \* \* Act 250 Amendments \* \* \*

4 Sec. 2. 10 V.S.A. § 6001(35) is amended to read:

5 (35) “Priority housing project” means a discrete project located on a  
6 single tract or multiple contiguous tracts of land that consists exclusively of:

7 ~~(A) mixed income housing or mixed use, or any combination thereof,~~  
8 ~~and is located entirely within a designated downtown development district,~~  
9 ~~designated new town center, or designated growth center, or designated village~~  
10 ~~center that is also a designated neighborhood development area under~~  
11 ~~24 V.S.A. chapter 76A; or~~

12 ~~(B) mixed income housing and is located entirely within a designated~~  
13 ~~Vermont neighborhood or designated neighborhood development area under~~  
14 ~~24 V.S.A. chapter 76A.~~

15 Sec. 3. 10 V.S.A. § 6081 is amended to read:

16 § 6081. PERMITS REQUIRED; EXEMPTIONS

17 \* \* \*

18 (o) If a designation pursuant to 24 V.S.A. chapter 76A is removed,  
19 subsection (a) of this section shall apply to any subsequent substantial change  
20 to a ~~priority housing project~~ development or subdivision that was originally

1 exempt pursuant to subdivision 6001(3)(A)(iv)(I) of this title or subsection (p)  
2 of this section on the basis of that designation.

3 (p)(1) No permit or permit amendment is required for any subdivision,  
4 development, or change to a project that is located entirely within a downtown  
5 development district designated pursuant to 24 V.S.A. § 2793, ~~if the change~~  
6 ~~consists exclusively of any combination of mixed use and mixed income~~  
7 ~~housing, and the cumulative changes within any continuous period of five~~  
8 ~~years, commencing on or after the effective date of this subsection, remain~~  
9 ~~below any applicable jurisdictional threshold specified in subdivision~~  
10 ~~6001(3)(A)(iv)(I) of this title~~ or a neighborhood development area designated  
11 pursuant to 24 V.S.A. § 2793e. Upon receiving notice and a copy of the permit  
12 issued by an appropriate municipal panel pursuant to 24 V.S.A. § 4460(f), a  
13 permit previously issued under this section for a development or subdivision  
14 located in a downtown development area or a neighborhood development area  
15 is revoked.

16 (2) No permit or permit amendment is required for a priority housing  
17 project in a designated center other than a downtown development district if  
18 the project remains below any applicable jurisdictional threshold specified in  
19 subdivision 6001(3)(A)(iv)(I) of this title and will comply with all conditions  
20 of any existing permit or permit amendment issued under this chapter that  
21 applies to the tract or tracts on which the project will be located. If such a

1 priority housing project will not comply with one or more of these conditions,  
2 an application may be filed pursuant to section 6084 of this title.

3 \* \* \*

4 (v) ~~A permit or permit amendment shall not be required for a development~~  
5 ~~or subdivision in a designated downtown development district for which the~~  
6 ~~District Commission has issued positive findings and conclusions under~~  
7 ~~section 6086b of this title on all the criteria listed in that section. A person~~  
8 ~~shall obtain new or amended findings and conclusions from the District~~  
9 ~~Commission under section 6086b of this title prior to commencement of a~~  
10 ~~material change, as defined in the rules of the Board, to a development or~~  
11 ~~subdivision for which the District Commission has issued such findings and~~  
12 ~~conclusions. A person may seek a jurisdictional opinion under section 6007 of~~  
13 ~~this title concerning whether such a change is a material change. [Repealed.]~~

14 \* \* \*

15 Sec. 4. REPEAL

16 The following are repealed:

17 (1) 10 V.S.A. § 6083a(d) (neighborhood development area fees).

18 (2) 10 V.S.A. § 6086b (downtown development).

1 Sec. 5. 24 V.S.A. § 4382 is amended to read:

2 § 4382. THE PLAN FOR A MUNICIPALITY

3 (a) A plan for a municipality may be consistent with the goals established  
4 in section 4302 of this title and compatible with approved plans of other  
5 municipalities in the region and with the regional plan and shall include the  
6 following:

7 \* \* \*

8 (4) A utility and facility plan, consisting of a map and statement of  
9 present and prospective community facilities and public utilities showing  
10 existing and proposed educational, recreational, and other public sites;  
11 buildings and facilities, including hospitals, libraries, power generating plants,  
12 and transmission lines; water supply, lines, facilities, and service areas;  
13 sewage disposal, lines, facilities, and service areas; refuse disposal, storm  
14 drainage, and other similar facilities and activities; and recommendations to  
15 meet future needs for community facilities and services, with indications of  
16 priority of need, costs, and method of financing.

17 \* \* \*

18 Sec. 6. 24 V.S.A. § 4460 is amended to read:

19 § 4460. APPROPRIATE MUNICIPAL PANELS

20 \* \* \*

21 (f)(1) This subsection shall apply to a subdivision or development that:

1           (A) was previously permitted pursuant to 10 V.S.A. chapter 151;

2           (B) is located in a downtown development district or neighborhood  
3 development area designated pursuant to chapter 76A of this title; and

4           (C) has received a permit or permit amendment required by zoning  
5 regulations or bylaws adopted pursuant to this subchapter.

6           (2) The appropriate municipal panel reviewing a municipal permit or  
7 permit amendment pursuant to this subsection shall include conditions  
8 contained within a permit previously issued pursuant to 10 V.S.A. chapter 151  
9 unless the panel determines that the permit condition pertains to any of the  
10 following:

11           (A) the construction phase of the project that has already been  
12 constructed;

13           (B) compliance with another State permit that has independent  
14 jurisdiction;

15           (C) federal or State law that is no longer in effect or applicable;

16           (D) an issue that is addressed by municipal regulation and the project  
17 will meet the municipal standards; or

18           (E) a condition that is no longer in effect or applicable or that will no  
19 longer be in effect or applicable once the new project is approved.

1           (3) After issuing or amending a permit pursuant to this subsection, the  
2           appropriate municipal panel shall provide notice and a copy of the permit to  
3           the Natural Resources Board.

4           (4) The appropriate municipal panel's determinations shall be made  
5           following the notice and hearing process provided in subdivision 4464(a)(1) of  
6           this title and to those persons requiring notice pursuant to 10 V.S.A. § 6084(b).  
7           The notice shall explicitly reference the existing Act 250 permit.

8           (5) The appropriate municipal panel's decision shall comply with the  
9           requirements of subsection 4464(b) of this title and shall include specific  
10           findings with respect to its determinations pursuant to subdivision (2) of this  
11           subsection.

12           (6) Any final action by the appropriate municipal panel affecting a  
13           condition of a permit previously issued pursuant to 10 V.S.A. chapter 151 shall  
14           be recorded in the municipal land records.

15       Sec. 7. 24 V.S.A. § 2793 is amended to read:

16       § 2793. DESIGNATION OF DOWNTOWN DEVELOPMENT DISTRICTS

17                                           \* \* \*

18           (b) Within 45 days of receipt of a completed application, the State Board  
19           shall designate a downtown development district if the State Board finds in its  
20           written decision that the municipality has:

1           (1) Demonstrated a commitment to protect and enhance the historic  
2 character of the downtown through the adoption of a design review district,  
3 through the adoption of an historic district, or through the adoption of  
4 regulations that adequately regulate the physical form and scale of  
5 development that the State Board determines substantially meet the historic  
6 preservation requirements in subdivisions 4414(1)(E) and (F) of this title, ~~or~~  
7 ~~through the creation of a development review board authorized to undertake~~  
8 ~~local Act 250 reviews of municipal impacts pursuant to section 4420 of this~~  
9 ~~title.~~

10                                                           \* \* \*

11           Sec. 8. 24 V.S.A. § 2793a. is amended to read:

12           § 2793a. DESIGNATION OF VILLAGE CENTERS BY STATE BOARD

13                                                           \* \* \*

14           (c) A village center designated by the State Board pursuant to subsection  
15 (a) of this section is eligible for the following development incentives and  
16 benefits:

17                                                           \* \* \*

18           (4) ~~The following State tax credits for projects located in a designated~~  
19 ~~village center:~~



1           ~~(A) A State historic rehabilitation tax credit of ten percent under 32~~  
2 ~~V.S.A. § 5930ee(a) that meets the requirements for the federal rehabilitation~~  
3 ~~tax credit.~~

4           ~~(B) A State façade improvement tax credit of 25 percent under 32~~  
5 ~~V.S.A. § 5930ee(b).~~

6           ~~(C) A State code improvement tax credit of 50 percent under 32~~  
7 ~~V.S.A. § 5930ee(e)~~ The Downtown and Village Center Tax Credit Program  
8 described in 32 V.S.A. § 5930aa et seq.

9                                                                                   \* \* \*

10       Sec. 9. 24 V.S.A. § 2793e is amended to read:  
11       § 2793e. NEIGHBORHOOD PLANNING AREAS; DESIGNATION OF  
12               NEIGHBORHOOD DEVELOPMENT AREAS

13                                                                                   \* \* \*

14           (c) Application for designation of a neighborhood development area. The  
15       State Board shall approve a neighborhood development area if the application  
16       demonstrates and includes all of the following elements:

17                                                                                   \* \* \*

18           (5) The proposed neighborhood development area consists of those  
19       portions of the neighborhood planning area that are appropriate for new and  
20       infill housing, excluding ~~identified~~ undeveloped flood hazard and fluvial  
21       erosion areas. In determining what areas are most suitable for new and infill

1 housing, the municipality shall balance local goals for future land use, the  
2 availability of land for housing within the neighborhood planning area, and the  
3 smart growth principles. Based on those considerations, the municipality shall  
4 select an area for neighborhood development area designation that:

5 (A) Avoids or that minimizes to the extent feasible the inclusion of  
6 “important natural resources” as defined in subdivision 2791(14) of this title.  
7 If an “important natural resource” is included within a proposed neighborhood  
8 development area, the applicant shall identify the resource, explain why the  
9 resource was included, describe any anticipated disturbance to such resource,  
10 and describe why the disturbance cannot be avoided or minimized. If the  
11 neighborhood development area includes flood hazard areas or river corridors,  
12 the local bylaws must contain provisions approved by the Agency of Natural  
13 Resources to ensure that new infill development within an existing settlement  
14 occurs outside the floodway, new development is elevated or flood proofed at  
15 least two feet above Base Flood Elevation or otherwise reasonably safe from  
16 flooding, and will not exacerbate fluvial erosion hazards within the river  
17 corridor.

18 (B) Is served by planned or existing transportation infrastructure that  
19 conforms with “complete streets” principles as described under 19 V.S.A.  
20 § 309d and establishes pedestrian access directly to the downtown, village  
21 center, or new town center.

1 (C) Is compatible with and will reinforce the character of adjacent  
2 National Register Historic Districts, National or State Register Historic Sites,  
3 and other significant cultural and natural resources identified by local or State  
4 government.

5 (6) The neighborhood development area is served by:

6 (A) municipal sewer infrastructure; or

7 (B) a community or alternative wastewater system approved by the  
8 Agency of Natural Resources.

9 (7) ~~The~~ Within the neighborhood development area, the municipal  
10 bylaws allow minimum lot sizes of one-quarter of an acre or less and minimum  
11 net residential densities ~~within the neighborhood development area~~ greater than  
12 or equal to four single-family detached dwelling units per acre, exclusive of  
13 accessory dwelling units, or no fewer than the average existing density of the  
14 surrounding neighborhood, whichever is greater.

15 (A) The methodology for calculating density shall be established in  
16 the guidelines developed by the Department pursuant to subsection 2792(d) of  
17 this title.

18 ~~(A)~~(B) Regulations that adequately regulate the physical form and  
19 scale of development may be used to demonstrate compliance with this  
20 requirement.

1            ~~(B)(C)~~ Development in the neighborhood development areas that is  
2 lower than the minimum net residential density required by this subdivision (7)  
3 shall not qualify for the benefits stated in subsections (f) and (g) of this section.  
4 ~~The district coordinator shall determine whether development meets this~~  
5 ~~minimum net residential density requirement in accordance with subsection (f)~~  
6 ~~of this section.~~

7            (8) Local bylaws, regulations, and policies applicable to the  
8 neighborhood development area substantially conform with neighborhood  
9 design guidelines developed by the Department pursuant to section 2792 of  
10 this title. These policies shall:

11            (A) ensure that all investments contribute to a built environment that  
12 enhances the existing neighborhood character and supports pedestrian use;

13            (B) ensure sufficient residential ~~density~~ uses and building heights;

14            (C) minimize the required ~~lot sizes~~, setbacks, ~~and~~ parking  
15 requirements, and street widths; and

16            (D) require conformance with “complete streets” principles as  
17 described under 19 V.S.A. § 309d, street and pedestrian connectivity, and  
18 street trees.

19            \* \* \*

20            (f) Neighborhood development area incentives for developers. Once a  
21 municipality has a designated neighborhood development area or has a

1 Vermont neighborhood designation pursuant to section 2793d of this title, ~~any~~  
2 a proposed development within that area shall be eligible for each of the  
3 benefits listed in this subsection. These benefits shall accrue upon approval by  
4 the district coordinator, who shall review, provided that the project meets the  
5 density requirements set forth in subdivision (c)(7) of this section to determine  
6 benefit eligibility and issue a jurisdictional opinion under 10 V.S.A. chapter  
7 151 on whether the density requirements are met as determined by the  
8 administrative officer as defined in 24 V.S.A. chapter 117. These benefits are:

9 (1) The application fee limit for wastewater applications stated in  
10 3 V.S.A. § 2822(j)(4)(D).

11 (2) ~~The application fee reduction for residential development stated in~~  
12 ~~10 V.S.A. § 6083a(d)~~ The Downtown and Village Center Tax Credit Program  
13 established in 32 V.S.A. § 5930aa et seq.

14 (3) The exclusion from the land gains tax provided by 32 V.S.A.  
15 § 10002(p).

16 (g) Neighborhood development area incentives for municipalities. Once a  
17 municipality has a designated neighborhood development area, it may receive:

18 (1) priority consideration for municipal planning grant funds; and

19 (2) training and technical assistance from the Department to support an  
20 application for benefits from the Department.

1 (h) Alternative designation. If a municipality has completed all of the  
2 planning and assessment steps of this section but has not requested designation  
3 of a neighborhood development area, an owner of land within a neighborhood  
4 planning area may apply to the State Board for neighborhood development  
5 area designation status for a portion of land within the neighborhood planning  
6 area. The applicant shall have the responsibility to demonstrate that all of the  
7 requirements for a neighborhood development area designation have been  
8 satisfied and to notify the municipality that the applicant is seeking the  
9 designation. The State Board shall provide the municipality with at least  
10 14 days' prior written notice of the Board's meeting to consider the  
11 application, and the municipality shall submit to the State Board the  
12 municipality's response, if any, to the application before or during that  
13 meeting. On approval of a neighborhood development area designation under  
14 this subsection, the applicant ~~may proceed to obtain a jurisdictional opinion~~  
15 ~~from the district coordinator under subsection (f) of this section in order to~~  
16 ~~obtain~~ shall be eligible for the benefits granted to neighborhood development  
17 areas, subject to approval by the administrative officer, as provided in  
18 subsection (f) of this section.

1 Sec. 10. 24 V.S.A. § 2794 is amended to read:

2 § 2794. INCENTIVES FOR PROGRAM DESIGNEES

3 (a) Upon designation by the Vermont Downtown Development Board  
4 under section 2793 of this title, a downtown development district and projects  
5 in a downtown development district shall be eligible for the following:

6 (1) Priority consideration by any agency of the State administering any  
7 State or federal assistance program providing funding or other aid to a  
8 municipal downtown area with consideration given to such factors as the costs  
9 and benefits provided and the immediacy of those benefits, provided the  
10 project is eligible for the assistance program.

11 (2) ~~The following State tax credits:~~

12 ~~(A) A State historic rehabilitation tax credit of 10 percent under 32~~  
13 ~~V.S.A. § 5930cc(a) that meets the requirements for the federal rehabilitation~~  
14 ~~tax credit.~~

15 ~~(B) A State façade improvement tax credit of 25 percent under 32~~  
16 ~~V.S.A. § 5930cc(b).~~

17 ~~(C) A State code improvement tax credit of 50 percent under 32~~  
18 ~~V.S.A. § 5930cc(e) The Downtown and Village Center Tax Credit Program~~  
19 ~~described in 32 V.S.A. § 5930aa et seq.~~

20 \* \* \*

1 Sec. 11. 32 V.S.A. § 5930aa is amended to read:

2 § 5930aa. DEFINITIONS

3 As used in this subchapter:

4 (1) “Qualified applicant” means an owner or lessee of a qualified  
5 building involving a qualified project, but does not include a State or federal  
6 agency or a political subdivision of either; or an instrumentality of the United  
7 States.

8 (2) “Qualified building” means a building built at least 30 years before  
9 the date of application, located within a designated downtown, ~~or~~ village  
10 center, or neighborhood development area, which upon completion of the  
11 project supported by the tax credit will be an income-producing building not  
12 used solely as a single-family residence. Churches and other buildings owned  
13 by religious organization may be qualified buildings, but in no event shall tax  
14 credits be used for religious worship.

15 (3) “Qualified code improvement project” means a project:

16 (A) to install or improve platform lifts suitable for transporting  
17 personal mobility devices, limited use or limited application elevators,  
18 elevators, sprinkler systems, and capital improvements in a qualified building,  
19 and the installations or improvements are required to bring the building into  
20 compliance with the statutory requirements and rules regarding fire prevention,



1 life safety, and electrical, plumbing, and accessibility codes as determined by  
2 the Department of Public Safety;

3 (B) to abate lead paint conditions or other substances hazardous to  
4 human health or safety in a qualified building; or

5 (C) to redevelop a contaminated property in a designated downtown,  
6 ~~or~~ village center, or neighborhood development area under a plan approved by  
7 the Secretary of Natural Resources pursuant to 10 V.S.A. § 6615a.

8 (4) “Qualified expenditures” means construction-related expenses of the  
9 taxpayer directly related to the project for which the tax credit is sought but  
10 excluding any expenses related to a private residence.

11 (5) “Qualified façade improvement project” means the rehabilitation of  
12 the façade of a qualified building that contributes to the integrity of the  
13 designated downtown, ~~or~~ designated village center, or neighborhood  
14 development area. Façade improvements to qualified buildings listed, or  
15 eligible for listing, in the State or National Register of Historic Places must be  
16 consistent with Secretary of the Interior Standards, as determined by the  
17 Vermont Division for Historic Preservation.

18 (6) “Qualified Flood Mitigation Project” means any combination of  
19 structural and nonstructural changes to a building which reduces or eliminates  
20 flood damage to the building or its contents, located within the flood hazard  
21 area as mapped by the Federal Emergency Management Agency. The project

1 shall comply with the municipality’s adopted flood hazard bylaw (if  
2 applicable) and a certificate of completion shall be submitted by a registered  
3 engineer, architect, qualified contractor, or qualified local official to the State  
4 Board. Improvements to qualified buildings listed, or eligible for listing, in the  
5 State or National Register of Historic Places shall be consistent with Secretary  
6 of the Interior’s Standards for rehabilitation, as determined by the Vermont  
7 Division for Historic Preservation.

8 (7) “Qualified historic rehabilitation project” means an historic  
9 rehabilitation project that has received federal certification for the  
10 rehabilitation project.

11 ~~(7)~~(8) “Qualified project” means a qualified code improvement,  
12 qualified façade improvement, or qualified historic rehabilitation project as  
13 defined by this subchapter.

14 ~~(8)~~(9) “State Board” means the Vermont Downtown Development  
15 Board established pursuant to 24 V.S.A. chapter 76A.

16 Sec. 12. 32 V.S.A. § 5930cc(d) is added to read:

17 (d) Flood Mitigation Tax Credit. The qualified applicant of a qualified  
18 flood mitigation project shall be entitled, upon the approval of the State Board,  
19 to claim against the taxpayer’s State individual income tax, State corporate  
20 income tax, or bank franchise or insurance premiums tax liability a credit of 50  
21 percent of qualified expenditures up to a maximum tax credit of \$75,000.00.

1 Sec. 13. 32 V.S.A. § 5930ee is amended to read:

2 § 5930ee. LIMITATIONS

3 Beginning in fiscal year 2010 and thereafter, the State Board may award tax  
4 credits to all qualified applicants under this subchapter, provided that:

5 (1) the total amount of tax credits awarded annually, together with sales  
6 tax reallocated under section 9819 of this title, does not exceed ~~\$2,600,000.00~~  
7 \$5,200,000.00;

8 \* \* \*

9 \* \* \* Vermont Housing Incentive Program \* \* \*

10 Sec. 14. 10 V.S.A. chapter 29, subchapter 3 is added to read:

11 Subchapter 3. Housing; Incentives

12 § 699. VERMONT RENTAL HOUSING INCENTIVE PROGRAM

13 (a) Purpose. Recognizing that Vermont's rental housing stock is some of  
14 the oldest in the country and that much of it needs updating to meet code  
15 requirement and other standards, this section is intended to incentivize private  
16 apartment owners to make significant improvements to both housing quality  
17 and weatherization by providing small grants that would be matched by the  
18 private apartment owner.

19 (b) Creation of Program. The Department of Housing and Community  
20 Development shall design and implement a Vermont Rental Housing Incentive  
21 Program to provide funding for incentive grants to private landlords for the

1 rehabilitation and improvement, including weatherization, of existing rental  
2 housing stock.

3 (c) Administration. The Department shall require any regional nonprofit  
4 housing partner organization that receives funding under this program to  
5 develop a standard application form for property owners that describes the  
6 application process and includes clear instructions and examples to help  
7 property owners apply, a selection process that ensures equitable selection of  
8 property owners, and a grants management system that ensures accountability  
9 for funds awarded to property owners.

10 (d) Grant Guidelines. The Department shall ensure that all grants comply  
11 with the following guidelines:

12 (1) Each grant shall be capped at a standard limit set by the  
13 Department, which shall not exceed \$7,000.00 per rental unit.

14 (2) Each grant shall be matched by the property owner at least two-to-  
15 one. The required match shall be met through dollars raised and not through  
16 in-kind services.

17 (3) No property owner may receive a grant for more than four rental  
18 units.

19 (4) Each project funded must include a weatherization component and  
20 must result in all building codes being met and all permits received, and the  
21 owner shall register the property with the Department of Health.

1           (5) Only existing properties that are vacant or blighted are eligible for  
2           grants.

3           (6) At least 50 percent of the rental units assisted must have rents that  
4           are affordable to households earning no more than 80 percent of area median  
5           income.

6           (e) Definitions. As used in this section:

7           (1) “Blighted” means that a rental unit is not fit for human habitation  
8           and does not comply with the requirements of applicable building, housing,  
9           and health regulations.

10           (2) “Vacant” means that a rental unit has not been leased or occupied for  
11           at least 90 days prior to the date a property owner submits a grant application  
12           and remains unoccupied at the time the grant is awarded.

13           Sec. 15. 24 V.S.A. § 2799 is added to read:

14           § 2799. BETTER PLACES PROGRAM; CROWD GRANTING

15           (a) There is created a Better Places Fund, which shall be a special fund  
16           created under 32 V.S.A. chapter 7, subchapter 5. The purpose of the Fund is to  
17           utilize crowdfunding to spark community revitalization through collaborative  
18           grantmaking for projects that create, activate, or revitalize public spaces. The  
19           fund shall be administered by the Department of Housing and Community  
20           Development, in coordination with and support from other State agencies and  
21           nonprofit and philanthropic partners.

1        (b) The Fund shall be composed of the following:

2            (1) such State or federal funds as may be appropriated by the General  
3        Assembly;

4            (2) any gifts, grants, or other contributions to the Fund; and

5            (3) proceeds from the issuance of general obligation bonds.

6        (c) As used in this section, “public space” means as an area or place that is  
7        open and accessible to all people, generally with no charge for admission.  
8        Public spaces include village greens, squares, parks, community centers, town  
9        halls, libraries, and other public-accessible buildings and connecting spaces  
10       such as sidewalks, streets, alleys, and trails.

11       (d) The Department of Housing and Community Development shall  
12       establish an application process, eligibility criteria, and criteria for prioritizing  
13       assistance for awarding grants from the Fund. Grants may be awarded to a  
14       municipality or nonprofit organization for a project using matching funds  
15       located in a designated downtown, village center, new town center, or  
16       neighborhood development area that will create a new public space or  
17       revitalize or activate an existing public space. Matching funds shall be raised  
18       through a crowdfunding approach that includes multiple donors and other  
19       appropriate requirements to ensure a broad base of community and financial  
20       support for the project.

1       (e) The Department of Housing and Community Development shall  
2       distribute funds under this section in a manner that provides funding for  
3       projects of various sizes in as many geographical areas of the State as possible.

4       (f) The Department of Housing and Community Development is authorized  
5       to use up to 15 percent of any appropriation to the Fund from the General Fund  
6       to assist with crowdfunding, administration, and technological needs of the  
7       Better Places Program.

8                               \* \* \* Wastewater Connection Permits \* \* \*

9       Sec. 16. 10 V.S.A. § 1974(9) is added to read:

10           (9) A person who receives an authorization from a municipality that  
11           administers a program registered with the Secretary pursuant to section 1983 of  
12           this title.

13       Sec. 17. 10 V.S.A. § 1983 is added to read:

14       § 1983. REGISTRATION FOR MUNICIPAL WASTEWATER SYSTEM  
15           AND POTABLE WATER SUPPLY CONNECTIONS

16           (a) A municipality may issue an approval for a connection or an existing  
17           connection with a change in use to the municipal sanitary sewer collection line  
18           via a sanitary sewer service line or a connection to a water main via a new  
19           water service line in lieu of permits issued under this chapter, provided that the  
20           municipality documents the following in a form prescribed by the Secretary:

1           (1) The municipality owns or has legal control over connections to a  
2           public community water system permitted pursuant to chapter 56 of this title  
3           and connections to a wastewater treatment facility permitted pursuant to  
4           chapter 47 of this title.

5           (2) The municipality shall only issue authorizations for:

6                   (A) a sanitary sewer service line that connects to the sanitary sewer  
7                   collection line that serves a single connection; and

8                   (B) a water service line that connects to the water main that serves a  
9                   single connection.

10           (3) The building or structure connects to both the sanitary sewer  
11           collection line and public community water system.

12           (4) The municipality issues approvals that comply with the technical  
13           standards for sanitary sewer service lines and water service lines adopted by  
14           the Secretary under this chapter.

15           (5) The municipality requires documentation in the land records that the  
16           connection authorized by the municipality was installed in accordance with the  
17           technical standards.

18           (6) The program requires the retention of plans that show the location  
19           and design of authorized connections.



1       (b) The municipality shall notify the Secretary 30 days in advance of  
2       terminating any registration. The municipality shall provide all approvals and  
3       plans to the Secretary as a part of this termination notice.

4       Sec. 18. STUDY OF SUBDIVISION REGULATIONS IN AUTHORIZED  
5                   MUNICIPALITIES

6       The Agency of Natural Resources' Technical Advisory Committee shall  
7       report to the House Committee on Natural Resources, Fish, and Wildlife and  
8       the Senate Committee on Natural Resources and Energy on whether  
9       municipalities authorized under 10 V.S.A. § 1983 should also have jurisdiction  
10       to issue permits in lieu of the Secretary for subdivisions when the lot is served  
11       by municipal water and sewer.

12                                   \* \* \* Opportunity Zones \* \* \*

13       Sec. 19. 32 V.S.A. § 5811(21) is amended to read:

14               (21) "Taxable income" means, in the case of an individual, federal  
15       adjusted gross income determined without regard to 26 U.S.C. § 168(k) and:

16                                   \* \* \*

17               (B) Decreased by the following items of income (to the extent such  
18       income is included in federal adjusted gross income):

19                                   \* \* \*

20               (iii) recapture of State and local income tax deductions not taken  
21       against Vermont income tax; ~~and~~

