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Act No. 181 (H.687). An act relating to community resilience and biodiversity protection through land use

Subjects: Land use; conservation and development; Act 250; Natural Resources Board; municipal zoning; State Designation Program; property transfer tax; education property tax; municipal property tax; housing

This act makes multiple changes to laws related to land use and housing.

This act renames the Natural Resources Board to the Land Use Review Board, changes it to have five full-time members appointed by the Land Use Review Board Nominating Committee, and gives it the authority to review regional plans and maps and approve areas for Tier 1A status under the new Act 250 Tier system.

Under Act 250, it creates a new Act 250 criterion for forest blocks and habitat connectors, lowers the amount of required mitigation for primary agricultural soils for wood products manufacturers to 1:1 protected to affected acres, amends the definition of accessory on-farm business and creates an Act 250 exemption for those businesses, and creates a new Act 250 jurisdictional trigger for the construction of roads.

The act creates a new system for determining Act 250 jurisdiction over a project based on the project location's features. The new system will use "Tiers," with the Land Use Review Board approving municipal applications for Tier 1, adopting rules related to Tier 3, and studying what changes are needed for Tier 2. The act exempts certain housing developments from Act 250 temporarily while the Tiers are developed.

The act delays by two years the due dates for the environmental justice work required under existing law.

The act directs the regional planning commissions to update the regional plans and maps to include new land use categories. The new plans and maps will be used as part of the Act 250 Tier system.

This act makes multiple changes to the municipal zoning laws on issues including density, parking, and appeals of permits.

This act renames the Municipal and Regional Planning Fund to the Municipal and Regional Planning and Resilience Fund and allows grants from the Fund to be spent on resilience planning, including flood protection and climate resilience.

This act updates the State Designated Areas Program by renaming it to the Vermont Community Investment Program, updating the requirements for designation of an area, changing some of the incentives associated with the designations, and changing the authority for designating areas to the Land Use Review Board. It changes the title of the State Downtown Development Board to the Vermont Community Investment Board and changes its duties.

This act increases the code improvement tax credit from \$50,000.00 to \$100,000.00 and the flood mitigation tax credit from \$75,000.00 to \$100,000.00 under the Downtown and Village Center Tax Credit Program.

This act imposes a new property transfer tax rate of 3.4 percent on residential property that is used as a second home and makes various updates to the property transfer tax, including the creation of some new exemptions. It also creates an education property tax exemption to freeze property values of certain newly constructed and rehabilitated principal residences.

The act makes a number of changes to State housing programs, including amending the Vermont Rental Housing Improvement Program to incentivize accessibility improvements. It creates the new Resident Services Program. It also appropriates funds to the First-Generation Homebuyer Program, the Land Access and Opportunity Board, the Manufactured Home Improvement and Repair Program, and several eviction prevention initiatives.

This act requires the Department of Housing and Community Development to publish a housing accountability report on an annual basis through 2030.

This act imposes additional rental data collection requirements through the landlord certificate for use in emergency management and statewide housing needs assessments and requires additional safety disclosures for short-term rentals. This act imposes new flood risk disclosure requirements for both real estate and residential rental units, including mobile homes and mobile home parks.

This act grants the Vermont Housing and Conservation Board an assignable right of first refusal for privately owned age-restricted properties and requires owners of privately owned age-restricted properties to provide notice of rent increases.

This act tasks the Department of Housing and Community Development and the Vermont League of Cities and Towns with reporting on land banks. It tasks the State Treasurer's office with developing a pilot program for positive rent payment credit reporting. It also creates a legislative study committee to study landlord-tenant laws and evictions processes.

Multiple effective dates, beginning on June 17, 2024