

1  
2  
3  
4  
5  
6  
7  
8  
9  
10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21

S.100

An act relating to housing opportunities made for everyone

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

\* \* \* Municipal Zoning \* \* \*

Sec. 1. 24 V.S.A. § 4414 is amended to read:

§ 4414. ZONING; PERMISSIBLE TYPES OF REGULATIONS

\* \* \*

(4) Parking and loading facilities. A municipality may adopt provisions setting forth standards for permitted and required facilities for off-street parking and loading, which may vary by district and by uses within each district. For residential uses, a municipality shall not require more than one parking space per dwelling unit or accessory dwelling unit. However, a municipality may require 1.5 parking spaces per dwelling unit if the development is located more than one-quarter of a mile away from public parking or the need for parking cannot be reasonably met through the use of on-street parking, public parking, or shared parking. Municipalities may round up to the nearest whole parking space. These bylaws may also include provisions covering the location, size, design, access, landscaping, and screening of those facilities. In determining the number of parking spaces for nonresidential uses and size of parking spaces required under these regulations, the appropriate municipal panel may take into account the existence or

1 availability of employer “transit pass” and rideshare programs, public transit  
2 routes, and public parking spaces in the vicinity of the development. ~~However,~~  
3 ~~a municipality shall not require an accessory dwelling unit to have more than~~  
4 ~~one parking space per bedroom.~~

5 \* \* \*

6 Sec. 2. 24 V.S.A. § 4412 is amended to read:

7 § 4412. REQUIRED PROVISIONS AND PROHIBITED EFFECTS

8 Notwithstanding any existing bylaw, the following land development  
9 provisions shall apply in every municipality:

10 (1) Equal treatment of housing and required provisions for affordable  
11 housing.

12 \* \* \*

13 (D) Bylaws shall designate appropriate districts and reasonable  
14 regulations for multiunit or multifamily dwellings. No bylaw shall have the  
15 effect of excluding these multiunit or multifamily dwellings from the  
16 municipality. In any district that allows year-round residential development,  
17 duplexes shall be an allowed use with the same dimensional standards as a  
18 single-unit dwelling. In any district that is served by municipal sewer and  
19 water infrastructure that allows residential development, multiunit dwellings  
20 with four or fewer units shall be an allowed use.

1 (E) Except for flood hazard and fluvial erosion area bylaws adopted  
2 pursuant to section 4424 of this title, no bylaw shall have the effect of  
3 excluding as a permitted use one accessory dwelling unit that is located within  
4 or appurtenant to a single-family dwelling on an owner-occupied lot. A bylaw  
5 ~~may~~ shall require a single-family dwelling with an accessory dwelling unit to  
6 be subject to the same review, dimensional, or other controls as required for a  
7 single-family dwelling without an accessory dwelling unit. The criteria for  
8 conversion of an existing detached nonresidential building to habitable space  
9 for an accessory dwelling unit shall not be more restrictive than the criteria  
10 used for a single-family dwelling without an accessory dwelling unit. An  
11 “accessory dwelling unit” means a distinct unit that is clearly subordinate to a  
12 single-family dwelling; and has facilities and provisions for independent living,  
13 including sleeping, food preparation, and sanitation, provided there is  
14 compliance with all the following:

15 (i) The property has sufficient wastewater capacity.

16 (ii) The unit does not exceed 30 percent of the total habitable floor  
17 area of the single-family dwelling or 900 square feet, whichever is greater.

18 \* \* \*

19 (H) No bylaw shall have the effect of prohibiting or penalizing a  
20 hotel from renting rooms to provide housing assistance through the State of  
21 Vermont’s General Assistance program, or to any person whose room is rented

1 with public funds. The term “hotel” has the same meaning as in 32 V.S.A.  
2 9202(3).

3 \* \* \*

4 (12) In any district served by municipal sewer and water infrastructure  
5 that allows residential development, bylaws shall establish lot and building  
6 dimensional standards that allow five or more dwelling units per acre for each  
7 allowed residential use, and density standards for multiunit dwellings shall not  
8 be more restrictive than those required for single-family dwellings.

9 (13) In any district served by municipal sewer and water infrastructure that  
10 allows residential development, any mixed-use developments and affordable  
11 housing developments, as defined in subdivision 4303(2) of this title, may  
12 exceed building height limitations by one additional habitable floor beyond the  
13 maximum height, and using that additional floor may exceed density  
14 limitations for residential developments by an additional 40 percent, provided  
15 that the structure complies with the Vermont Fire and Building Safety Code.

16 (14) No bylaw shall have the effect of limiting the square footage of a  
17 duplex that otherwise complies with the applicable building code.

18 (15)(A) As used in this section, an area “served by municipal water and  
19 sewer infrastructure” means:

1                   (i) that residential connections and expansions are available to  
2                   municipal water and direct and indirect discharge wastewater systems and not  
3                   prohibited by:

4                   (I) State regulations or permits;

5                   (II) identified capacity constraints; or

6                   (III) municipally adopted service and capacity agreements; or

7                   (ii) areas established by the municipality by ordinance or bylaw

8                   that:

9                   (I) exclude flood hazard or inundation areas as established by  
10                  statute, river corridors or fluvial erosion areas as established by statute,  
11                  shorelands, and wherever year-round residential development is not allowed;

12                  (II) reflect identified service limits established by State  
13                  regulations or permits, identified capacity constraints, or municipally adopted  
14                  service and capacity agreements;

15                  (III) exclude areas served by water and sewer to address an  
16                  identified community-scale public health hazard or environmental hazard;

17                  (IV) exclude areas serving a mobile home park that is not  
18                  within an area planned for year-round residential growth;

19                  (V) exclude areas serving an industrial site or park;

1                   (VI) exclude areas where service lines are located to serve the  
2                   areas described in subdivisions (III)–(V) of this subdivision (ii), but no  
3                   connections or expansions are permitted; or

4                   (VII) modify the zoning provisions allowed under this chapter  
5                   in areas served by indirect discharge designed for less than 100,000 gallons per  
6                   day.

7                   (B) Municipally adopted areas served by municipal water and sewer  
8                   infrastructure that limit water and sewer connections and expansions shall not  
9                   result in the unequal treatment of housing by discriminating against a year-  
10                  round residential use or housing type otherwise allowed in this chapter.

11                  Sec. 3. 24 V.S.A. § 4413 is amended to read:

12                  § 4413. LIMITATIONS ON MUNICIPAL BYLAWS

13                  (a)(1) The following uses may be regulated only with respect to location,  
14                  size, height, building bulk, yards, courts, setbacks, density of buildings, off-  
15                  street parking, loading facilities, traffic, noise, lighting, landscaping, and  
16                  screening requirements, and only to the extent that regulations do not have the  
17                  effect of interfering with the intended functional use:

18                  (A) State- or community-owned and ~~operated~~ operated institutions  
19                  and facilities;

20                  (B) public and private schools and other educational institutions  
21                  certified by the Agency of Education;

1 (C) churches and other places of worship, convents, and parish  
2 houses;

3 (D) public and private hospitals;

4 (E) regional solid waste management facilities certified under 10  
5 V.S.A. chapter 159;

6 (F) hazardous waste management facilities for which a notice of  
7 intent to construct has been received under 10 V.S.A. § 6606a; and

8 (G) emergency shelters.

9 (2) Except for State-owned and -operated institutions and facilities, a  
10 municipality may regulate each of the land uses listed in subdivision (1) of this  
11 subsection for compliance with the National Flood Insurance Program and for  
12 compliance with a municipal ordinance or bylaw regulating development in a  
13 flood hazard area or river corridor, consistent with the requirements of  
14 subdivision 2291(25) and section 4424 of this title. These regulations shall not  
15 have the effect of interfering with the intended functional use.

16 (3) For purposes of this subsection, regulating the daily or seasonal  
17 hours of operation of an emergency shelter shall constitute interfering with the  
18 intended functional use.

19 \* \* \*

1 Sec. 4. 24 V.S.A. § 4303 is amended to read:

2 § 4303. DEFINITIONS

3 The following definitions shall apply throughout this chapter unless the  
4 context otherwise requires:

5 \* \* \*

6 (38) “Accessory dwelling unit” has the same meaning as in subdivision  
7 4412(E) of this title.

8 (39) “Duplex” means a residential building that has two dwelling units  
9 in the same building and neither unit is an accessory dwelling unit.

10 (40) “Emergency shelter” means any facility, the primary purpose of  
11 which is to provide a temporary shelter for the homeless in general or for  
12 specific populations of the homeless and that does not require occupants to  
13 sign leases or occupancy agreements.

14 (41) “Multiunit or multifamily dwelling” means a building that contains  
15 three or more dwelling units in the same building.

16 Sec. 5. 24 V.S.A. § 4441 is amended to read:

17 § 4441. PREPARATION OF BYLAWS AND REGULATORY TOOLS;

18 AMENDMENT OR REPEAL

19 \* \* \*

20 (c) When considering an amendment to a bylaw, the planning commission  
21 shall prepare and approve a written report on the proposal. A single report



1 may be prepared so as to satisfy the requirements of this subsection concerning  
2 bylaw amendments and subsection 4384(c) of this title concerning plan  
3 amendments. ~~The Department of Housing and Community Development shall~~  
4 ~~provide all municipalities with a form for this report.~~ The report shall provide  
5 a brief explanation of the proposed bylaw, amendment, or repeal and shall  
6 include a statement of purpose as required for notice under section 4444 of this  
7 title; and shall include findings regarding how the proposal:

8 (1) ~~Conforms~~ conforms with or furthers the goals and policies contained  
9 in the municipal plan, including the effect of the proposal on the availability of  
10 safe and affordable housing-, and sections 4412, 4413, and 4414 of this title;

11 (2) ~~Is~~ is compatible with the proposed future land uses and densities of  
12 the municipal plan-; and

13 (3) ~~Carries~~ carries out, as applicable, any specific proposals for any  
14 planned community facilities.

15 \* \* \*

16 (h) Upon adoption or amendment of a bylaw, the planning commission  
17 shall prepare an adoption report in form and content provided by the  
18 Department of Housing and Community Development that:

19 (1) demonstrates conformity with sections 4412, 4413, and 4414 of this  
20 title; and

1           (2) provides information on the municipal application of subchapters 7  
2           (bylaws), 9 (administration), and 10 (panels) of this chapter for the Municipal  
3           Planning Data Center and the prospective development of a statewide zoning  
4           atlas.

5           Sec. 6. 24 V.S.A. § 4465 is amended to read:

6           § 4465. APPEALS OF DECISIONS OF THE ADMINISTRATIVE OFFICER

7           (a) An interested person may appeal any decision or act taken by the  
8           administrative officer in any municipality by filing a notice of appeal with the  
9           secretary of the board of adjustment or development review board of that  
10          municipality or with the clerk of that municipality if no such secretary has been  
11          elected. This notice of appeal must be filed within 15 days ~~of~~ following the  
12          date of that decision or act, and a copy of the notice of appeal shall be filed  
13          with the administrative officer.

14          (b) ~~For the purposes of~~ As used in this chapter, an “interested person”  
15          means any one of the following:

16               (1) A person owning title to property, or a municipality or solid waste  
17               management district empowered to condemn it or an interest in it, affected by a  
18               bylaw, who alleges that the bylaw imposes on the property unreasonable or  
19               inappropriate restrictions of present or potential use under the particular  
20               circumstances of the case.

1           (2) The municipality that has a plan or a bylaw at issue in an appeal  
2 brought under this chapter or any municipality that adjoins that municipality.

3           (3) A person owning or occupying property in the immediate  
4 neighborhood of a property that is the subject of any decision or act taken  
5 under this chapter, who can demonstrate a physical or environmental impact on  
6 the person's interest under the criteria reviewed, and who alleges that the  
7 decision or act, if confirmed, will not be in accord with the policies, purposes,  
8 or terms of the plan or bylaw of that municipality.

9           (4) Any ~~ten~~ 10 persons who allege a common injury to a particularized  
10 interest protected by this chapter, who may be any combination of voters or  
11 real property owners within a municipality listed in subdivision (2) of this  
12 subsection who, by signed petition to the appropriate municipal panel of a  
13 municipality, the plan or a bylaw of which is at issue in any appeal brought  
14 under this title, allege that any relief requested by a person under this title, if  
15 granted, will not be in accord with the policies, purposes, or terms of the plan  
16 or bylaw of that municipality. For purposes of this subdivision, a  
17 particularized interest shall not include the character of the area affected. This  
18 petition to the appropriate municipal panel must designate one person to serve  
19 as the representative of the petitioners regarding all matters related to the  
20 appeal.





1 public health, safety, and general welfare, or are inappropriate because of  
2 inadequacy or lack of connecting facilities adjacent or in proximity to the  
3 subdivision;

4 (B) ~~Proceedures~~ procedures for conceptual, preliminary, partial, and  
5 other reviews preceding submission of a subdivision plat, including any  
6 administrative reviews;

7 (C) ~~Specifie~~ specific development standards to promote the  
8 conservation of energy or to permit the utilization of renewable energy  
9 resources, or both;

10 (D) State standards and criteria under 10 V.S.A. § 6086(a); and

11 (E) provisions to allow the administrative officer to approve  
12 subdivisions.

13 \* \* \* Appeals \* \* \*

14 Sec. 9. 24 V.S.A. § 4471 is amended to read:

15 § 4471. APPEAL TO ENVIRONMENTAL DIVISION

16 \* \* \*

17 (e) ~~Neighborhood development area~~ Designated areas. Notwithstanding  
18 subsection (a) of this section, a determination by an appropriate municipal  
19 panel that a residential development will not result in an undue adverse effect  
20 on the character of the area affected shall not be subject to appeal if the  
21 ~~determination is that a proposed residential development~~ seeking conditional

1 use approval under subdivision 4414(3) of this title is within a designated  
2 downtown development district, designated growth center, ~~designated Vermont~~  
3 neighborhood, or designated neighborhood development area seeking  
4 conditional use approval will not result in an undue adverse effect on the  
5 character of the area affected under subdivision 4414(3) of this title. Other  
6 elements of the determination made by the appropriate municipal panel may be  
7 appealed.

8 \* \* \* By Right \* \* \*

9 Sec. 10. 24 V.S.A. § 4464(b) is amended to read:

10 (b) Decisions.

11 \* \* \*

12 (7)(A) A decision rendered by the appropriate municipal panel for a  
13 housing development or the housing portion of a mixed-use development shall  
14 not:

15 (i) require a larger lot size than the minimum as determined in the  
16 municipal bylaws;

17 (ii) require more parking spaces than the minimum as determined  
18 in the municipal bylaws and in section 4414 of this title;

19 (iii) limit the building size to less than that allowed in the  
20 municipal bylaws, including reducing the building footprint or height;





1 ~~establishing the identified need, due consideration shall be given to~~ that will  
2 result in an adequate supply of building code and energy code compliant  
3 homes where most households spend not more than 30 percent of their income  
4 on housing and no more than 15 percent on transportation. To establish  
5 housing needs, the Department of Housing and Community Development shall  
6 publish statewide and regional housing targets or ranges as part of the  
7 Statewide Housing Needs Assessment. The regional planning commission  
8 shall consult the Statewide Housing Needs Assessment; current and expected  
9 demographic data; the current location, quality, types and cost of housing;  
10 other local studies related to housing needs; and data gathered pursuant to  
11 subsection 4382(c) of this title. If no such data has been gathered, the regional  
12 planning commission shall gather it. The regional planning commission's  
13 assessment shall estimate the total needed housing investments in terms of  
14 price, quality, unit size or type, and zoning district as applicable and shall  
15 disaggregate regional housing targets or ranges by municipality. The housing  
16 element shall include a set of recommended actions to satisfy the established  
17 needs.

18 \* \* \*

1 Sec. 12. 24 V.S.A. § 4382 is amended to read:

2 § 4382. THE PLAN FOR A MUNICIPALITY

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

7 \* \* \*

8 (10) A housing element that shall include a recommended program for  
9 ~~addressing low and moderate income persons'~~ public and private actions to  
10 address housing needs as identified by the regional planning commission  
11 pursuant to subdivision 4348a(a)(9) of this title. The program should include  
12 specific actions to address the housing needs of persons with low income and  
13 persons with moderate income and account for permitted accessory dwelling  
14 units, as defined in subdivision 4412(1)(E) of this title, ~~which provide~~  
15 ~~affordable housing~~ as well as any material impact of short-term rental units.

16 \* \* \*

17 \* \* \* Energy Codes \* \* \*

18 Sec. 13. 24 V.S.A. § 3101(a) is amended to read:

19 (a) The mayor and board of aldermen of a city, the selectboard of a town,  
20 or the trustees of an incorporated village, may, in accordance with this chapter,  
21 establish codes and regulations for the construction, maintenance, repair, and

1 alteration of buildings and other structures within the municipality. Such  
2 codes and regulations may include provisions relating to building materials,  
3 structural design, passageways, stairways and exits, heating systems, fire  
4 protection procedures, and such other matters as may be reasonably necessary  
5 for the health, safety, and welfare of the public, but excluding electrical  
6 installations subject to regulation under 26 V.S.A. chapter 15. Any energy  
7 codes and regulations adopted after July 1, 2023 shall not be more restrictive  
8 than the Residential Building Energy Standards or the stretch code adopted  
9 under 30 V.S.A. § 51 or the Commercial Building Energy Standards adopted  
10 under 30 V.S.A. § 53, except where enabled by a municipal charter.

11 Sec. 14. [Deleted.]

12 Sec. 15. [Deleted.]

13 Sec. 16. 10 V.S.A. § 6001 is amended to read:

14 § 6001. DEFINITIONS

15 \* \* \*

16 (3)(A) “Development” means each of the following:

17 \* \* \*

18 (iv) The construction of housing projects such as cooperatives,  
19 condominiums, or dwellings, or construction ~~or maintenance~~ of mobile homes  
20 or mobile home parks, with 10 or more units, constructed or maintained on a  
21 tract or tracts of land, owned or controlled by a person, within a radius of five

1 miles of any point on any involved land and within any continuous period of  
2 five years. However:

3 \* \* \*

4 (xi) Until July 1, 2026, the construction of housing projects such  
5 as cooperatives, condominiums, dwellings, or mobile homes, with 25 or more  
6 units, constructed or maintained on a tract or tracts of land, located entirely  
7 within a designated downtown development district, a designated  
8 neighborhood development area, or a designated growth center, owned or  
9 controlled by a person, within a radius of five miles of any point on any  
10 involved land and within any continuous period of five years.

11 \* \* \*

12 (D) The word “development” does not include:

13 \* \* \*

14 (viii)(I) The construction of a priority housing project in a  
15 municipality with a population of 10,000 or more.

16 (II) If the construction of a priority housing project in this  
17 subdivision (3)(D)(viii) involves demolition of one or more buildings that are  
18 listed or eligible to be listed on the State or National Register of Historic  
19 Places, this exemption shall not apply unless the Division for Historic  
20 Preservation has made the determination described in subdivision (A)(iv)(I)(ff)

1 of this subdivision (3) and any imposed conditions are enforceable in the  
2 manner set forth in that subdivision.

3 (III) Notwithstanding any other provision of law to the  
4 contrary, until July 1, 2026, the construction of a priority housing project  
5 located entirely within a designated downtown development district,  
6 designated neighborhood development area, or a designated growth center.

7 \* \* \*

8 Sec. 16a. 10 V.S.A. § 6086b is amended to read:

9 § 6086b. DOWNTOWN DEVELOPMENT; FINDINGS; MASTER PLAN

10 PERMITS

11 (a) Findings and conclusions. Notwithstanding any provision of this  
12 chapter to the contrary, each of the following shall apply to a development or  
13 subdivision that is completely within a downtown development district  
14 designated under 24 V.S.A. chapter 76A and for which a permit or permit  
15 amendment would otherwise be required under this chapter:

16 (1) In lieu of obtaining a permit or permit amendment, a person may  
17 request findings and conclusions from the District Commission, which shall  
18 approve the request if it finds that the development or subdivision will meet  
19 subdivisions 6086(a)(1) (air and water pollution), (2) (sufficient water  
20 available), (3) (burden on existing water supply), (4) (soil erosion), (5)  
21 (traffic), (8) (aesthetics, historic sites, rare and irreplaceable natural areas),

1 (8)(A) (endangered species; necessary wildlife habitat), (9)(B) (primary  
2 agricultural soils), (9)(C) (productive forest soils), (9)(F) (energy  
3 conservation), and (9)(K) (public facilities, services, and lands) of this title.

4 \* \* \*

5 (b) Master plan permits.

6 (1) Any municipality within which a downtown development district or  
7 neighborhood development area has been formally designated pursuant to  
8 24 V.S.A. chapter 76A may apply to the District Commission for a master plan  
9 permit for that area or any portion of that area pursuant to the rules of the  
10 Board. Municipalities making an application under this subdivision are not  
11 required to exercise ownership of or control over the affected property.

12 (2) Subsequent development of an individual lot within the area of the  
13 master plan permit that requires a permit under this chapter shall take the form  
14 of a permit amendment.

15 (3) In neighborhood development areas, subsequent master plan permit  
16 amendments may only be issued for development that is housing.

17 (4) In approving a master plan permit and amendments, the District  
18 Commission may include specific conditions that an applicant for an individual  
19 project permit will be required to meet.

20 (5) For a master plan permit issued pursuant to this section, an  
21 application for an amendment may use the findings issued in the master plan

1 permit as a rebuttable presumption to comply within any applicable criteria  
2 under subsection 6086(a) of this title.

3 Sec. 16b. ACT 250 EXEMPTION REQUIREMENTS

4 In order to qualify for the exemptions established in 10 V.S.A. § 6001  
5 (3)(A)(xi) and (3)(D)(viii)(III) and 10 V.S.A. § 6081(y), a person shall apply  
6 for a jurisdictional opinion under 10 V.S.A. § 6007 by July 1, 2026. The  
7 jurisdictional opinion shall require the project to substantially complete  
8 construction by June 30, 2029 in order to remain exempt.

9 \* \* \* Enhanced Village Centers \* \* \*

10 Sec. 17. 24 V.S.A. § 2793a is amended to read:

11 § 2793a. DESIGNATION OF VILLAGE CENTERS BY STATE BOARD

12 \* \* \*

13 (e)(1) A village center designated by the State Board pursuant to subsection  
14 (a) of this section is eligible to apply to the State Board to receive an enhanced  
15 designation. This enhanced designation allows a priority housing project with  
16 50 or fewer units located entirely within the village center to be exempt from  
17 10 V.S.A. chapter 151.

18 (2) To receive enhanced designation under this subsection, a village  
19 center shall have:

20 (A) duly adopted permanent zoning and subdivision bylaws;







1 to develop thresholds and tiers of jurisdiction as recommended in the  
2 Commission on Act 250: the Next 50 Years Report.

3 (2) How to use the Capability and Development Plan to meet the  
4 statewide planning goals.

5 (3) An assessment of the current level of staffing of the Board and  
6 District Commissions, including whether there should be a district coordinator  
7 located in every district.

8 (4) Whether the permit fees are sufficient to cover the costs of the  
9 program and, if not, a recommendation for a source of revenue to supplement  
10 the fees.

11 (5) Whether the permit fees are effective in providing appropriate  
12 incentives.

13 (6) Whether the Board should be able to assess its costs on applicants.

14 (7) Whether increasing jurisdictional thresholds for housing  
15 development to 25 units under 10 V.S.A. § 6001(3)(A)(iv) would affect  
16 housing affordability, especially for primary homeownership, and what the  
17 potential impact of increasing those thresholds to 25 units would have on  
18 natural and community resources addressed under existing Act 250 criteria.

1                                   \* \* \* Enhanced Designation \* \* \*

2       Sec. 18. 10 V.S.A. § 6081 is amended to read:

3       § 6081. PERMITS REQUIRED; EXEMPTIONS

4                                   \* \* \*

5           (z) No permit or permit amendment is required for any subdivision or  
6       development located in an enhanced designation area. If the enhanced  
7       designation is terminated, a development or subdivision within the designated  
8       center must receive a permit, if applicable.

9       Sec. 19. 24 V.S.A. § 2793f is added to read:

10      § 2793f. ENHANCED DESIGNATION

11           (a) Application and approval. A municipality, by resolution of its  
12      legislative body, may apply to the Natural Resources Board for an enhanced  
13      designation for any designated area. The Natural Resources Board shall issue  
14      an affirmative determination on finding that the municipality meets the  
15      requirements of subsection (c) of this section.

16           (b) Enhanced designation requirements. To obtain an enhanced  
17      designation under this section, a municipality must demonstrate that it has each  
18      of the following:

19           (1) an approved designated area;

1           (2) municipal bylaws that are identical or are determined to be  
2           consistent with the model bylaws written by the Natural Resources Board  
3           pursuant to subsection (f) of this section;

4           (3) municipal bylaws that do not include broad exemptions excluding  
5           significant private or public land development from requiring a municipal land  
6           use permit; and

7           (4) adequate municipal staff to support coordinated comprehensive and  
8           capital planning, development review, and zoning administration.

9           (c) Process for issuing enhanced designation.

10           (1) A preapplication meeting shall be held with Department staff to  
11           review the program requirements. The meeting shall be held in the  
12           municipality unless another location is agreed to by the municipality.

13           (2) An application by the municipality shall include the information and  
14           analysis required by the Department's guidelines established pursuant to  
15           section 2792 of this title on how to meet the requirements of subsection (b) of  
16           this section.

17           (3) The Department shall establish a procedure for submission of a draft  
18           application that involves review and comment by all the parties to be noticed in  
19           subdivision (4)(A) of this subsection and shall issue a preapplication memo  
20           incorporating the comments to the applicant after receipt of a draft preliminary  
21           application.

1           (4) After receipt of a complete final application, the Natural Resources  
2           Board shall convene a public hearing in the municipality to consider whether  
3           to issue a determination of enhanced designation under this section.

4           (A) Notice.

5           (i) At least 35 days in advance of the Natural Resources Board's  
6           meeting, the Department shall provide notice to the municipality and post it on  
7           the Agency's website.

8           (ii) The municipality shall publish notice of the meeting at least  
9           30 days in advance of the Natural Resources Board's meeting in a newspaper  
10           of general circulation in the municipality, and deliver physically or  
11           electronically, with proof of receipt or by certified mail, return receipt  
12           requested to the Agency of Natural Resources; the State Downtown Board; the  
13           Division for Historic Preservation; the Agency of Agriculture, Food and  
14           Markets; the Agency of Transportation; the regional planning commission; the  
15           regional development corporations; and the entities providing educational,  
16           police, and fire services to the municipality.

17           (iii) The notice shall also be posted by the municipality in or near  
18           the municipal clerk's office and in at least two other designated public places  
19           in the municipality and on the websites of the municipality and the Agency of  
20           Commerce and Community Development.

1           (iv) The municipality shall also certify in writing that the notice  
2           required by subdivision (4)(A) of this subsection (c) has been published,  
3           delivered, and posted within the specified time.

4           (B) No defect in the form or substance of any requirements of this  
5           subsection (c) shall invalidate the action of the Natural Resources Board where  
6           reasonable efforts are made to provide adequate posting and notice. However,  
7           the action shall be invalid when the defective posting or notice was materially  
8           misleading in content. If an action is ruled to be invalid by the Superior Court  
9           or by the Natural Resources Board itself, the Department shall provide and the  
10           municipality shall issue new posting and notice, and the Board shall hold a  
11           new hearing and take a new action.

12           (5) The Natural Resources Board may recess the proceedings on any  
13           application pending submission of additional information. The Board shall  
14           close the proceedings promptly after all parties have submitted the requested  
15           information.

16           (6) The Board shall issue its determination in writing. The  
17           determination shall include explicit findings on each of the requirements in  
18           subsection (b) of this section.

19           (d) Review of enhanced designation status.

1           (1) Initial determination of an enhanced designation may be made at any  
2           time. Thereafter, review of the enhanced designation shall be concurrent with  
3           the next periodic review of the underlying designated area.

4           (2) The Natural Resources Board, on its motion, may review compliance  
5           with the enhanced designation requirements at more frequent intervals.

6           (3) If at any time the Board determines that the enhanced designation  
7           area no longer meets the standards for the designation, it shall take one of the  
8           following actions:

9                   (A) require corrective action within a reasonable time frame; or

10                   (B) terminate the enhanced designation.

11           (4) If the underlying designation is terminated, the enhanced designation  
12           also shall terminate.

13           (e) Appeal.

14           (1) An interested person may appeal any act or decision of the Board  
15           under this section to the Environmental Division of the Superior Court within  
16           30 days following the act or decision.

17           (2) As used in this section, an “interested person” means any one of the  
18           following:

19                   (A) a person owning a title to or occupying property within or  
20           abutting the designated area;

1           (B) the municipality making the application or a municipality that  
2           adjoins the municipality making the application; and

3           (C) the regional planning commission for the region that includes the  
4           designated area or a regional planning commission whose region adjoins the  
5           municipality in which the designated center is located.

6           (f) Model bylaws. The Natural Resources Board shall publish model  
7           bylaws that may be adopted by a municipality seeking an enhanced  
8           designation. These bylaws shall address all Act 250 criteria provided for in  
9           10 V.S.A. § 6086(a)(1)–(10).

10          Sec. 20. 10 V.S.A. § 6001(45) is added to read:

11           (45) “Enhanced designation” means the process by which a designated  
12           area demonstrates that it has satisfied the requirements of 24 V.S.A. § 2793f.  
13           The term shall also refer to the resulting status.

14          Sec. 21. ENHANCED DESIGNATION BYLAW ADOPTION

15           On or before January 1, 2024, the Natural Resources Board shall publish  
16           model bylaws that a municipality may adopt in order to achieve an enhanced  
17           designation. These bylaws shall encompass all of the Act 250 criteria found in  
18           10 V.S.A. § 6086(a)(1)–(10).



\* \* \* Covenants \* \* \*

1  
2       Sec. 22. 27 V.S.A. § 545 is amended to read:

3       § 545. COVENANTS, CONDITIONS, AND RESTRICTIONS OF  
4               SUBSTANTIAL PUBLIC INTEREST

5       (a) Deed restrictions, covenants, or similar binding agreements added after  
6       March 1, 2021 that prohibit or have the effect of prohibiting land development  
7       allowed under 24 V.S.A. § 4412(1)(E) and (2)(A) shall not be valid.

8       (b) Deed restrictions or covenants added after July 1, 2023 shall not be  
9       valid if they require a minimum dwelling unit size on the property or more  
10       than one parking space per dwelling unit.

11       (c) This section shall not affect the enforceability of any property interest  
12       held in whole or in part by a qualified organization or State agency as defined  
13       in 10 V.S.A. § 6301a, including any restrictive easements, such as  
14       conservation easements and historic preservation rights and interests defined in  
15       10 V.S.A. § 822. This section shall not affect the enforceability of any  
16       property interest that is restricted by a housing subsidy covenant as defined by  
17       section 610 of this title and held in whole or in part by an eligible applicant as  
18       defined in 10 V.S.A. § 303(4) or the Vermont Housing Finance Agency.

1                                   \* \* \* Road Disclosure \* \* \*

2       Sec. 23. 27 V.S.A. § 617 is added to read:

3       § 617. DISCLOSURE OF CLASS 4 ROAD

4           (a) Disclosure of maintenance on class 4 highway. Any property owner  
5       who sells property located on a class 4 highway or legal trail shall disclose to  
6       the buyer that the municipality is not required to maintain the highway or trail  
7       as described in 19 V.S.A. § 310.

8           (b) Marketability of title. Noncompliance with the requirements of this  
9       section shall not affect the marketability of title of a property.

10                               \* \* \* Building Energy Code Study Committee \* \* \*

11       Sec. 24. FINDINGS

12           The General Assembly finds that:

13           (1) Vermont established the Residential Building Energy Standards  
14       (RBES) in 1997 and the Commercial Building Energy Standards (CBES) in  
15       2007. The Public Service Department is responsible for adopting and updating  
16       these codes regularly but does not have the capacity to administer or enforce  
17       them.

18           (2) The RBES and CBES are mandatory, but while municipalities with  
19       building departments handle some aspects of review and inspection, there is no  
20       State agency or office designated to interpret, administer, and enforce them.

1           (3) The Division of Fire Safety in the Department of Public Safety is  
2           responsible for development, administration, and enforcement of building  
3           codes but does not currently have expertise or capacity to add administration or  
4           enforcement of energy codes in buildings.

5           (4) Studies in recent years show compliance with the RBES at about 54  
6           percent and CBES at about 87 percent, with both rates declining. Both codes  
7           are scheduled to become more stringent with the goal of “net-zero ready” by  
8           2030.

9           (5) In December 2022, the U.S. Department of Energy issued the  
10           Bipartisan Infrastructure Law: Resilient and Efficient Codes Implementation  
11           Funding Opportunity Announcement. The first \$45 million of a five-year \$225  
12           million program is available in 2023. Vermont’s increased code compliance  
13           plans should include contingencies for this potential funding.

14           Sec. 25. ENERGY CODE COMPLIANCE; STUDY COMMITTEE

15           (a) Creation. There is created the Building Energy Code Study Committee  
16           to recommend strategies for increasing compliance with the Residential  
17           Building Energy Standards (RBES) and Commercial Building Energy  
18           Standards (CBES).

19           (b) Membership. The Committee shall have 15 members with applicable  
20           expertise, to include program design and implementation, building code  
21           administration and enforcement, and Vermont’s construction industry. The

1 Speaker of the House shall appoint three members, including up to one  
2 legislator. The Committee on Committees shall appoint two members,  
3 including up to one legislator. The remaining members shall be the following:

4 (1) the Commissioner of Public Service, or designee;

5 (2) the Director of Fire Safety, or designee;

6 (3) a representative of Efficiency Vermont;

7 (4) a representative of American Institute of Architects–Vermont;

8 (5) a representative of the Vermont Builders and Remodelers

9 Association;

10 (6) a representative the Burlington Electric Department;

11 (7) a representative of Vermont Gas Systems;

12 (8) a representative of the Association of General Contractors of

13 Vermont;

14 (9) a representative of the Vermont League of Cities and Towns; and

15 (10) a representative from a regional planning commission.

16 (c) Powers and duties. The Committee shall consider and recommend  
17 strategies to increase awareness of and compliance with the RBES and CBES,  
18 including designation of the Division of Fire Safety (DFS) in the Department  
19 of Public Safety as the statewide authority having jurisdiction for  
20 administration, interpretation, and enforcement, in conjunction with DFS'  
21 existing jurisdiction, over building codes.

1       (d) Assistance. The Committee shall have the administrative, technical,  
2       and legal assistance of the Department of Public Service. The Department  
3       shall hire a third-party consultant to assist and staff the Committee which may  
4       be funded by monies appropriated by the General Assembly or any grant  
5       funding received.

6       (e) Report. On or before December 1, 2023, the Committee shall submit a  
7       written report to the General Assembly with its findings and recommendations  
8       for legislative action.

9       (f) Meetings.

10       (1) The Department of Public Service shall call the first meeting of the  
11       Committee to occur on or before July 15, 2023.

12       (2) The Committee shall elect a chair from among its members at the  
13       first meeting.

14       (3) A majority of the membership shall constitute a quorum.

15       (4) The final meeting shall be held on or before October 31, 2023. The  
16       Committee shall cease to exist on December 1, 2023.

17       (g) Compensation and reimbursement.

18       (1) For attendance at meetings during adjournment of the General  
19       Assembly, a legislative member of the Committee serving in the legislator's  
20       capacity as a legislator shall be entitled to per diem compensation and

1 reimbursement of expenses pursuant to 2 V.S.A. § 23 for not more than six  
2 meetings.

3 (2) Other members of the Committee who are not otherwise  
4 compensated by their employer shall be entitled to per diem compensation and  
5 reimbursement of expenses as permitted under 32 V.S.A. § 1010 for not more  
6 than six meetings.

7 (3) The payments under this subsection (g) shall be made from monies  
8 appropriated by the General Assembly or any grant funding received.

9 \* \* \* ADU Jurisdiction \* \* \*

10 Sec. 26. 20 V.S.A. § 2730 is amended to read:

11 § 2730. DEFINITIONS

12 (a) As used in this subchapter, “public building” means:

13 (1)(A) a building owned or occupied by a public utility, hospital, school,  
14 house of worship, convalescent center or home for elders or persons who have  
15 an infirmity or a disability, nursery, kindergarten, or child care;

16 \* \* \*

17 (D) a building in which people rent accommodations, whether  
18 overnight or for a longer term;

19 \* \* \*

20 (b) The term “public building” does not include:



1           (1) would facilitate in Vermont:

2                   (A) the increased construction of new residential units;

3                   (B) the conversion of existing space into new residential units; or

4                   (C) both; and

5           (2) could be incorporated into the Vermont Fire and Building Safety  
6 Code.

7           (b) The report shall include recommendations for any legislative action  
8 necessary to enable the identified provisions to be incorporated into Vermont's  
9 Fire and Building Safety Code.

10       Secs. 30–39. [Deleted.]

11                   \* \* \* Vermont Rental Housing Improvement Program \* \* \*

12       Sec. 40. 10 V.S.A. § 699 is amended to read:

13       § 699. VERMONT RENTAL HOUSING IMPROVEMENT PROGRAM

14           (a) Creation of Program.

15                   (1) The Department of Housing and Community Development shall  
16 design and implement the Vermont Rental Housing Improvement Program,  
17 through which the Department shall award funding to statewide or regional  
18 nonprofit housing organizations, or both, to provide competitive grants and  
19 forgivable loans to private landlords for the rehabilitation, including  
20 weatherization, of eligible rental housing units.



1           (2) The Department shall develop statewide standards for the Program,  
2 including factors that partner organizations shall use to evaluate applications  
3 and award grants and forgivable loans.

4           (3) A landlord shall not offer a unit created through the Program as a  
5 short-term rental, as defined in 18 V.S.A. § 4301.

6           (b) Eligible rental housing units. The following units are eligible for a  
7 grant or forgivable loan through the Program:

8           (1) Non-code compliant.

9           (A) The unit is an existing unit, whether or not occupied, that does  
10 not comply with the requirements of applicable building, housing, or health  
11 laws.

12           (B) If the unit is occupied, the grant or forgivable loan shall include  
13 terms and conditions to avoid displacement of the current residents.

14           (2) New ~~accessory dwelling~~ units. The unit will be:

15           (A) a newly created accessory dwelling unit that meets the  
16 requirements of 24 V.S.A. § 4412(1)(E);

17           (B) a newly created unit within an existing structure;

18           (C) a newly created residential structure that is a single unit; or

19           (D) a newly created unit within a newly created structure that  
20 contains five or fewer residential units.

1 (c) Administration. The Department shall require a housing organization  
2 that receives funding under the Program to adopt:

3 (1) a standard application form that describes the application process  
4 and includes instructions and examples to help landlords apply;

5 (2) an award process that ensures equitable selection of landlords,  
6 subject to a housing organization's exercise of discretion based on the factors  
7 adopted by the Department pursuant to subsection (a) of this section; and

8 (3) a grant and loan management system that ensures accountability for  
9 funds awarded.

10 (d) Program requirements applicable to grants and forgivable loans.

11 (1) A grant or loan shall not exceed \$50,000.00 per unit. In determining  
12 the amount of a grant or loan, a housing organization shall consider the number  
13 of bedrooms in the unit and whether the unit is being rehabilitated or newly  
14 created.

15 (2) A landlord shall contribute matching funds or in-kind services that  
16 equal or exceed 20 percent of the value of the grant or loan.

17 (3) A project may include a weatherization component.

18 (4) A project shall comply with applicable building, housing, and health  
19 laws.

1           (5) The terms and conditions of a grant or loan agreement apply to the  
2 original recipient and to a successor in interest for the period the grant or loan  
3 agreement is in effect.

4           (6) The identity of a recipient and the amount of a grant or forgivable  
5 loan are public records that shall be available for public copying and inspection  
6 and the Department shall publish this information at least quarterly on its  
7 website.

8           (e) Program requirements applicable to grants. For a grant awarded ~~under~~  
9 ~~subdivision (b)(1) of this section for a unit that is non-code compliant~~ through  
10 the Program, the following requirements apply for a minimum period of five  
11 years:

12           (1) A landlord shall coordinate with nonprofit housing partners and local  
13 coordinated entry organizations to identify potential tenants.

14           (2)(A) Except as provided in subdivision (2)(B) of this subsection (e), a  
15 landlord shall lease the unit to a household that is exiting homelessness or  
16 actively working with an immigrant or refugee resettlement program.

17           (B) If, upon petition of the landlord, the Department or the housing  
18 organization that issued the grant determines that a household exiting  
19 homelessness is not available to lease the unit, then the landlord shall lease the  
20 unit:

1 (i) to a household with an income equal to or less than 80 percent  
2 of area median income; or

3 (ii) if such a household is unavailable, to another household with  
4 the approval of the Department or housing organization.

5 (3)(A) A landlord shall accept any housing vouchers that are available to  
6 pay all, or a portion of, the tenant's rent and utilities.

7 (B) If no housing voucher or federal or State subsidy is available, the  
8 total cost of rent for the unit, including utilities not covered by rent payments,  
9 shall not exceed the applicable fair market rent established by the Department  
10 of Housing and Urban Development.

11 (4)(A) A landlord may convert a grant to a forgivable loan upon  
12 approval of the Department and the housing organization that approved the  
13 grant.

14 (B) A landlord who converts a grant to a forgivable loan shall receive  
15 a 10-percent credit for loan forgiveness for each year in which the landlord  
16 participates in the grant program.

17 (f) Requirements applicable to forgivable loans. For a forgivable loan  
18 awarded ~~under subdivision (b)(1) of this section for a unit that is non-code~~  
19 ~~compliant through the Program~~, the following requirements apply for a  
20 minimum period of 10 years:

1           (1)(A) A landlord shall accept any housing vouchers that are available to  
2 pay all, or a portion of, the tenant's rent and utilities.

3           (B) If no housing voucher or federal or State subsidy is available, the  
4 cost of rent for the unit, including utilities not covered by rent payments, shall  
5 not exceed the applicable fair market rent established by the Department of  
6 Housing and Urban Development.

7           (2) The Department shall forgive 10 percent of the amount of a  
8 forgivable loan for each year a landlord participates in the loan program.

9           (g) ~~Requirements for an accessory dwelling unit.~~

10           ~~(1) For a grant or forgivable loan awarded under subdivision (b)(2) of~~  
11 ~~this section for a unit that is a new accessory dwelling unit the total cost of rent~~  
12 ~~for the unit, including utilities not covered by rent payments, shall not exceed~~  
13 ~~the applicable fair market rent established by the Department of Housing and~~  
14 ~~Urban Development.~~

15           ~~(2) A landlord shall not offer an accessory dwelling unit created through~~  
16 ~~the Program as a short term rental, as defined in 18 V.S.A. § 4301. [Repealed.]~~

17           (h) Lien priority. A lien for a grant converted to a loan or for a forgivable  
18 loan issued pursuant to this section is subordinate to:

19           (1) a lien on the property in existence at the time the lien for  
20 rehabilitation and weatherization of the rental housing unit is filed in the land  
21 records; and

1           (2) a first mortgage on the property that is refinanced and recorded after  
2           the lien for rehabilitation and weatherization of the rental housing unit is filed  
3           in the land records.

4           Secs. 41–42. [Deleted.]

5           \* \* \* Housing Permitting and Approval Process; Performance Audit \* \* \*

6           Sec. 43. HOUSING PERMITTING AND APPROVAL PROCESS;

7                           PERFORMANCE AUDIT

8           (a) On or before January 15, 2024, the Auditor of Accounts shall prepare  
9           and submit to the Senate Committee on Economic Development, Housing and  
10           General Affairs and to the House Committee on General and Housing a plan,  
11           cost estimate, and timetable to conduct a performance audit of the residential  
12           housing development and approval process.

13           (b) The planned audit will be designed to identify measures, including  
14           potential legislative and policy changes, that will improve the timeliness,  
15           economy, and efficiency of Vermont’s residential housing development and  
16           approval process.

17           (c) The Auditor’s plan may allow for some or all of the audit to be  
18           conducted through a contract with a third party.

1  
2  
3  
4  
5  
6

\* \* \* Effective Dates \* \* \*

Sec. 44. EFFECTIVE DATES

This act shall take effect on July 1, 2023, except that Secs. 1 (24 V.S.A. § 4414), 2 (24 V.S.A. § 4412) except for subdivision (D), 3 (24 V.S.A. § 4413), and 4 (24 V.S.A. § 4303) shall take effect on December 1, 2024 and Secs. 18–20 (enhanced designation) shall take effect on January 1, 2024.