## TO THE HOUSE OF REPRESENTATIVES:

The Committee on Environment and Energy to which was referred House
Bill No. 687 entitled "An act relating to community resilience and biodiversity
protection through land use" respectfully reports that it has considered the
same and recommends that the bill be amended by striking out all after the
enacting clause and inserting in lieu thereof the following:

\* \* \* Act 250 \* \* \*

## Sec. 1. PURPOSE

The purpose of this act is to further assist the State in achieving the conservation vision and goals for the State established in 10 V.S.A. § 2802 and 24 V.S.A. § 4302. It provides a regulatory framework that supports the vision for Vermont of human and natural community resilience and biodiversity protection in the face of climate change, as described in 2023 Acts and Resolves No. 59. It would strengthen the administration of the Act 250 program by changing the structure, function, and name of the Natural Resources Board. It requires that appeals of Act 250 permit decisions be heard by a five-member board called the Environmental Review Board. The Environmental Division of the Superior Court would continue to hear the other types of cases within its jurisdiction. The Environmental Review Board would retain the current duties of the Natural Resources Board in addition to hearing appeals, reviewing the future land use maps of regional plans, and reviewing

1	applications for the Tier 1A area status. The Board would provide oversight,
2	management, and training to the Act 250 program staff and District
3	Commissions and develop Act 250 program policy through permit decisions
4	and rulemaking. This change would allow the Act 250 program to be a more
5	citizen-friendly process applied more consistently across districts. The
6	program updates established in this act would be used to guide State financial
7	investment in human and natural infrastructure.
8	Sec. 2. 10 V.S.A. § 6000 is added to read:
9	§ 6000. PURPOSE; CONSTRUCTION
10	The purposes of this chapter are to protect and conserve the environment of
11	the State and to support the achievement of the goals of the Capability and
12	Development Plan, of 24 V.S.A. § 4302(c), and of the conservation vision and
13	goals for the State established in section 2802 of this title, while supporting
14	equitable access to infrastructure.
15	Sec. 3. 10 V.S.A. § 6021 is amended to read:
16	§ 6021. BOARD; VACANCY;; REMOVAL
17	(a) A Natural Resources Board established. The Environmental Review
18	Board is created to administer the Act 250 program and hear appeals.
19	(1) The Board shall consist of five members appointed by the Governor
20	after review and approval by the Environmental Review Board Nominating
21	Committee in accordance with subdivision (2) of this subsection and

<u>confirmed</u> with the advice and consent of the Senate, so that one appointment
expires in each year. The Chair shall be a full-time position, and the other four
members shall be half-time positions. In making these appointments, the
Governor and the Senate shall give consideration to <u>candidates who have</u>
experience, expertise, or skills relating to the environment or land use one or
more of the following areas: environmental science; land use law, policy,
planning, and development; and community planning. All candidates shall
have a commitment to environmental justice.
(A) The Governor shall appoint a chair of the Board, a position that
shall be a full-time position. The Governor shall ensure Board membership
reflects, to the extent possible, the racial, ethnic, gender, and geographic
diversity of the State. The Board shall not contain two members who reside in
the same county.
(B) Following initial appointments, the members, except for the
Chair, shall be appointed for terms of four five years. All terms shall begin on
July 1 and expire on June 30. A member may continue serving until a
successor is appointed. The initial appointments shall be for staggered terms
of one year, two years, three years, four years, and five years.
(2) The Governor shall appoint up to five persons, with preference given
to former Environmental Board, Natural Resources Board, or District

1	Commission members, with the advice and consent of the Senate, to serve as
2	alternates for Board members.
3	(A) Alternates shall be appointed for terms of four years, with initial
4	appointments being staggered The Environmental Review Board Nominating
5	Committee shall advertise the position when a vacancy will occur on the
6	Environmental Review Board.
7	(B) The Chair of the Board may assign alternates to sit on specific
8	matters before the Board in situations where fewer than five members are
9	available to serve The Nominating Committee shall review the applicants to
10	determine which are well qualified for appointment to the Board and shall
11	recommend those candidates to the Governor. The names of candidates shall
12	be confidential.
13	(C) The Governor shall appoint, with the advice and consent of the
14	Senate, a chair and four members of the Board from the list of well-qualified
15	candidates sent to the Governor by the Committee.
16	(b) Any vacancy occurring in the membership of the Board shall be filled
17	by the Governor for the unexpired portion of the term Terms; vacancy;
18	succession. The term of each appointment subsequent to the initial
19	appointments described in subsection (a) of this section shall be five years.
20	Any appointment to fill a vacancy shall be for the unexpired portion of the
21	term vacated. A member may seek reappointment by informing the Governor.

1	If the Governor decides not to reappoint the member, the Nominating
2	Committee shall advertise the vacancy.
3	(c) <u>Removal.</u> Notwithstanding the provisions of 3 V.S.A. § 2004, members
4	shall only be removable for cause only, except the Chair, who shall serve at the
5	pleasure of the Governor by the remaining members of the Board in
6	accordance with the Vermont Administrative Procedures Act. The Board shall
7	adopt rules pursuant to 3 V.S.A. chapter 25 to define the basis and process for
8	removal.
9	(d) <u>Disqualified members.</u> The Chair of the Board, upon request of the
10	Chair of a District Commission, may appoint and assign former Commission
11	members to sit on specific Commission cases when some or all of the regular
12	members and alternates of the District Commission are disqualified or
13	otherwise unable to serve. <u>If necessary to achieve a quorum, the Chair of the</u>
14	Board may appoint a member of a District Commission who has not worked
15	on the case to sit on a specific case before the Board.
16	(e) Retirement from office. When a Board member who hears all or a
17	substantial part of a case retires from office before the case is completed, the
18	member may remain a member of the Board, at the member's discretion, for
19	the purpose of concluding and deciding that case and signing the findings and
20	judgments involved. A retiring chair shall also remain a member for the
21	purpose of certifying questions of law if a party appeals to the Supreme Court.

1	For the service, the member shall receive a reasonable compensation to be
2	fixed by the remaining members of the Board and necessary expenses while on
3	official business.
4	Sec. 4. 10 V.S.A. § 6032 is added to read:
5	§ 6032. ENVIRONMENTAL REVIEW BOARD NOMINATING
6	<u>COMMITTEE</u>
7	(a) Creation. The Environmental Review Board Nominating Committee is
8	created for the purpose of assessing the qualifications of applicants for
9	appointment to the Environmental Review Board in accordance with section
10	6021 of this title.
11	(b) Members. The Committee shall consist of six members who shall be
12	appointed by July 31, 2024 as follows:
13	(1) The Governor shall appoint two members from the Executive
14	Branch, with at least one being an employee of the Department of Human
15	Resources.
16	(2) The Speaker of the House of Representatives shall appoint two
17	members from the House of Representatives.
18	(3) The Senate Committee on Committees shall appoint two members
19	from the Senate.
20	(c) Terms. The members of the Committee shall serve for terms of two
21	years. Members shall serve until their successors are appointed. Members

1	shall serve not more than three consecutive terms. A legislative member who
2	is appointed as a member of the Committee shall retain the position for the
3	term appointed to the Committee even if the member is subsequently not
4	reelected to the General Assembly during the member's term on the
5	Committee.
6	(d) Chair. The members shall elect their own chair.
7	(e) Quorum. A quorum of the Committee shall consist of four members.
8	(f) Staff and services. The Committee is authorized to use the staff and
9	services of appropriate State Agencies and Departments as necessary to
10	conduct investigations of applicants.
11	(g) Confidentiality. Except as provided in subsection (h) of this section,
12	proceedings of the Committee, including the names of candidates considered
13	by the Committee and information about any candidate submitted to the
14	Governor, shall be confidential. The provisions of 1 V.S.A. § 317(e)
15	(expiration of Public Records Act exemptions) shall not apply to the
16	exemptions or confidentiality provisions in this subsection.
17	(h) Public information. The following shall be public:
18	(1) operating procedures of the Committee;
19	(2) standard application forms and any other forms used by the
20	Committee, provided they do not contain personal information about a
21	candidate or confidential proceedings;

1	(3) all proceedings of the Committee prior to the receipt of the first
2	candidate's completed application; and
3	(4) at the time the Committee sends the names of the candidates to the
4	Governor, the total number of applicants for the vacancies and the total number
5	of candidates sent to the Governor.
6	(i) Reimbursement. Legislative members of the Committee shall be
7	entitled to per diem compensation and reimbursement for expenses in
8	accordance with 2 V.S.A. § 23. Compensation and reimbursement shall be
9	paid from the legislative appropriation.
10	(j) Duties.
11	(1) When a vacancy occurs, the Committee shall review applicants to
12	determine which are well qualified for the Board and submit those names to
13	the Governor. The Committee shall submit to the Governor a summary of the
14	qualifications and experience of each candidate whose name is submitted to the
15	Governor together with any further information relevant to the matter.
16	(2) An applicant for the position of member of the Environmental
17	Review Board shall not be required to be an attorney. If the candidate is
18	admitted to practice law in Vermont or practices a profession requiring
19	licensure, certification, or other professional regulation by the State, the
20	Committee shall submit the candidate's name to the Court Administrator or the
21	applicable State professional regulatory entity, and that entity shall disclose to

1	the Committee any professional disciplinary action taken or pending
2	concerning the candidate.
3	(3) Candidates shall be sought who have experience, expertise, or skills
4	relating to one or more of the following areas: environmental science; land use
5	law, policy, planning, and development; and community planning. All
6	candidates shall have a commitment to environmental justice
7	(4) The Committee shall ensure a candidate possesses the following
8	attributes:
9	(A) Integrity. A candidate shall possess a record and reputation for
10	excellent character and integrity.
11	(B) Impartiality. A candidate shall exhibit an ability to make judicial
12	determinations in a manner free of bias.
13	(C) Work ethic. A candidate shall demonstrate diligence.
14	(D) Availability. A candidate shall have adequate time to dedicate to
15	the position.
16	(5) The Committee shall require candidates to disclose to the Committee
17	their financial interests and potential conflicts of interest.
18	Sec. 5. 10 V.S.A. § 6025 is amended to read:
19	§ 6025. RULES
20	(a) The Board may adopt rules of procedure for itself and the District
21	Commissions. The Board shall adopt rules of procedure that govern appeals

1	and other contested cases before it that are consistent with this chapter. The
2	Board's procedure for approving regional plans and regional plan maps, which
3	may be adopted as rules or issued as guidance, shall ensure that the maps are
4	consistent with legislative intent as expressed in 2802 of this title and 24
5	V.S.A. §§ 4302 and 4348a.
6	* * *
7	Sec. 6. 10 V.S.A. § 6027 is amended to read:
8	§ 6027. POWERS
9	(a) The Board and District Commissions each shall have supervisory
10	authority in environmental matters respecting projects within their jurisdiction
11	and shall apply their independent judgment in determining facts and
12	interpreting law. Each shall have the power, with respect to any matter within
13	its jurisdiction, to:
14	(1) administer oaths, take depositions, subpoena and compel the
15	attendance of witnesses, and require the production of evidence;
16	(2) allow parties to enter upon lands of other parties for the purposes of
17	inspecting and investigating conditions related to the matter before the Board
18	or Commission;
19	(3) enter upon lands for the purpose of conducting inspections,
20	investigations, examinations, tests, and site evaluations as it deems necessary
21	to verify information presented in any matter within its jurisdiction; and

1	(4) apply for and receive grants from the federal government and from
2	other sources.
3	(b) The powers granted under this chapter are additional to any other
4	powers which that may be granted by other legislation.
5	(c) The Natural Resources Board may designate or establish such regional
6	offices as it deems necessary to implement the provisions of this chapter and
7	the rules adopted hereunder. The Natural Resources Board may designate or
8	require a regional planning commission to receive applications, provide
9	administrative assistance, perform investigations, and make recommendations.
10	(d) At the request of a District Commission, if the Board Chair determines
11	that the workload in the requesting district is likely to result in unreasonable
12	delays or that the requesting District Commission is disqualified to hear a case,
13	the Chair may authorize the District Commission of another district to sit in the
14	requesting district to consider one or more applications.
15	(e) The Natural Resources Board may by rule allow joint hearings to be
16	conducted with specified State agencies or specified municipalities.
17	(f) The Board shall publish its decisions online. The Board may publish
18	online or contract to publish annotations and indices of its decisions, the
19	decisions of the Environmental Division of the Superior Court and the

Supreme Court, and the text of those decisions. The published product shall be

required under that section.

1	available at a reasonable rate to the general public and at a reduced rate to
2	libraries and governmental bodies within the State.
3	(g) The Natural Resources Board shall manage the process by which land
4	use permits are issued under section 6086 of this title, may initiate enforcement
5	on related matters under the provisions of chapters 201 and 211 of this title,
6	and may petition the Environmental Division initiate and hear petitions for
7	revocation of land use permits issued under this chapter. Grounds for
8	revocation are:
9	(1) noncompliance with this chapter, rules adopted under this chapter, or
10	an order that is issued that relates to this chapter;
11	(2) noncompliance with any permit or permit condition;
12	(3) failure to disclose all relevant and material facts in the application or
13	during the permitting process;
14	(4) misrepresentation of any relevant and material fact at any time;
15	(5) failure to pay a penalty or other sums owed pursuant to, or other
16	failure to comply with, court order, stipulation agreement, schedule of
17	compliance, or other order issued under Vermont statutes and related to the
18	permit; or
19	(6) failure to provide certification of construction costs, as required
20	under subsection 6083a(a) of this title, or failure to pay supplemental fees as

I	(h) The Natural Resources Board may shall hear appeals of decisions made
2	by District Commissions and district coordinators, including fee refund
3	requests under section 6083a of this title.
4	(i) The Chair, subject to the direction of the Board, shall have general
5	charge of the offices and employees of the Board and the offices and
6	employees of the District Commissions.
7	(j) The Natural Resources Board may participate as a party in all matters
8	before the Environmental Division that relate to land use permits issued under
9	this chapter The Board shall review for compliance regional plans and the
10	future land use maps, including proposed Tier 1B areas, developed by the
11	regional planning commissions pursuant to 24 V.S.A. § 4348a.
12	(k) The Board shall review applications for Tier 1A areas and approve or
13	disapprove based on whether the application demonstrates compliance with the
14	requirements of section 6034 of this title. The Board shall produce guidelines
15	for municipalities seeking to obtain the Tier 1A area status.
16	* * *
17	Sec. 7. 10 V.S.A. § 6022 is amended to read:
18	§ 6022. PERSONNEL
19	(a) Regular personnel. The Board may appoint legal counsel, scientists,
20	engineers, experts, investigators, temporary employees, and administrative
21	personnel as it finds necessary in carrying out its duties, unless the Governor

1	shall otherwise provide in providing personnel to assist the District
2	Commissions and in investigating matters within its jurisdiction.
3	(b) Executive Director. The Board shall appoint an Executive Director.
4	The Director shall be a full-time State employee, shall be exempt from the
5	State classified system, and shall serve at the pleasure of the Board. The
6	Director shall be responsible for:
7	(1) supervising and administering the operation and implementation of
8	this chapter and the rules adopted by the Board as directed by the Board;
9	(2) assisting the Board in its duties and administering the requirements
10	of this chapter;
11	(3) employing any staff as may be required to carry out the functions of
12	the Board; and
13	(4) preparing an annual budget for submission to the Board.
14	Sec. 8. 10 V.S.A. § 6084 is amended to read:
15	§ 6084. NOTICE OF APPLICATION; HEARINGS; COMMENCEMENT OF
16	REVIEW
17	(a) On or before the date of Upon the filing of an application with the
18	District Commission, the applicant District Commission shall send, by
19	electronic means, notice and a copy of the initial application to the owner of
20	the land if the applicant is not the owner; the municipality in which the land is
21	located; the municipal and regional planning commissions for the municipality

in which the land is located; the Vermont Agency of Natural Resources; and any adjacent Vermont municipality and municipal and regional planning commission if the land is located on a municipal or regional boundary. The applicant shall furnish to the District Commission the names of those furnished notice by affidavit, and shall post send by electronic means a copy of the notice in to the town clerk's office of the town or towns in which the project lies. The town clerk shall post the notice in the town office. The applicant shall also provide a list of adjoining landowners to the District Commission. Upon request and for good cause, the District Commission may authorize the applicant to provide a partial list of adjoining landowners in accordance with Board rules.

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(e) Any notice for a major or minor application, as required by this section, shall also be published by the District Commission in a local newspaper generally circulating in the area where the development or subdivision is located and on the Board's website not more than ten 10 days after receipt of a complete application.

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19 Sec. 9. 10 V.S.A. § 6086(f) is amended to read:

(f) Prior to any appeal of a permit issued by a District Commission, any aggrieved party may file a request for a stay of construction with the District

Commission together with a declaration of intent to appeal the permit. The
stay request shall be automatically granted for seven days upon receipt and
notice to all parties and pending a ruling on the merits of the stay request
pursuant to Board rules. The automatic stay shall not extend beyond the 30-
day appeal period unless a valid appeal has been filed with the Environmental
Division Board. The automatic stay may be granted only once under this
subsection during the 30-day appeal period. Following appeal of the District
Commission decision, any stay request must be filed with the Environmental
Division pursuant to the provisions of chapter 220 of this title Board. A
District Commission shall not stay construction authorized by a permit
processed under the Board's minor application procedures.
Sec. 10. 10 V.S.A. § 6089 is amended to read:
§ 6089. APPEALS
Appeals of any act or decision of a District Commission under this chapter
or a district coordinator under subsection 6007(c) of this title shall be made to
the Environmental Division in accordance with chapter 220 of this title. For
the purpose of this section, a decision of the Chair of a District Commission
under section 6001e of this title on whether action has been taken to
circumvent the requirements of this chapter shall be considered an act or
decision of the District Commission.

1	(a)(1) Appeals to the Board. An appeal of any act or decision of a District
2	Commission shall be to the Board and shall be accompanied by a fee
3	prescribed by section 6083a of this title.
4	(2) Participation before District Commission. A person shall not appeal
5	an act or decision that was made by a District Commission unless the person
6	was granted party status by the District Commission pursuant to subdivision
7	6085(c)(1)(E) of this title, participated in the proceedings before the District
8	Commission, and retained party status at the end of the District Commission
9	proceedings. In addition, the person may only appeal those issues under the
10	criteria with respect to which the person was granted party status. However,
11	notwithstanding these limitations, a person may appeal an act or decision of the
12	District Commission if the Board determines that:
13	(A) there was a procedural defect that prevented the person from
14	obtaining party status or participating in the proceeding;
15	(B) the decision being appealed is the grant or denial of party status;
16	<u>or</u>
17	(C) some other condition exists that would result in manifest injustice
18	if the person's right to appeal was disallowed.
19	(3) Filing the appeal. An appellant to the Board, under this section,
20	shall file with the notice of appeal a statement of the issues to be addressed in

I	the appeal, a summary of the evidence that will be presented, and a preliminary
2	list of witnesses who will testify on behalf of the appellant.
3	(4) De novo hearing. The Board shall hold a de novo hearing on all
4	findings requested by any party that files an appeal or cross appeal, according
5	to the rules of the Board. The hearing shall be held in the municipality where
6	the project subject to the appeal is located, if possible, or as close as possible.
7	(5) Notice of appeal. Notice of appeal shall be filed with the Board
8	within 30 days following the act or decision by the District Commission. The
9	Board shall notify the parties who had party status before the District
10	Commission of the filing of any appeal.
11	(6) Prehearing discovery.
12	(A) A party may obtain discovery of expert witnesses who may
13	provide testimony relevant to the appeal. Expert witness prefiled testimony
14	shall be in accordance with the Vermont Rules of Evidence. The use of
15	discovery for experts shall comply with the requirements in the Vermont Rules
16	of Civil Procedure 26–37.
17	(B) Interrogatories served on nonexpert witnesses shall be limited to
18	discovery of the identity of witnesses and a summary of each witness'
19	testimony, except by order of the Board for cause shown. Interrogatories
20	served on expert witnesses shall be in accordance with the Vermont Rules of
21	Civil Procedure.

1	(C) Parties may submit requests to produce and requests to enter
2	upon land pursuant to the Vermont Rule of Civil Procedure 34.
3	(D) Parties may not take depositions of witnesses, except by order of
4	the Board for cause shown.
5	(E) The Board may require a party to supplement, as necessary, any
6	prehearing testimony that is provided.
7	(b) Prior decisions. Prior decisions of the former Environmental Board, the
8	Water Resources Board, the Waste Facilities Panel, and the Environmental
9	Division of the Superior Court shall be given the same weight and
10	consideration as prior decisions of the Environmental Review Board.
11	(c) Appeals to Supreme Court. An appeal from a decision of the Board
12	under subsection (a) of this section shall be to the Supreme Court by a party as
13	set forth in subsection 6085(c) of this title.
14	(d) Objections. No objection that has not been raised before the Board may
15	be considered by the Supreme Court, unless the failure or neglect to urge such
16	objection shall be excused because of extraordinary circumstances.
17	(e) Appeals of decisions. An appeal of a decision by the Board shall be
18	allowed pursuant to 3 V.S.A. § 815, including the unreasonableness or
19	insufficiency of the conditions attached to a permit. An appeal from the
20	District Commission shall be allowed for any reason, except no appeal shall be
21	allowed when an application has been granted and no hearing was requested.

1	(1) Precedent. Precedent from the former Environmental Board and of the
2	Environmental Review Board that interpret this chapter shall be provided the
3	same deference by the Supreme Court as precedents accorded to other
4	Executive Branch agencies charged with administering their enabling act. On
5	appeal to the Supreme Court from the Environmental Review Board, decisions
6	of the Environmental Review Board interpreting this act also shall be accorded
7	that deference.
8	(g) Clearly erroneous. Upon appeal to the Supreme Court, the Board's
9	findings of fact shall be accepted unless clearly erroneous.
10	(h) Completion of case. A case shall be deemed completed when the Board
11	enters a final decision even though that decision is appealed to the Supreme
12	Court and remanded by that Court.
13	(i) Court of record; jurisdiction. The Board shall have the powers of a
14	court of record in the determination and adjudication of all matters within its
15	jurisdiction. It may initiate proceedings on any matter within its jurisdiction.
16	It may render judgments and enforce the same by any suitable process issuable
17	by courts in this State. An order issued by the Board on any matter within its
18	jurisdiction shall have the effect of a judicial order. The Board's jurisdiction
19	shall include:
20	(1) the issuance of declaratory rulings on the applicability of this chapter
21	and rules or orders issued under this chapter, pursuant to 3 V.S.A. § 808; and

1	(2) the issuance of decisions on appeals pursuant to sections 6007 and
	** *
2	6089 of this title.

- Sec. 11. 10 V.S.A. § 6007 is amended to read:
- 4 § 6007. ACT 250 DISCLOSURE STATEMENT; JURISDICTIONAL
- 5 DETERMINATION

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(c) With respect to the partition or division of land, or with respect to an activity that might or might not constitute development, any person may submit to the district coordinator an "Act 250 Disclosure Statement" and other information required by the rules of the Board and may request a jurisdictional opinion from the district coordinator concerning the applicability of this chapter. If a requestor wishes a final determination to be rendered on the question, the district coordinator, at the expense of the requestor and in accordance with rules of the Board, shall publish notice of the issuance of the opinion in a local newspaper generally circulating in the area where the land that is the subject of the opinion is located and shall serve the opinion on all persons listed in subdivisions 6085(c)(1)(A) through (D) of this title. In addition, the requestor who is seeking a final determination shall consult with the district coordinator and obtain approval of a subdivision 6085(c)(1)(E) list of persons who shall be notified by the district coordinator because they are adjoining property owners or other persons who would be likely to be able to

1	demonstrate a particularized interest protected by this chapter that may be
2	affected by an act or decision by a District Commission.
3	(d) A person who seeks review of a jurisdictional opinion issued by a
4	district coordinator shall bring to the Board an appeal of issues addressed in the
5	opinion.
6	(1) The appellant shall provide notice of the filing of an appeal to each
7	person entitled to notice under subdivisions 6085(c)(1)(A) through (D) of this
8	title and to each person on an approved subdivision 6085(c)(1)(E) list.
9	(2) Failure to appeal within 30 days following the issuance of the
10	jurisdictional opinion shall render the decision of the district coordinator under
11	subsection (c) of this section the final determination regarding jurisdiction
12	unless the underlying jurisdictional opinion was not properly served on persons
13	listed in subdivisions 6085(c)(1)(A) through (D) of this title and on persons on
14	a subdivision 6085(c)(1)(E) list approved under subsection (c) of this section.
15	Sec. 12. 10 V.S.A. § 6083a is amended to read:
16	§ 6083a. ACT 250 FEES
17	* * *
18	(i) All persons filing an appeal, cross appeal, or petition from a District
19	Commission decision or jurisdictional opinion shall pay a fee of \$295.00, plus
20	publication costs, unless the Board approves a waiver of fees based on
21	indigency.

I	(j) Any municipality filing an application for a Tier 1A area status shall pay
2	a fee of \$295.00.
3	(k) Any regional planning commission filing a regional plan or future land
4	use map to be reviewed by the Board shall pay a fee of \$295.00.
5	* * * Appeals * * *
6	Sec. 13. 10 V.S.A. chapter 220 is amended to read:
7	CHAPTER 220. CONSOLIDATED ENVIRONMENTAL APPEALS
8	§ 8501. PURPOSE
9	It is the purpose of this chapter to:
10	(1) consolidate existing appeal routes for municipal zoning and
11	subdivision decisions and acts or decisions of the Secretary of Natural
12	Resources, district environmental coordinators, and District Commissions,
13	excluding enforcement actions brought pursuant to chapters 201 and 211 of
14	this title and the adoption of rules under 3 V.S.A. chapter 25;
15	(2) standardize the appeal periods, the parties who may appeal these acts
16	or decisions, and the ability to stay any act or decision upon appeal, taking into
17	account the nature of the different programs affected;
18	(3) encourage people to get involved in the Act 250 permitting process
19	at the initial stages of review by a District Commission by requiring
20	participation as a prerequisite for an appeal of a District Commission decision
21	to the Environmental Division;

1	(4) assure ensure that clear appeal routes exist for acts and decisions of
2	the Secretary of Natural Resources; and
3	(5)(4) consolidate appeals of decisions related to renewable energy
4	generation plants and telecommunications facilities with review under,
5	respectively, 30 V.S.A. §§ 248 and 248a, with appeals and consolidation of
6	proceedings pertaining to telecommunications facilities occurring only while
7	30 V.S.A. § 248a remains in effect.
8	§ 8502. DEFINITIONS
9	As used in this chapter:
10	(1) "District Commission" means a District Environmental Commission
11	established under chapter 151 of this title. [Repealed.]
12	(2) "District coordinator" means a district environmental coordinator
13	attached to a District Commission established under chapter 151 of this title.
14	[Repealed.]
15	(3) "Environmental Court" or "Environmental Division" means the
16	Environmental Division of the Superior Court established by 4 V.S.A. § 30.
17	(4) "Natural Resources Environmental Review Board" or "Board"
18	means the Board established under chapter 151 of this title.
19	(5) "Party by right" means the following:
20	(A) the applicant;
21	(B) the landowner, if the applicant is not the landowner;

1	(C) the municipality in which the project site is located and the
2	municipal and regional planning commissions for that municipality;
3	(D) if the project site is located on a boundary, any Vermont
4	municipality adjacent to that border and the municipal and regional planning
5	commissions for that municipality;
6	(E) the solid waste management district in which the land is located,
7	if the development or subdivision constitutes a facility pursuant to subdivision
8	6602(10) of this title; <u>and</u>
9	(F) any State agency affected by the proposed project.
10	(6) "Person" means any individual; partnership; company; corporation;
11	association; joint venture; trust; municipality; the State of Vermont or any
12	agency, department, or subdivision of the State; any federal agency; or any
13	other legal or commercial entity.
14	(7) "Person aggrieved" means a person who alleges an injury to a
15	particularized interest protected by the provisions of law listed in section 8503
16	of this title, attributable to an act or decision by a district coordinator, District
17	Commission, the Secretary, or the Environmental Division that can be
18	redressed by the Environmental Division or the Supreme Court.
19	(8) "Secretary" means the Secretary of Natural Resources or the
20	Secretary's duly authorized representative. As used in this chapter,
21	"Secretary" shall also mean means the Commissioner of Environmental

1	Conservation; the Commissioner of Forests, Parks and Recreation; and the
2	Commissioner of Fish and Wildlife, with respect to those statutes that refer to
3	the authority of that commissioner or department.
4	§ 8503. APPLICABILITY
5	(a) This chapter shall govern all appeals of an act or decision of the
6	Secretary, excluding enforcement actions under chapters 201 and 211 of this
7	title and rulemaking, under the following authorities and under the rules
8	adopted under those authorities:
9	* * *
10	(b) This chapter shall govern:
11	(1) all appeals from an act or decision of a District Commission under
12	chapter 151 of this title, excluding appeals of application fee refund requests;
13	(2) appeals from an act or decision of a district coordinator under
14	subsection 6007(c) of this title;
15	(3) appeals from findings of fact and conclusions of law issued by the
16	Natural Resources Board in its review of a designated growth center for
17	conformance with the criteria of subsection 6086(a) of this title, pursuant to
18	authority granted at 24 V.S.A. § 2793c(f). [Repealed.]
19	(c) This chapter shall govern all appeals arising under 24 V.S.A.
20	chapter 117, the planning and zoning chapter.

2	Environmental Division under this chapter.
3	(e) This chapter shall not govern appeals from rulemaking decisions by the
4	Natural Resources Environmental Review Board under chapter 151 of this title
5	or enforcement actions under chapters 201 and 211 of this title.
6	(f) This chapter shall govern all appeals of acts or decisions of the
7	legislative body of a municipality arising under 24 V.S.A. chapter 61,
8	subchapter 10, relating to the municipal certificate of approved location for
9	salvage yards.
10	(g) This chapter shall govern all appeals of an act or decision of the
11	Secretary of Natural Resources that a solid waste implementation plan for a
12	municipality proposed under 24 V.S.A. § 2202a conforms with the State Solid
13	Waste Implementation Plan adopted pursuant to section 6604 of this title.
14	§ 8504. APPEALS TO THE ENVIRONMENTAL DIVISION
15	(a) Act 250 and Agency appeals. Within 30 days of the date of following
16	the act or decision, any person aggrieved by an act or decision of the Secretary,
17	a District Commission, or a district coordinator under the provisions of law
18	listed in section 8503 of this title, or any party by right, may appeal to the
19	Environmental Division, except for an act or decision of the Secretary under
20	subdivision 6086b(3)(E) of this title or governed by section 8506 of this title.
21	* * *

(d) This chapter shall govern all appeals from an act or decision of the

(c) Notice o	ı me	Hing	or an	appear.

(1) Upon filing an appeal from an act or decision of the District

Commission, the appellant shall notify all parties who had party status as of the end of the District Commission proceeding, all friends of the Commission, and the Natural Resources Board that an appeal is being filed. In addition, the appellant shall publish notice not more than 10 days after providing notice as required under this subsection, at the appellant's expense, in a newspaper of general circulation in the area of the project that is the subject of the decision.

[Repealed.]

10 \*\*\*

- (d) Requirement to participate before the District Commission or the Secretary.
- (1) Participation before District Commission. An aggrieved person shall not appeal an act or decision that was made by a District Commission unless the person was granted party status by the District Commission pursuant to subdivision 6085(c)(1)(E) of this title, participated in the proceedings before the District Commission, and retained party status at the end of the District Commission proceedings. In addition, the person may only appeal those issues under the criteria with respect to which the person was granted party status. However, notwithstanding these limitations, an aggrieved person may appeal

1	an act or decision of the District Commission if the Environmental judge
2	determines that:
3	(A) there was a procedural defect that prevented the person from
4	obtaining party status or participating in the proceeding;
5	(B) the decision being appealed is the grant or denial of party status;
6	<del>Of</del>
7	(C) some other condition exists that would result in manifest injustice
8	if the person's right to appeal was disallowed. [Repealed.]
9	(2) Participation before the Secretary.
10	* * *
11	(e) Act 250 jurisdictional determinations by a district coordinator.
12	(1) The appellant shall provide notice of the filing of an appeal to each
13	person entitled to notice under subdivisions 6085(c)(1)(A) through (D) of this
14	title, to each person on an approved subdivision 6085(c)(1)(E) list, and to the
15	Natural Resources Board.
16	(2) Failure to appeal within the time required under subsection (a) of
17	this section shall render the decision of the district coordinator under
18	subsection 6007(c) of this title the final determination regarding jurisdiction
19	under chapter 151 of this title unless the underlying jurisdictional opinion was
20	not properly served on persons listed in subdivisions 6085(c)(1)(A) through

1	(D) of this title and on persons on a subdivision 6085(c)(1)(E) list approved
2	under subsection 6007(c) of this title. [Repealed.]
3	* * *
4	(g) Consolidated appeals. The Environmental Division may consolidate or
5	coordinate different appeals where those appeals all relate to the same project.
6	* * *
7	(i) Deference to Agency technical determinations. In the adjudication of
8	appeals relating to land use permits under chapter 151 of this title, technical
9	determinations of the Secretary shall be accorded the same deference as they
10	are accorded by a District Commission under subsection 6086(d) of this title.
11	[Repealed.]
12	* * *
13	(k) Limitations on appeals. Notwithstanding any other provision of this
14	section÷,
15	(1) there shall be no appeal from a District Commission decision when
16	the Commission has issued a permit and no hearing was requested or held, or
17	no motion to alter was filed following the issuance of an administrative
18	amendment;
19	(2) a municipal decision regarding whether a particular application
20	qualifies for a recorded hearing under 24 V.S.A. § 4471(b) shall not be subject
21	to appeal <del>;</del>

1	(3) if a District Commission issues a partial decision under subsection
2	6086(b) of this title, any appeal of that decision must be taken within 30 days
3	of the date of that decision.
4	(l) Representation. The Secretary may represent the Agency of Natural
5	Resources in all appeals under this section. The Chair of the Natural
6	Resources Board may represent the Board in any appeal under this section,
7	unless the Board directs otherwise. If more than one State agency, other than
8	the Board, either appeals or seeks to intervene in an appeal under this section,
9	only the Attorney General may represent the interests of those agencies of the
10	State in the appeal.
11	(m) Precedent. Prior decisions of the former Environmental Board, Water
12	Resources Board, and Waste Facilities Panel shall be given the same weight
13	and consideration as prior decisions of the Environmental Division.
14	(n) Intervention. Any person may intervene in a pending appeal if that
15	person:
16	(1) appeared as a party in the action appealed from and retained party
17	status;
18	(2) is a party by right;
19	(3) is the Natural Resources Board; [Repealed.]
20	(4) is a person aggrieved, as defined in this chapter;

1	(5) qualifies as an "interested person," as established in 24 V.S.A.
2	§ 4465, with respect to appeals under 24 V.S.A. chapter 117; or
3	(6) meets the standard for intervention established in the Vermont Rules
4	of Civil Procedure.
5	(o) With respect to review of an act or decision of the Secretary pursuant to
6	3 V.S.A. § 2809, the Division may reverse the act or decision or amend an
7	allocation of costs to an applicant only if the Division determines that the act,
8	decision, or allocation was arbitrary, capricious, or an abuse of discretion. In
9	the absence of such a determination, the Division shall require the applicant to
10	pay the Secretary all costs assessed pursuant to 3 V.S.A. § 2809.
11	(p) Administrative record. The Secretary shall certify the administrative
12	record as defined in chapter 170 of this title and shall transfer a certified copy
13	of that record to the Environmental Division when:
14	(1) there is an appeal of an act or decision of the Secretary that is based
15	on that record <del>; or</del>
16	(2) there is an appeal of a decision of a District Commission, and the
17	applicant used a decision of the Secretary based on that record to create a
18	presumption under a criterion of subsection 6086(a) of this title that is at issue
19	in the appeal.

1	§ 8505. APPEALS TO THE SUPREME COURT
2	(a) Any person aggrieved by a decision of the Environmental Division
3	pursuant to this subchapter, any party by right, or any person aggrieved by a
4	decision of the Environmental Review Board may appeal to the Supreme Court
5	within 30 days of following the date of the entry of the order or judgment
6	appealed from, provided that:
7	(1) the person was a party to the proceeding before the Environmental
8	Division; <del>or</del>
9	(2) the decision being appealed is the denial of party status; or
10	(3) the Supreme Court determines that:
11	(A) there was a procedural defect that prevented the person from
12	participating in the proceeding; or
13	(B) some other condition exists that would result in manifest injustice
14	if the person's right to appeal were disallowed.
15	* * *
16	* * * Environmental Division * * *
17	Sec. 14. 4 V.S.A. § 34 is amended to read:
18	§ 34. JURISDICTION; ENVIRONMENTAL DIVISION
19	The Environmental Division shall have:
20	(1) jurisdiction of matters arising under 10 V.S.A. chapters 201 and 220;
21	<u>and</u>

1	(2) jurisdiction of matters arising under 24 V.S.A. chapter 61,
2	subchapter 12 and 24 V.S.A. chapter 117; and
3	(3) original jurisdiction to revoke permits under 10 V.S.A. chapter 151.
4	* * * Transition; Revision Authority * * *
5	Sec. 15. ENVIRONMENTAL REVIEW BOARD POSITIONS;
6	APPROPRIATION
7	(a) The following new positions are created at the Environmental Review
8	Board for the purposes of carrying out this act:
9	(1) two Staff Attorneys; and
10	(2) four half-time Environmental Review Board members.
11	(b) The sum of \$484,000.00 is appropriated to the Environmental Review
12	Board from the General Fund in fiscal year 2025 for the positions established
13	in subsection (a) of this section and for additional operating costs required to
14	implement the appeals process established in this act.
15	Sec. 16. NATURAL RESOURCES BOARD TRANSITION
16	(a) The Governor shall appoint the members of Environmental Review
17	Board on or before July 1, 2025, and the terms of any Natural Resources Board
18	member not appointed consistent with the requirements of 10 V.S.A.
19	§ 6021(a)(1)(A) or (B) shall expire on that day.
20	(b) As of July 1, 2025, all appropriations and employee positions of the
21	Natural Resources Board are transferred to the Environmental Review Board.

1	(c) The Environmental Review Board shall adopt rules of procedure for its
2	hearing process pursuant to 10 V.S.A. § 6025(a) on or before October 1, 2026.
3	Sec. 17. ENVIRONMENTAL DIVISION; CONTINUED JURISDICTION
4	Notwithstanding the repeal of its jurisdictional authority to hear appeals
5	relative to land use permits under Sec. 13 of this act, the Environmental
6	Division of the Superior Court shall continue to have jurisdiction to complete
7	its consideration of any appeal that is pending before it as of October 1, 2026 if
8	the act or appeal has been filed. The Environmental Review Board shall have
9	authority to be a party in any appeals pending under this section until October
10	<u>1, 2026.</u>
11	Sec. 18. REVISION AUTHORITY
12	In preparing the Vermont Statutes Annotated for publication in 2024, the
13	Office of Legislative Counsel shall replace all references to the "Natural
14	Resources Board" with the "Environmental Review Board" in Title 3, Title 10,
15	Title 24, Title 29, Title 30, and Title 32.
16	* * * Forest Blocks * * *
17	Sec. 19. 10 V.S.A. § 6001 is amended to read:
18	§ 6001. DEFINITIONS
19	As used in this chapter:
20	* * *

1	(47) "Habitat connector" means land or water, or both, that links patches
2	of habitat within a landscape, allowing the movement, migration, and dispersal
3	of wildlife and plants and the functioning of ecological processes. A habitat
4	connector may include features including recreational trails and improvements
5	constructed for farming, logging, or forestry purposes.
6	(48) "Forest block" means a contiguous area of forest in any stage of
7	succession and not currently developed for nonforest use. A forest block may
8	include features including recreational trails, wetlands, or other natural features
9	that do not themselves possess tree cover and improvements constructed for
10	farming, logging, or forestry purposes.
11	(49) "Habitat" means the physical and biological environment in which
12	a particular species of plant or wildlife lives.
13	Sec. 20. 10 V.S.A. § 6086(a)(8) is amended to read:
14	(8) Ecosystem protection; scenic beauty; historic sites.
15	(A) Scenic beauty, historic sites, and rare and irreplaceable natural
16	areas. Will not have an undue adverse effect on the scenic or natural beauty of
17	the area, aesthetics, historic sites, or rare and irreplaceable natural areas.
18	(A)(B) Necessary wildlife habitat and endangered species. A permit
19	will not be granted if it is demonstrated by any party opposing the applicant
20	that a development or subdivision will destroy or significantly imperil
21	necessary wildlife habitat or any endangered species; and:

1	(i) the economic, social, cultural, recreational, or other benefit to
2	the public from the development or subdivision will not outweigh the
3	economic, environmental, or recreational loss to the public from the
4	destruction or imperilment of the habitat or species; or
5	(ii) all feasible and reasonable means of preventing or lessening
6	the destruction, diminution, or imperilment of the habitat or species have not
7	been or will not continue to be applied; or
8	(iii) a reasonably acceptable alternative site is owned or controlled
9	by the applicant which would allow the development or subdivision to fulfill
10	its intended purpose.
11	(C) Forest blocks and habitat connectors. A permit will not be
12	granted for a development or subdivision within or partially within a forest
13	block or habitat connector unless the applicant demonstrates that a project will
14	not result in an undue adverse impact on the forest block or habitat connector.
15	If a project as proposed would result in an undue adverse impact, a permit may
16	only be granted if effects are avoided, minimized, or mitigated as allowed in
17	accordance with rules adopted by the Board.
18	Sec. 21. CRITERION 8(C) RULEMAKING
19	(a) The Environmental Review Board (Board), in collaboration with the
20	Agency of Natural Resources, shall adopt rules to implement the requirements
21	for the administration of 10 V.S.A. § 6086(a)(8)(C). It is the intent of the

1	General Assembly that these rules discourage fragmentation of the forest
2	blocks and habitat connectors by encouraging clustering of development.
3	Rules adopted by the Board shall include:
4	(1) How forest blocks and habitat connectors are further defined,
5	including their size, location, and function, which may include:
6	(A) information that will be available to the public to determine
7	where forest blocks and habitat connectors are located; or
8	(B) advisory mapping resources, how they will be made available,
9	how they will be used, and how they will be updated.
10	(2) Standards establishing how impacts can be avoided or minimized,
11	including how fragmentation of forest blocks or habitat connectors is avoided
12	or minimized, which may include steps to promote proactive site design of
13	buildings, roadways and driveways, utility location, and location relative to
14	existing features such as roads, tree lines, and fence lines.
15	(3)(A) As used in this section "fragmentation" generally means dividing
16	land that has naturally occurring vegetation and ecological processes into
17	smaller areas as a result of land uses that remove vegetation and create
18	physical barriers that limit species' movement and interrupt ecological
19	processes between previously connected natural vegetation. However, the
20	rules shall further define "fragmentation" for purposes of avoiding,
21	minimizing, and mitigating undue adverse impacts on forest blocks and habitat

1	connectors. "Fragmentation" does not include the division or conversion of a
2	forest block or habitat connector by an unpaved recreational trail or by
3	improvements constructed for farming, logging, or forestry purposes below the
4	elevation of 2,500 feet.
5	(B) As used in this subsection, "recreational trail" has the same
6	meaning as "trails" in 10 V.S.A. § 442.
7	(4) Criteria to identify the circumstances when a forest block or habitat
8	connectors is eligible for mitigation. As part of this, the criteria shall identify
9	the circumstances when the function, value, unique sensitivity, or location of
10	the forest block or habitat connector would not allow mitigation.
11	(5) Standards for how impacts to a forest block or habitat connectors
12	may be mitigated. Standards may include:
13	(A) appropriate ratios for compensation;
14	(B) appropriate forms of compensation such as conservation
15	easements, fee interests in land, and other forms of compensation; and
16	(C) appropriate uses of on-site and off-site mitigation.
17	(b) The Board shall convene a working group of stakeholders to provide
18	input to the rule prior to prefiling with the Interagency Committee on
19	Administrative Rules. The Board shall convene the working group on or
20	before July 1, 2025.

1	(c) The Board shall file a final proposed rule with the Secretary of State
2	and Legislative Committee on Administrative Rules on or before June 15,
3	<u>2026.</u>
4	Sec. 22. 10 V.S.A. § 127 is amended to read:
5	§ 127. RESOURCE MAPPING
6	(a) On or before January 15, 2013, the <u>The</u> Secretary of Natural Resources
7	shall complete and maintain resource mapping based on the Geographic
8	Information System (GIS) or other technology. The mapping shall identify
9	natural resources throughout the State, including forest blocks and habitat
10	connectors, that may be relevant to the consideration of energy projects and
11	projects subject to chapter 151 of this title. The Center for Geographic
12	Information shall be available to provide assistance to the Secretary in carrying
13	out the GIS based resource mapping.
14	(b) The Secretary of Natural Resources shall consider the GIS-based
15	resource maps developed under subsection (a) of this section when providing
16	evidence and recommendations to the Public Utility Commission under
17	30 V.S.A. § 248(b)(5) and when commenting on or providing
18	recommendations under chapter 151 of this title to District Commissions on
19	other projects.
20	(c) The Secretary shall establish and maintain written procedures that
21	include a process and science-based criteria for updating resource maps

1	developed under subsection (a) of this section. Before establishing or revising
2	these procedures, the Secretary shall provide opportunities for affected parties
3	and the public to submit relevant information and recommendations.
4	* * * Wood products manufacturers * * *
5	Sec. 23. 10 V.S.A. § 6093 is amended to read:
6	§ 6093. MITIGATION OF PRIMARY AGRICULTURAL SOILS
7	(a) Mitigation for loss of primary agricultural soils. Suitable mitigation for
8	the conversion of primary agricultural soils necessary to satisfy subdivision
9	6086(a)(9)(B)(iv) of this title shall depend on where the project tract is located.
10	* * *
11	(5) Wood products manufacturers. Notwithstanding any provision of
12	this chapter to the contrary, a conversion of primary agricultural soils by a
13	wood products manufacturer shall be allowed to pay a mitigation fee computed
14	according to the provisions of subdivision (1) of this subsection, except that it
15	shall be entitled to a ratio of 1:1 protected acres to acres of affected primary
16	agricultural soil.
17	* * *
18	* * * Road Rule * * *
19	Sec. 24. 10 V.S.A. § 6001(3)(A)(xii)is added to read:
20	(xii) The construction of a road or roads and any associated
21	driveways to provide access to or within a tract of land owned or controlled by

1	a person. For the purposes of determining jurisdiction under this subdivision,
2	any new development or subdivision on a parcel of land that will be provided
3	access by the road and associated driveways is land involved in the
4	construction of the road. Jurisdiction under this subdivision shall not apply
5	unless the length of any single road is greater than 800 feet, and the length all
6	roads and any associated driveways in combination is greater than 2,000 feet.
7	As used in this subdivision (xii), "roads" shall include any new road or
8	improvement to a Class IV road by a private person, including roads that will
9	be transferred to or maintained by a municipality after their construction or
10	improvement. For the purpose of determining the length of any road and
11	associated driveways, the length of all other roads and driveways within the
12	tract of land constructed after July 1, 2024 shall be included. This subdivision
13	shall not apply to a State or municipal road, a utility corridor of an electric
14	transmission or distribution company, or a road used primarily for farming or
15	forestry purposes. The conversion of a road used for farming or forestry
16	purposes that also meets the requirements of this subdivision shall constitute
17	development. This subdivision shall not apply to development within a Tier
18	1A area established in accordance with 10 V.S.A. § 6034 or a Tier 1B area
19	established in accordance with 10 V.S.A. § 6033. The intent of this
20	subdivision (xii) is to encourage the design of clustered subdivisions and
21	development that does not fragment Tier 2 areas or Tier 3 areas.

1	Sec. 25. RULEMAKING; ROAD CONSTRUCTION
2	The Natural Resources Board may adopt rules providing additional
3	specificity to the necessary elements of 10 V.S.A. § 6001(3)(A)(xii). It is the
4	intent of the General Assembly that any rules encourage the design of clustered
5	subdivisions and development that does not fragment Tier 2 areas or Tier 3
6	areas.
7	* * * Location-Based Jurisdiction * * *
8	Sec. 26. 10 V.S.A. § 6001 is amended to read:
9	§ 6001. DEFINITIONS
10	As used in this chapter:
11	* * *
12	(3)(A) "Development" means each of the following:
13	(i) The construction of improvements on a tract or tracts of land,
14	owned or controlled by a person, involving more than 10 acres of land within a
15	radius of five miles of any point on any involved land, for commercial or
16	industrial purposes in a municipality that has adopted permanent zoning and
17	subdivision bylaws.
18	(ii) The construction of improvements on a tract or tracts of land,
19	owned or controlled by a person, involving more than one acre of land within a
20	radius of five miles of any point on any involved land, for commercial or

1	industrial purposes in a municipality that has not adopted permanent zoning
2	and subdivision bylaws.
3	(iii) The construction of improvements for commercial or
4	industrial purposes on a tract or tracts of land, owned or controlled by a person,
5	involving more than one acre of land within a municipality that has adopted
6	permanent zoning and subdivision bylaws, if the municipality in which the
7	proposed project is located has elected by ordinance, adopted under 24 V.S.A.
8	chapter 59, to have this jurisdiction apply.
9	(iv) The construction of housing projects such as cooperatives,
10	condominiums, or dwellings, or construction or maintenance of mobile homes
11	or mobile home parks, with 10 or more units, constructed or maintained on a
12	tract or tracts of land, owned or controlled by a person, within a radius of five
13	miles of any point on any involved land and within any continuous period of
14	five years. However:
15	* * *
16	(vi) The construction of improvements for commercial, industrial,
17	or residential use at or above the elevation of 2,500 feet.
18	* * *
19	(xiii) The construction of improvements for commercial,
20	industrial, or residential purpose in a Tier 3 area as determined by rules
21	adopted by the Board.

1	* * *
2	(45) "Tier 2" means an area that is not a Tier 1 area or a Tier 3 area.
3	(46) "Tier 3" means an area consisting of critical natural resources
4	which may include river corridors, headwaters streams, habitat connectors of
5	Statewide significance, and as may be further defined by the Board.
6	Sec. 27. TIER 3 RULEMAKING
7	(a) The Environmental Review Board in consultation with the Secretary of
8	Natural Resources shall adopt rules to implement the requirements for the
9	administration of 10 V.S.A. § 6001(3)(A)(xiii) and 10 V.S.A. § 6001(46). The
10	Board shall review the definition of Tier 3 area and its use in 10 V.S.A. chapter
11	151 and recommend any additional significant natural resources that should be
12	added to the definition. It is the intent of the General Assembly that these rules
13	address the protection of critical natural resources. Rules adopted by the Board
14	shall include:
15	(1) any necessary clarifications to how the Tier 3 definition is used in 10
16	V.S.A. chapter 151;
17	(2) any necessary changes to how 10 V.S.A. § 6001(3)(A)(xiii) should
18	be administered, and when jurisdiction should be triggered to protect the
19	functions and values of resources of Statewide significance;
20	(3) the process for how Tier 3 areas will be mapped or identified by
21	Agency of Natural Resources and the Board; and

1	(4) other policies or programs that shall be developed to review
2	development impacts to Tier 3 areas if they are not included in 10 V.S.A. §
3	<u>6001(46).</u>
4	(b) On or before January 1, 2025, the Board shall convene a working group
5	of stakeholders to provide input to the rule prior to prefiling with the
6	Interagency Committee on Administrative Rules. The working group shall
7	include representation from regional planning commissions, environmental
8	groups, science and ecological research organizations, woodland or forestry
9	organizations, the Vermont Housing and Conservation Board, the Vermont
10	Chamber of Commerce, the League of Cities of Towns, the Land Access and
11	Opportunity Board, and other stakeholders.
12	(c) The Board shall file a final proposed rule with the Secretary of State
13	and Legislative Committee on Administrative Rules on or before February 1,
14	<u>2026.</u>
15	* * * Tier 1 Areas * * *
16	Sec. 28. 10 V.S.A. § 6033 is added to read:
17	§ 6033. REGIONAL PLAN FUTURE LAND USE MAP REVIEW
18	(a) The Board shall review requests from regional planning commissions to
19	approve or disapprove portions of future land use maps for the purposes of
20	changing jurisdictional thresholds under this chapter by identifying areas on
21	future land use maps for Tier 1B area status and to approve designations

1	pursuant to 24 V.S.A. chapter 139. The Board may produce guidelines for
2	regional planning commissions seeking Tier 1B area status. If requested by the
3	regional planning commission, the Board shall complete this review
4	concurrently with regional plan approval. A request for Tier 1B area status
5	made by a regional planning commission separate from regional plan approval
6	shall follow the process set forth in 24 V.S.A. § 4348.
7	(b) The Board shall review the portions of future land use maps that
8	include downtowns or village centers, planned growth areas, and village areas
9	to ensure they meet the requirements under 24 V.S.A. §§ 5803 and 5804 for
10	designation as downtown and village centers and neighborhood areas.
11	(c) To obtain a Tier 1B area status under this section the regional planning
12	commission shall demonstrate to the Board that the municipalities with Tier 1B
13	areas meet the following requirements as included in subsection 24 V.S.A.
14	§ 4348a(a)(12)(C):
15	(A) The municipality has requested to have the area mapped for Tier
16	<u>1B.</u>
17	(B) The municipality has a duly adopted and approved plan and a
18	planning process that is confirmed in accordance with 24 V.S.A. § 4350.
19	(C) The municipality has adopted permanent zoning and subdivision
20	bylaws in accordance with 24 V.S.A. §§ 4414, 4418, and 4442.

1	(D) The area excludes identified flood hazard and fluvial erosion
2	areas, except those areas containing preexisting development in areas suitable
3	for infill development as defined in § 29-201 of the Vermont Flood Hazard
4	Area and River Corridor Rule unless the municipality has adopted flood hazard
5	and river corridor bylaws applicable to the entire municipality that are
6	consistent with the standards established pursuant to subsection 755(b) of this
7	title (flood hazard) and subsection 1428(b) of this title (river corridor).
8	(E) The municipality has water supply, wastewater infrastructure, or
9	soils that can accommodate a community system for compact housing
10	development in the area proposed for Tier 1B.
11	(F) Municipal staff adequate to support development review and
12	zoning administration in the Tier 1B area.
13	Sec. 29. 10 V.S.A. § 6034 is added to read:
14	§ 6034. TIER 1A AREA STATUS
15	(a) Application and approval.
16	(1) Beginning on January 1, 2027, a municipality, by resolution of its
17	legislative body, may apply to the Environmental Review Board for Tier 1A
18	status for the area of the municipality that is suitable for dense development
19	and meets the requirements of subsection (b) of this section.

1	(2) The Board shall issue an affirmative determination on finding that
2	the municipality meets the requirements of subsection (b) of this section within
3	45 days after the application is received.
4	(b) Tier 1A area status requirements.
5	(1) To obtain a Tier 1A area status under this section, a municipality
6	shall demonstrate to the Board that it has each of the following:
7	(A) A municipal plan that is approved in accordance with 24 V.S.A.
8	<u>§ 4350.</u>
9	(B) Municipal flood hazard planning, applicable to the entire
10	municipality, in accordance with 24 V.S.A. § 4382(12) and the guidelines
11	issued by the Department pursuant to 24 V.S.A. chapter 139.
12	(C) Flood hazard and river corridor bylaws, applicable to the entire
13	municipality, that are consistent with the standards established pursuant to
14	subsection 755(b) of this title (flood hazard) and subsection 1428(b) of this
15	title (river corridor) or the proposed Tier 1A area excludes the flood hazard
16	areas and river corridor.
17	(D) A capital budget and program pursuant to 24 V.S.A. § 4430 that
18	make substantial investments in the ongoing development of the Tier 1A area,
19	are consistent with the plan's implementation program, and are consistent with
20	the smart growth principles defined in 24 V.S.A. chapter 139.

1	(E) Permanent zoning and subdivision bylaws that do not include
2	broad exemptions that exclude significant private or public land development
3	from requiring a municipal land use permit.
4	(F) Urban form bylaws for the Tier 1A area that further the smart
5	growth principles of 24 V.S.A. chapter 139, adequately regulate the physical
6	form and scale of development, with reasonable provision for a portion of the
7	areas with sewer and water to allow at least four stories, and conform to the
8	guidelines established by the Board.
9	(G) Historic preservation bylaws for established design review
10	districts, historic districts, or historic landmarks pursuant to 24 V.S.A.
11	§ 4414(1)(E) and (F) for the portion of the Tier 1A area that meet State historic
12	preservation guidelines issued by the Department of Housing and Community
13	Development pursuant to 24 V.S.A. chapter 139.
14	(H) Wildlife habitat planning bylaws for the Tier 1A area that protect
15	significant natural communities; rare, threatened, and endangered species; and
16	river corridors or exclude these areas from the proposed Tier 1A area.
17	(I) Permitted water and wastewater systems with the capacity to
18	support additional development within the Tier 1A area. The municipality
19	shall have adopted consistent policies, by municipal plan and ordinance, on the
20	allocation, connection, and extension of water and wastewater lines that
21	include a defined and mapped service area to support the Tier 1A area.

1	(J) Municipal staff adequate to support coordinated comprehensive
2	and capital planning, development review, and zoning administration in the
3	Tier 1A area.
4	(K) The applicable regional plan has been approved by the Board.
5	(2) If any party entitled to notice under subdivision (c)(4)(A) of this
6	section or any resident of the municipality raises concerns about the
7	municipality's compliance with the requirements, those concerns shall be
8	addressed as part of the municipality's application.
9	(c) Process for issuing determinations of Tier 1A area status.
10	(1) A preapplication meeting shall be held with the Board staff,
11	municipal staff, and staff of the relevant regional planning commission (RPC)
12	to review the requirements of subsection (b) of this section. The meeting shall
13	be held in person or electronically.
14	(2) An application by the municipality shall include the information and
15	analysis required by the Board's guidelines on how to meet the requirements of
16	subsection (b) of this section.
17	(3) After receipt of a complete final application, the Environmental
18	Review Board shall convene a public hearing in the municipality to consider
19	whether to issue a determination of Tier 1A area status under this section.
20	(A) Notice.

1	(i) At least 35 days in advance of the Board's meeting, the
2	regional planning commission shall post notice of the meeting on its website.
3	(ii) The municipality shall publish notice of the meeting at least 30
4	days and 15 days in advance of the Board's meeting in a newspaper of general
5	circulation in the municipality, and deliver physically or electronically, with
6	proof of receipt or by certified mail, return receipt requested to the Agency of
7	Natural Resources; the Division for Historic Preservation; the Agency of
8	Agriculture Food and Markets; the Agency of Transportation; the regional
9	planning commission; the regional development corporations; and the entities
10	providing educational, police, and fire services to the municipality.
11	(iii) The notice shall also be posted by the municipality in or near
12	the municipal clerk's office and in at least two other designated public places
13	in the municipality, on the websites of the municipality and the regional
14	planning commission, and on any email lists or social media that the
15	municipality uses.
16	(iv) The municipality shall also certify in writing that the notice
17	required by this subsection (c) has been published, delivered, and posted within
18	the specified time.
19	(v) Notice of an application for Tier 1A area status shall be
20	delivered physically or electronically with proof of receipt or sent by certified
21	mail, return receipt requested, to each of the following:

1	(1) the chair of the legislative body of each adjoining
2	municipality;
3	(2) the executive director of each abutting regional planning
4	commission;
5	(3) the Department of Housing and Community Development and
6	the Community Investment Board for a formal review and comment; and
7	(4) business, conservation, low-income advocacy, and other
8	community or interest groups or organizations that have requested notice in
9	writing prior to the date the hearing is warned.
10	(B) No defect in the form or substance of any requirements of this
11	subsection (c) shall invalidate the action of the Board where reasonable efforts
12	are made to provide adequate posting and notice. However, the action shall be
13	invalid when the defective posting or notice was materially misleading in
14	content. If an action is ruled to be invalid by the Superior Court or by the
15	Board itself, the municipality shall issue new posting and notice, and the Board
16	shall hold a new hearing and take a new action.
17	(4) The Board may recess the proceedings on any application pending
18	submission of additional information. The Board shall close the proceedings
19	promptly after all parties have submitted the requested information.

1	(5) The Board shall issue its determination in writing. The
2	determination shall include explicit findings on each of the requirements in
3	subsection (b) of this section.
4	(d) Review of status.
5	(1) Initial determination of status may be made at any time. Thereafter,
6	review of a status shall occur every eight years with a check-in after four years.
7	(2) The Board, on its motion, may review compliance with the Tier 1A
8	area requirements at more frequent intervals.
9	(3) If at any time the Board determines that the Tier 1A area no longer
10	meets the standards for the status, it shall take one of the following actions:
11	(A) require corrective action within a reasonable time frame; or
12	(B) terminate the status.
13	(e) Appeal.
14	(1) An interested person may appeal any act or decision of the Board
15	under this section to the Supreme Court within 30 days following the act or
16	decision.
17	(2) As used in this section, an "interested person" means any one of the
18	following:
19	(A) A person owning title to or occupying property within or abutting
20	the Tier 1A area.

1	(B) The municipality making the application or a municipality that
2	adjoins the municipality making the application.
3	(C) The RPC for the region that includes the Tier 1A area or a RPC
4	whose region adjoins the municipality in which the Tier 1A area is located.
5	(D) Any 20 persons who, by signed petition, allege that the decision
6	is not in accord with the requirements of this chapter, and who own or occupy
7	real property located within the municipality in which the Tier 1A area is
8	located or an adjoining municipality. The petition must designate one person
9	to serve as the representative of the petitioners regarding all matters related to
10	the appeal. The designated representative must have participated in the public
11	hearing described in subdivision (c)(4) of this section.
12	(E) Any person entitled to receive notice under this section that
13	participated in the Board's hearing on an application.
14	Sec. 30. TIER 1A AREA GUIDELINES
15	On or before January 1, 2026, the Environmental Review Board shall
16	publish guidelines to direct municipalities seeking to obtain the Tier 1A area
17	status.
18	Sec. 31. 24 V.S.A. § 4382 is amended to read:
19	§ 4382. THE PLAN FOR A MUNICIPALITY
20	(a) A plan for a municipality shall be consistent with the goals established
21	in section 4302 of this title and compatible with approved plans of other

1	municipalities in the region and with the regional plan and shall include the
2	following:
3	* * *
4	(2) A land use plan, which shall consist of a map and statement of
5	present and prospective land uses, that:
6	* * *
7	(C) Identifies those areas, if any, proposed for designation under
8	chapter 76A 139 of this title and for status under 10 V.S.A. §§ 6033 and 6034
9	together with, for each area proposed for designation, an explanation of how
10	the designation would further the plan's goals and the goals of section 4302 of
11	this title, and how the area meets the requirements for the type of designation
12	to be sought.
13	* * *
14	Sec. 32. 10 V.S.A. § 6081 is amended to read:
15	§ 6081. PERMITS REQUIRED; EXEMPTIONS
16	* * *
17	(z)(1) Notwithstanding any other provision of this chapter to the contrary,
18	no permit or permit amendment is required for any subdivision, development,
19	or change to an existing project that is located entirely within a Tier 1A area
20	under section 6034 of this chapter.

1	(2) Notwithstanding any other provision of this chapter to the contrary,
2	no permit or permit amendment is required for 50 units or fewer of housing on
3	10 acres or less located entirely within a Tier 1B area approved by the Board
4	under section 6033 of this chapter.
5	(3) Upon receiving notice and a copy of the permit issued by an
6	appropriate municipal panel pursuant to 24 V.S.A. § 4460(f), a previously
7	issued permit for a development or subdivision located in a Tier 1A area shall
8	remain attached to the property. However, neither the Board nor the Agency
9	of Natural Resources shall enforce the permit or assert amendment jurisdiction
10	on the tract or tracts of land unless the designation is revoked or the
11	municipality has not taken any action to enforce the conditions of the permit.
12	Sec. 33. 24 V.S.A. § 4460 is amended to read:
13	§ 4460. APPROPRIATE MUNICIPAL PANELS
14	* * *
15	(g)(1) This subsection shall apply to a subdivision or development that:
16	(A) was previously permitted pursuant to 10 V.S.A. chapter 151;
17	(B) is located in a Tier 1A area pursuant to 10 V.S.A. § 6034; and
18	(C) has applied for a permit or permit amendment required by zoning
19	regulations or bylaws adopted pursuant to this subchapter.
20	(2) The appropriate municipal panel reviewing a municipal permit or
21	permit amendment pursuant to this subsection shall include conditions

1	contained within a permit previously issued pursuant to 10 V.S.A. chapter 151
2	unless the panel determines that the permit condition pertains to any of the
3	following:
4	(A) the construction phase of the project that has already been
5	constructed;
6	(B) compliance with another State permit that has independent
7	jurisdiction;
8	(C) federal or State law that is no longer in effect or applicable;
9	(D) an issue that is addressed by municipal regulation and the project
10	will meet the municipal standards; or
11	(E) a physical or use condition that is no longer in effect or
12	applicable or that will no longer be in effect or applicable once the new project
13	is approved.
14	(3) After issuing or amending a permit containing conditions pursuant to
15	this subsection, the appropriate municipal panel shall provide notice and a
16	copy of the permit to the Environmental Review Board.
17	(4) The appropriate municipal panel shall comply with the notice and
18	hearing requirements provided in subdivision 4464(a)(1) of this title. In
19	addition, notice shall be provided to those persons requiring notice under
20	10 V.S.A. § 6084(b) and shall explicitly reference the existing Act 250 permit.

1	(5) The appropriate municipal panel's decision shall be issued in
2	accordance with subsection 4464(b) of this title and shall include specific
3	findings with respect to its determinations pursuant to subdivision (2) of this
4	subsection.
5	(6) Any final action by the appropriate municipal panel affecting a
6	condition of a permit previously issued pursuant to 10 V.S.A. chapter 151 shall
7	be recorded in the municipal land records.
8	(h) Within a designated Tier 1A area, the appropriate municipal panel shall
9	enforce any existing permits issued under 10 V.S.A. chapter 151 that has not
10	had its permit conditions transferred to a municipal permit pursuant to
11	subsection (g).
12	Sec. 34. TIER 2 AREA REPORT
13	(a) On or before February 15, 2026, the Environmental Review Board shall
14	report recommendations to address Act 250 jurisdiction in Tier 2 areas. The
15	recommendations shall:
16	(1) recommend statutory changes to address fragmentation of rural and
17	working lands while allowing for development review;
18	(2) address how to apply location-based jurisdiction to Tier 2 areas
19	while meetings the Statewide planning goals, including how to address
20	commercial development and which shall also include:

1	(A) review of the effectiveness of mitigation of impacts on primary
2	agricultural soils and make recommendations for how to improve protections
3	for this natural resource;
4	(B) review of the effectiveness of jurisdictional triggers for
5	development of retail and service businesses outside of village centers, and
6	criterion 9(L), in addressing sprawl and strip development, and how to improve
7	the effectiveness of criterion 9(L);
8	(C) review how the Act 250 permit process has been working for
9	forest processing facilities, including 10 V.S.A. § 6084(g), and any identified
10	shortcomings or challenges. The report shall look at permitting holistically to
11	understand the role of permits from the Agency of Natural Resources,
12	municipal permits, where they apply, and Act 250, and develop
13	recommendations to find efficiencies in the permitting process, or
14	recommendations to develop an alternative permit program to support forest
15	processing facilities, while still addressing relevant environmental or
16	community impacts; and
17	(D) review whether and how Act 250 jurisdiction over commercial
18	activities on farms should be revised, including accessory on-farm businesses.
19	(b) The report shall be submitted to the House Committees on Agriculture,
20	Food Resiliency, and Forestry and on Environment and Energy and the Senate
21	Committees on Agriculture and on Natural Resources and Energy.

1	Sec. 35. AFFORDABLE HOUSING DEVELOPMENT REGULATORY
2	INCENTIVES STUDY
3	(a) The Department of Housing and Community Development, the
4	Vermont Housing and Conservation Board, the Land Access and Opportunity
5	Board, and the Vermont Housing Finance Agency shall:
6	(1) engage with diverse stakeholders including housing developers, local
7	government officials, housing advocacy organizations, financial institutions,
8	and community members to identify regulatory policies that incentivize mixed-
9	income, mixed-use development and support affordable housing production as
10	a percentage of new housing units in communities throughout the State,
11	including examining the impact of inclusionary zoning; and
12	(2) develop recommendations for legislative, regulatory, and
13	administrative actions to improve and expand affordable housing development
14	incentives within State designated areas.
15	(b) On or before December 15, 2024, the Department of Housing and
16	Community Development shall submit a report to the Senate Committees on
17	Economic Development, Housing and General Affairs and on Natural
18	Resources and Energy, and the House Committees on General and Housing
19	and on Environment and Energy with its findings and recommendations.

1	* * * Future Land Use Maps * * *
2	Sec. 36. 24 V.S.A. § 4302 is amended to read:
3	§4302. PURPOSE; GOALS
4	* * *
5	(c) In addition, this chapter shall be used to further the following specific
6	goals:
7	(1) To plan development so as to maintain the historic settlement pattern
8	of compact village and urban centers separated by rural countryside.
9	(A) Intensive residential development should be encouraged
10	primarily in areas related to community centers downtowns, village centers,
11	planned growth areas, and village areas as described in section 4348a of this
12	title, and strip development along highways should be discouraged should be
13	avoided. These areas should be planned so as to accommodate a substantial
14	majority of housing needed to reach the housing targets developed for each
15	region pursuant to subdivision 4348a(a)(9) of this title.
16	(B) Economic growth should be encouraged in locally and regionally
17	designated growth areas, employed to revitalize existing village and urban
18	centers, or both, and should be encouraged in growth centers designated under
19	chapter 76A of this title.

1	(C) Public investments, including the construction or expansion of
2	infrastructure, should reinforce the general character and planned growth
3	patterns of the area.
4	(D) Development should be undertaken in accordance with smart
5	growth principles as defined in subdivision 2791(13) of this title.
6	* * *
7	(5) To identify, protect, and preserve important natural and historic
8	features of the Vermont landscape, including:
9	(A) significant natural and fragile areas;
10	(B) outstanding water resources, including lakes, rivers, aquifers,
11	shorelands, and wetlands;
12	(C) significant scenic roads, waterways, and views;
13	(D) important historic structures, sites, or districts, archaeological
14	sites, and archaeologically sensitive areas.
15	(6) To maintain and improve the quality of air, water, wildlife, forests,
16	and other land resources.
17	(A) Vermont's air, water, wildlife, mineral, and land resources
18	should be planned for use and development according to the principles set
19	forth in 10 V.S.A. § 6086(a).

1	(B) Vermont's water quality should be maintained and improved
2	according to the policies and actions developed in the basin plans established
3	by the Secretary of Natural Resources under 10 V.S.A. § 1253.
4	(C) Vermont's forestlands should be managed so as to maintain and
5	improve forest blocks and habitat connectors.
6	* * *
7	(11) To ensure the availability of safe and affordable housing for all
8	Vermonters.
9	(A) Housing should be encouraged to meet the needs of a diversity of
10	social and income groups in each Vermont community, particularly for those
11	citizens of low and moderate income, and consistent with housing targets
12	provided for in subdivision 4348a(a)(9) of this title.
13	(B) New and rehabilitated housing should be safe, sanitary, located
14	conveniently to employment and commercial centers, and coordinated with the
15	provision of necessary public facilities and utilities.
16	(C) Sites for multi-family multifamily and manufactured housing
17	should be readily available in locations similar to those generally used for
18	single-family <del>conventional</del> dwellings.
19	(D) Accessory apartments dwelling units within or attached to single-
20	family residences which that provide affordable housing in close proximity to

1	cost-effective care and supervision for relatives, elders, or persons who have a
2	disability should be allowed.
3	* * *
4	(14) To encourage flood resilient communities.
5	(A) New development in identified flood hazard, fluvial erosion, and
6	river corridor protection areas should be avoided. If new development is to be
7	built in such areas, it should not exacerbate flooding and fluvial erosion.
8	(B) The protection and restoration of floodplains and upland forested
9	areas that attenuate and moderate flooding and fluvial erosion should be
10	encouraged.
11	(C) Flood emergency preparedness and response planning should be
12	encouraged.
13	(15) To equitably distribute environmental benefits and burdens a
14	described in 3 V.S.A. chapter 72.
15	* * *
16	Sec. 37. 24 V.S.A. § 4345a is amended to read:
17	§ 4345a. DUTIES OF REGIONAL PLANNING COMMISSIONS
18	A regional planning commission created under this chapter shall:
19	* * *
20	(5) Prepare a regional plan and amendments that are consistent with
21	the goals established in section 4302 of this title, and compatible with

1	approved municipal and adjoining regional plans. When preparing a regional
2	plan, the regional planning commission shall:
3	(A) develop and carry out a process that will encourage and enable
4	widespread citizen involvement and meaningful participation, as defined in
5	3 V.S.A. § 6002;
6	(B) develop a regional data base that is compatible with, useful to,
7	and shared with the geographic information system established under 3 V.S.A.
8	§ 20;
9	(C) conduct capacity studies;
10	(D) identify areas of regional significance. Such areas may be, but
11	are not limited to, historic sites, earth resources, rare and irreplaceable natural
12	areas, recreation areas, and scenic areas;
13	(E) use a land evaluation and site assessment system, that shall at a
14	minimum use the criteria established by the Secretary of Agriculture, Food and
15	Markets under 6 V.S.A. § 8, to identify viable agricultural lands consider the
16	potential environmental benefits and environmental burdens, as defined in
17	3 V.S.A. §6002, of the proposed plan;
18	(F) consider the probable social and economic benefits and
19	consequences of the proposed plan; and
20	(G) prepare a report explaining how the regional plan is consistent
21	with the goals established in section 4302 of this title.

21

1	* * *
2	(11) Review proposed State capital expenditures prepared pursuant to
3	32 V.S.A. chapter 5 and the Transportation Program prepared pursuant to
4	19 V.S.A. chapter 1 for compatibility and consistency with regional plans and
5	submit comments to the Secretaries of Transportation and Administration and
6	the legislative committees of jurisdiction.
7	* * *
8	(17) As part of its regional plan, define a substantial regional impact,
9	as the term may be used with respect to its region. This definition shall be
10	given due consideration substantial deference, where relevant, in State
11	regulatory proceedings.
12	* * *
13	Sec. 38. 24 V.S.A. § 4347 is amended to read:
14	§ 4347. PURPOSES OF REGIONAL PLAN
15	A regional plan shall be made with the general purpose of guiding and
16	accomplishing a coordinated, efficient, equitable and economic development
17	of the region which that will, in accordance with the present and future needs
18	and resources, best promote the health, safety, order, convenience, prosperity,
19	and welfare of the current and future inhabitants as well as efficiency and
20	economy in the process of development. This general purpose includes

recommending a distribution of population and of the uses of the land for

1	urbanization, trade, industry, habitation, recreation, agriculture, forestry, and
2	other uses as will tend to:
3	(1) create conditions favorable to transportation, health, safety, civic
4	activities, and educational and cultural opportunities;
5	(2) reduce the wastes of financial, energy, and human resources which
6	result from either excessive congestion or excessive scattering of population;
7	(3) promote an efficient and economic utilization of drainage, energy,
8	sanitary, and other facilities and resources;
9	(4) promote the conservation of the supply of food, water, energy, and
10	minerals;
11	(5) promote the production of food and fiber resources and the
12	reasonable use of mineral, water, and renewable energy resources; and
13	(6) promote the development of housing suitable to the needs of the
14	region and its communities-; and
15	(7) help communities equitably build resilience to address the effects
16	of climate change through mitigation and adaptation consistent with the
17	Vermont Climate Action Plan adopted pursuant to 10 V.S.A. § 592 and
18	3 V.S.A. chapter 72.

Any plan

2	§ 4348. ADOPTION AND AMENDMENT OF REGIONAL PLAN
3	(a) A regional planning commission shall adopt a regional plan. Any pla
4	for a region, and any amendment thereof, shall be prepared by the regional
5	planning commission. At the outset of the planning process and throughout
6	the process, regional planning commissions shall solicit the participation of

Sec. 39. 24 V.S.A. § 4348 is amended to read:

8 sessions that suit the needs of local people. The purpose of these working 9 sessions is to allow for meaningful participation as defined in 3 V.S.A. § 6002, 10 provide consistent information about new statutory requirements related to the

municipalities, local citizens, and organizations by holding informal working

11 regional plan, explain the reasons for new requirements, and gather information to be used in the development of the regional plan and future land 12

13 use element.

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(b) 60 days prior to holding the first public hearing on a regional plan, a regional planning commission shall submit a draft regional plan to the Environmental Review Board and Agency of Commerce and Community Development for preliminary review and comments related to conformance of the draft with sections 4302 and 4348a of this title and chapter 139 of this title. The Agency shall coordinate with other State agencies and respond within 60 days unless more time is granted by the regional planning commission.

1	(c) The regional planning commission shall hold two or more public
2	hearings within the region after public notice on any proposed plan or
3	amendment. The minimum number of required public hearings may be
4	specified within the bylaws of the regional planning commission.
5	(e)(d) At least 30 days prior to the first hearing, a copy of the proposed plan
6	or amendment, a report documenting conformance with the goals established
7	in section 4302 of this chapter and the plan elements established in section
8	4348a of this chapter, and a description of any changes to the Regional Future
9	Land Use Map with a request for general comments and for specific comments
10	with respect to the extent to which the plan or amendment is consistent with
11	the goals established in section 4302 of this title, shall be delivered physically
12	or electronically with proof of receipt or sent by certified mail, return receipt
13	requested, to each of the following:
14	(1) the chair of the legislative body of each municipality within the
15	region;
16	(2) the executive director of each abutting regional planning
17	commission;
18	(3) the Department of Housing and Community Development within the
19	Agency of Commerce and Community Development and the Community
20	Investment Board for a formal review and comment;

1	(4) business, conservation, low-income advocacy, and other community
2	or interest groups or organizations that have requested notice in writing prior to
3	the date the hearing is warned; and
4	(5) the Agency of Natural Resources and; the Agency of Agriculture,
5	Food and Markets; the Agency of Transportation; the Department of Public
6	Service; the Department of Public Safety's Division of Emergency
7	Management; and the Environmental Review Board.
8	(d)(e) Any of the foregoing bodies, or their representatives, may submit
9	comments on the proposed regional plan or amendment to the regional
10	planning commission and may appear and be heard in any proceeding with
11	respect to the adoption of the proposed plan or amendment.
12	(e)(f) The regional planning commission may make revisions to the
13	proposed plan or amendment at any time not less than 30 days prior to the final
14	public hearing held under this section. If the proposal is changed, a copy of the
15	proposed change shall be delivered physically or; electronically with proof of
16	receipt; or by certified mail, return receipt requested, to the chair of the
17	legislative body of each municipality within the region, and to any individual
18	or organization requesting a copy, at least 30 days prior to the final hearing.
19	(f)(g) A regional plan or amendment shall be adopted by not less than a
20	60 percent vote of the commissioners representing municipalities, in
21	accordance with the bylaws of the regional planning commission, and

immediately submitted to the legislative bodies of the municipalities that
comprise the region. The plan or amendment shall be considered duly adopted
and shall take effect 35 days after the date of adoption, unless, within 35 days
of the date of adoption, the regional planning commission receives certification
from the legislative bodies of a majority of the municipalities in the region
vetoing the proposed plan or amendment. In case of such a veto, the plan or
amendment shall be deemed rejected.
(h)(1) Within 15 days following adoption a regional planning commission
shall submit its regionally adopted regional plan to the Environmental Review
Board for a determination of regional plan compliance with: a report
documenting conformance with the goals established in section 4302 of this
chapter and the plan elements established in section 4348a of this chapter, and
a description of any changes to the regional plan future land use map.
(2) The Environmental Review Board shall hold a public hearing within
60 days after receiving a plan and provide notice of it at least 15 days in
advance by direct mail or electronically with proof of receipt to the requesting
regional planning commission, posting on the website of the Environmental
Review Board, and publication in a newspaper of general circulation in the
region affected. The regional planning commission shall notify their
municipalities and post on their website the public hearing notice

1	(3) The Environmental Review Board shall issue the determination in
2	writing within 15 days after the close of the hearing on the plan. If the
3	determination is affirmative, a copy of the determination shall be provided to
4	the regional planning commission and the Environmental Review Board. If
5	the determination is negative, the Environmental Review Board shall state the
6	reasons for denial in writing and, if appropriate, suggest acceptable
7	modifications. Submissions for a new determination that follow a negative
8	determination shall receive a new determination within 45 days.
9	(4) The Environmental Review Board's affirmative determination shall
10	be based upon finding the regional plan meets the following requirements:
11	(A) Consistency with the State planning goals as described in section
12	4302 of this chapter with consistency determined in the manner described
13	under subdivision 4302(f)(1) of this chapter.
14	(B) Consistency with the purposes of the regional plan established in
15	section 4347 of chapter.
16	(C) Consistency with the regional plan elements as described in
17	section 4348a of this chapter, except that the requirements of section 4352 of
18	this chapter related to enhanced energy planning shall be the under the sole
19	authority of the Department of Public Service.
20	(D) Compatibility with adjacent regional planning areas in the
21	manner described under subdivision 4302(f)(2) of this chapter.

1	(i) Objections of interested parties.
2	(1) An interested party who has participated in the regional plan
3	adoption process may object to the approval of the plan or approval of the
4	future land use maps by the Environmental Review Board within 15 days
5	following plan adoption by the regional planning commission. Participation is
6	defined as providing written or oral comments for consideration at a public
7	hearing held by the regional planning commission. Objections shall be
8	submitted using a form provided by the Environmental Review Board.
9	(2) As used in this section, an "interested party" means any one of the
10	following:
11	(A) Any 20 persons by signed petition who own property or reside
12	within the region. The petition must designate one person to serve as the
13	representative of the petitioners regarding all matters related to the objection.
14	The designated representative must have participated in the regional plan
15	adoption process as described in subdivision (e)(1) of this section.
16	(B) A party entitled to notice under subsection (d) of this section.
17	(3) Any objection under this section shall be limited to the question of
18	whether the regional plan is consistent with the regional plan elements and
19	future land use areas as described in section 4348a of this title. The
20	requirements of section 4352 of this title related to enhanced energy planning

1	shall be under the sole authority of the Department of Public Service and shall
2	not be reviewed by the Environmental Review Board.
3	(4) The Environmental Review Board shall hear any objections of
4	regional plan adoption concurrently with regional plan review under subsection
5	(h) of this section and 10 V.S.A. § 6027. The Environmental Review Board
6	decision of approval of a regional plan shall expressly evaluate any objections
7	and state the reasons for their decisions in writing. If applicable, the decision
8	to uphold an objection shall suggest modifications to the regional plan.
9	(j) Minor amendments to regional plan future land use map. A regional
10	planning commission may submit a request for a minor amendment to
11	boundaries of a future land use area for consideration by the Environmental
12	Review Board with a letter of support from the municipality. The request may
13	only be submitted after an affirmative vote of the municipal legislative body
14	and the regional planning commission board. The Environmental Review
15	Board, after consultation with the Community Investment Board and the
16	regional planning commissions, shall provide guidance about what constitutes
17	a minor amendment. Minor amendments may include any change to a future
18	land use area consisting of fewer than 10 acres. A minor amendment to a
19	future land use area shall not require an amendment to a regional plan as
20	outlined in section 4348 of this chapter. The Board may adopt rules to
21	implement this section.

1	(k) An affirmative determination of regional plan compliance issued
2	pursuant to this section shall remain in effect until the end of the period for
3	expiration or readoption of the plan to which it applies.
4	(l) Regional planning commissions shall be provided up to 18 months from
5	a negative determination by the Environmental Review Board to obtain an
6	affirmative determination of regional plan compliance. If a regional planning
7	commission is unable to obtain affirmative determination of regional plan
8	compliance, member municipalities shall lose benefits related to designations,
9	Act 250, or State infrastructure investments.
10	(m) Upon approval by the Environmental Review Board, the plan shall be
11	considered duly adopted, shall take effect, and is not appealable. The plan
12	shall be immediately submitted to the entities listed in subsection (d) of this
13	section.
14	(g)(n) Regional plans may be reviewed from time to time and may be
15	amended in the light of new developments and changed conditions affecting
16	the region. As specifically enabled in this section, minor amendments to the
17	designated areas do not require the amendment of a regional plan. All minor
18	amendments to future land use areas shall be compiled and included in the next
19	iteration of the regional plan.

1	(h)(o) In proceedings under 10 V.S.A. chapter 151, 10 V.S.A. chapter 159,
2	and 30 V.S.A. § 248, in which the provisions of a regional plan or a municipal
3	plan are relevant to the determination of any issue in those proceedings:
4	(1) the provisions of the regional plan shall be given effect to the extent
5	that they are not in conflict with the provisions of a duly adopted municipal
6	plan; <u>and</u>
7	(2) to the extent that such a conflict exists, the regional plan shall be
8	given effect if it is demonstrated that the project under consideration in the
9	proceedings would have a substantial regional impact as determined by the
10	definition in the regional plan.
11	(p) Regional planning commissions shall adopt a regional plan in
12	conformance this title by December 31, 2026.
13	Sec. 40. 24 V.S.A. § 4348a is amended to read:
14	§4348a. ELEMENTS OF A REGIONAL PLAN
15	(a) A regional plan shall be consistent with the goals established in section
16	4302 of this title and shall include the following:
17	(1) A statement of basic policies of the region to guide the future growth
18	and development of land and of public services and facilities, and to protect the
19	environment.
20	(2) A land use natural resources and working lands element, which shall
21	consist of a map or maps and statement of present and prospective land uses

- policies, based on ecosystem function, consistent with Vermont Conservation

  Design, supports compact centers surrounded by rural and working lands, and that:
  - (A) Indicates those areas of significant natural resources, including existing and proposed for forests, wetlands, vernal pools, rare and irreplaceable natural areas, floodplains, river corridors, recreation, agriculture, (using the agricultural lands identification process established in 6 V.S.A. § 8), residence, commerce, industry, public, and semi-public semipublic uses, open spaces, areas reserved for flood plain, forest blocks, habitat connectors, recreation areas and recreational trails, and areas identified by the State, regional planning commissions, or municipalities that require special consideration for aquifer protection; for wetland protection; for the maintenance of forest blocks, wildlife habitat, and habitat connectors; or for other conservation purposes.
  - (B) Indicates those areas within the region that are likely candidates for designation under sections 2793 (downtown development districts), 2793a (village centers), 2793b (new town centers), and 2793c (growth centers) of this title.
  - (C) Indicates locations proposed for developments with a potential for regional impact, as determined by the regional planning commission, including flood control projects, surface water supply projects, industrial parks, office parks, shopping centers and shopping malls, airports, tourist attractions,

1	recreational facilities, private schools, public or private coneges, and
2	residential developments or subdivisions.
3	(D) Sets forth the present and prospective location, amount, intensity,
4	and character of such land uses and the appropriate timing or sequence of land
5	development activities in relation to the provision of necessary community
6	facilities and services.
7	(E) Indicates those areas that have the potential to sustain agriculture
8	and recommendations for maintaining them which that may include transfer of
9	development rights, acquisition of development rights, or farmer assistance
10	programs.
11	(F)(C) Indicates those areas that are important as forest blocks and
12	habitat connectors and plans for land development in those areas to minimize
13	forest fragmentation and promote the health, viability, and ecological function
14	of forests. A plan may include specific policies to encourage the active
15	management of those areas for wildlife habitat, water quality, timber
16	production, recreation, or other values or functions identified by the regional
17	planning commission.
18	(D) encourages preservation of rare and irreplaceable natural areas,
19	scenic and historic features, and resources.
20	(E) encourages protection and improvement of the quality of waters
21	of the State to be used in the development and furtherance of the applicable

- basin plans established by the Secretary of Natural Resources under 10 V.S.A.
   § 1253.
  - (3) An energy element, may include including an analysis of resources, needs, scarcities, costs, and problems within the region across all energy sectors, including electric, thermal, and transportation; a statement of policy on the conservation and efficient use of energy and the development and siting of renewable energy resources; a statement of policy on patterns and densities of land use likely to result in conservation of energy; and an identification of potential areas for the development and siting of renewable energy resources and areas that are unsuitable for siting those resources or particular categories or sizes of those resources.
  - (4) A transportation element, which may consist consisting of a statement of present and prospective transportation and circulation facilities, and a map showing existing and proposed highways, including limited access highways, and streets by type and character of improvement, and where pertinent, anticipated points of congestion, parking facilities, transit routes, terminals, bicycle paths and trails, scenic roads, airports, railroads and port facilities, and other similar facilities or uses, and recommendations to meet future needs for such facilities, with indications of priorities of need, costs, and method of financing.

(5) A utility and facility element, consisting of a map and statement of
present and prospective local and regional community facilities and public
utilities, whether publicly or privately owned, showing existing and proposed
educational, recreational and other public sites, buildings and facilities,
including public schools, State office buildings, hospitals, libraries, power
generating plants and transmission lines, wireless telecommunications facilities
and ancillary improvements, water supply, sewage disposal, refuse disposal,
storm drainage, and other similar facilities and activities, and recommendations
to meet future needs for those facilities, with indications of priority of need.
(6) A statement of policies on the:
(A) preservation of rare and irreplaceable natural areas, scenic and
historic features, and resources; and
(B) protection and improvement of the quality of waters of the State
to be used in the development and furtherance of the applicable basin plans
established by the Secretary of Natural Resources under 10 V.S.A. § 1253.
[Repealed.]
* * *
(12) A future land use element, based upon the elements in this section,
that sets forth the present and prospective location, amount, intensity, and
character of such land uses in relation to the provision of necessary community

facilities and services and that consists of a map delineating future land use

area boundaries for the land uses in subdivisions (A)–(J) of this subdivision
(12) as appropriate and any other special land use category the regional
planning commission deems necessary; descriptions of intended future land
uses; and policies intended to support the implementation of the future land use
element using the following land use categories:
(A) Downtown or village centers. These areas are the vibrant,
mixed-use centers bringing together community economic activity and civic
assets. They include downtowns, villages, and new town centers, previously
designated under chapter 76A and downtowns and village centers seeking
benefits under the Community Investment Program under section 5804 of this
title. The downtown or village centers are the central business and civic
centers within planned growth areas, village areas, or may stand alone. Village
centers are not required to have municipal water, wastewater, zoning, or
subdivision bylaws.
(B) Planned growth areas. These areas include the densest existing
settlement and future growth areas with the highest concentrations of
population, housing, and employment in each region and town, as appropriate.
They include a mix of commercial, residential, and civic or cultural sites with
active streetscapes, supported by land development regulations, public water,
wastewater, or both, and multimodal transportation systems. These areas
include new town centers, downtowns, village centers, growth centers, and

1	neighborhood development areas previously designated under chapter 76A of
2	this title. These areas should generally meet the smart growth principles
3	definition in chapter 139 of this title and the following criteria:
4	(i) The municipality has a duly adopted and approved plan and a
5	planning process that is confirmed in accordance with section 4350 of this title
6	and has adopted bylaws and regulations in accordance with sections 4414,
7	4418, and 4442 of this title.
8	(ii) This area is served by municipal water or wastewater
9	infrastructure.
10	(iii) The area is generally within walking distance from the
11	municipality's or an adjacent municipality's downtown, village center, new
12	town center, or growth center.
13	(iv) The area excludes identified flood hazard and fluvial erosion
14	areas, except those areas containing preexisting development in areas suitable
15	for infill development as defined in section 29-201 of the Vermont Flood
16	Hazard Area and River Corridor Rule.
17	(v) The municipal plan indicates that this area is intended for
18	higher-density residential and mixed-use development.
19	(vi) The area provides for housing that meets the needs of a
20	diversity of social and income groups in the community.

1	(vii) The area is served by planned or existing transportation
2	infrastructure that conforms with "complete streets" principles as described
3	under 19 V.S.A. § 309d and establishes pedestrian access directly to the
4	downtown, village center, or new town center. Planned transportation
5	infrastructure includes those investments included in the municipality's capital
6	improvement program.
7	(C) Village areas. These areas include the traditional settlement area
8	or a proposed new settlement area, typically comprised of a cohesive mix of
9	residential, civic, religious, commercial, and mixed-use buildings, arranged
10	along a main street and intersecting streets that are within walking distance for
11	residents who live within and surrounding the core. Village areas shall have
12	one of the following: municipal water, wastewater, or land development
13	regulations. If no municipal wastewater is available, the area must have soils
14	that are adequate for wastewater disposal. They provide some opportunity for
15	infill development or new development areas where the village can grow and
16	be flood resilient. These areas include existing village center designations and
17	similar areas statewide, but this area is larger than the village center
18	designation. Village areas must meet the following criteria:
19	(i) The municipality has a duly adopted and approved plan and a
20	planning process that is confirmed in accordance with section 4350 of this title.

1	(ii) The municipality has adopted bylaws and regulations in
2	accordance with sections 4414, 4418, and 4442 of this title.
3	(iii) Unless the municipality has adopted flood hazard and river
4	corridor bylaws, applicable to the entire municipality, that are consistent with
5	the standards established pursuant to 10 V.S.A. § 755b (flood hazard) and
6	10 V.S.A. § 1428(b) (river corridor), the area excludes identified flood hazard
7	and fluvial erosion areas, except those areas containing preexisting
8	development in areas suitable for infill development as defined in § 29-201 of
9	the Vermont Flood Hazard Area and River Corridor Rule.
10	(D) Transition or infill area. These areas include areas of existing or
11	planned commercial, office, mixed-use development, or residential uses either
12	adjacent to a planned growth or village area or a new stand-alone Transition or
13	infill area and served by, or planned for, municipal water or wastewater, or
14	both. The intent of this land use category is to transform these areas into
15	higher-density, mixed-use settlements, or residential neighborhoods through
16	infill and redevelopment or new development. New commercial strip auto-
17	oriented development is not allowed as to prevent negatively impacting the
18	economic vitality of commercial areas in the adjacent or nearby planned
19	growth or village area. This area could also include adjacent greenfields safer
20	from flooding and planned for future growth.

1	(E) Resource-based recreation areas. These areas include large-scale
2	resource-based, recreational facilities, often concentrated around ski resorts,
3	lakeshores, or concentrated trail networks, that may provide infrastructure,
4	jobs, or housing to support recreational activities.
5	(F) Enterprise areas. These areas include locations of high economic
6	activity and employment that are not adjacent to planned growth areas. These
7	include industrial parks, areas of natural resource extraction, or other
8	commercial uses that involve larger land areas. Enterprise areas typically have
9	ready access to water supply, sewage disposal, electricity, and freight
10	transportation networks.
11	(G) Hamlet. Small historic clusters of homes and perhaps a school,
12	church, store, or other public buildings not planned for significant growth; no
13	public water supply or wastewater systems; and mostly focused along one or
14	two roads. These may be depicted as points on the future land use map.
15	(H) Rural; general. These areas include areas that promote the
16	preservation of Vermont's traditional working landscape and natural area
17	features. They allow for low-density residential and sometimes limited
18	commercial development that is compatible with productive lands and natural
19	areas. This could also include an area that a municipality is planning to make
20	more rural than it is currently.

(I) Rural; agricultural and forestry. These areas include blocks of
forest or farmland that sustain resource industries, provide critical wildlife
habitat and movement, outdoor recreation, flood storage, aquifer recharge, and
scenic beauty, and contribute to economic well-being and quality of life.
Development in these areas should be carefully managed to promote the
working landscape and rural economy, and address regional goals, while
protecting the agricultural and forest resource value.
(J) Rural; conservation. These are areas of significant natural
resources, identified by regional planning commissions or municipalities based
upon existing Agency of Natural Resources mapping that require special
consideration for aquifer protection; for wetland protection; for the
maintenance of forest blocks, wildlife habitat, and habitat connectors; or for
other conservation purposes. The mapping of these areas and accompanying
policies are intended to help meet requirements of 10 V.S.A. chapter 89. Any
portion of this area that is approved by the ERB as having Tier 3 area status
shall be identified on the future land use map as an overlay upon approval.
(b) The various elements and statements shall be correlated with the land
use element and with each other. The maps called for by this section may be
incorporated on one or more maps, and may be referred to in each separate
statement called for by this section.

1	(c) The regional plan future land use map shall delineate areas within the
2	regional planning commission's member municipalities that are eligible to
3	receive designation benefits as Centers and Neighborhoods when the future
4	land use map is approved by the Environmental Review Board per 10 V.S.A.
5	§ 6033. The areas eligible for designation shall be identified on the regional
6	plan future land use map as regional downtown centers, village centers,
7	planned growth area, and village areas in a manner consistent with this section
8	and chapter 139. This methodology shall include all approved designated
9	downtowns, villages, new town centers, neighborhood development areas, and
10	growth centers existing on July 1, 2024, unless the subject member
11	municipality requests otherwise.
12	(d) With the exception of preexisting, nonconforming designations
13	approved prior to the establishment of the program under chapter 139 or areas
14	included in the municipal plan for the purposes of relocating a municipality's
15	center for flood resiliency purposes, the areas eligible for designation benefits
16	upon the Environmental Review Board's approval of the regional plan future
17	land use map for designation as a Center shall not include development that is
18	disconnected from a Center and that lacks a pedestrian connection to the
19	Center via a complete street.
20	(e) The VAPDA shall develop, maintain, and update standard methodology
21	and process for the mapping of areas eligible for Tier 1B status under 10

1	V.S.A. § 6033 and designation under 24 V.S.A. chapter 139. The
2	methodology shall be issued on or before December 31, 2024, in consultation
3	with the Department of Housing and Community Development and Natural
4	Resources Board.
5	Sec. 41. REGIONAL PLANNING COMMISSION STUDY
6	(a) The Vermont Association of Planning and Development Agencies
7	(VAPDA) shall hire an independent contractor to study the strategic
8	opportunities for regional planning commissions to better serve municipalities
9	and the State. This study shall seek to ensure that the regional planning
10	commissions are statutorily enabled and strategically positioned to meet
11	ongoing and emerging State and municipal needs and shall review the
12	following: governance, funding, programs, service delivery, equity,
13	accountability, and staffing.
14	(b) A stakeholder group composed of the Vermont League of Cities and
15	Towns, Vermont Council on Rural Development, the Department of Housing
16	and Community Development, the Agency of Administration, the Office of
17	Racial Equity, legislators and others will be invited to participate in the study
18	to provide their insights into governance structure, accountability and
19	performance standards.
20	(c) The study shall identify the gaps in statutory enabling language,
21	structure, and local engagement and make recommendations on how to

1	improve and ensure consistent and equitable statewide programming and local
2	input and engagement including methods to improve municipal participation;
3	the amount of regional planning grant funding provided to each regional
4	planning commission relative to statutory responsibilities, the number of
5	municipalities and other demands; and how to make it easier for municipalities
6	to work together.
7	(d) On or before December 31, 2024, the study report shall be submitted to
8	the House Committees on Environment and Energy, on Commerce and
9	Economic Development, and on Government Operations and Military Affairs
10	and the Senate Committees on Economic Development, Housing and General
11	Affairs, on Natural Resources and Energy, and on Government Operations.
12	Sec. 42. REGIONAL PLANNING COMMISSION PUBLIC
13	ENGAGEMENT
14	(a) The regional planning commissions (RPCs) shall conduct a
15	multifaceted public engagement process with stakeholders and the general
16	public on land use, climate change, and regional structures legislation that is
17	enacted in the 2024 Legislative session, including Act 250 reform and the
18	regional planning process, the new State permitting program for river
19	corridors, and climate resilience and mitigation activities and opportunities for
20	Vermont municipalities. This process will engage Vermonters through
21	education about the policy changes and solicitation of ideas and concepts that

1	promote better public awareness, more effective implementation and
2	governance, and efficient use of resources.
3	(b) The RPCs, in conjunction with a communications consultant, shall
4	design and implement an information campaign directed to each municipality
5	and residents Statewide. The RPCs shall ensure that all Vermonters, especially
6	those that are marginalized and generally do not or cannot participate can do
7	<u>so.</u>
8	(c) The campaign shall include the following methods of outreach:
9	(1) public service announcements;
10	(2) A Statewide website with information and direction on how to
11	participate or connect with State and regional entities;
12	(3) Materials that can be posted and distributed town by town on the
13	topics; and
14	(4) A series of regional public meetings, no less than two per county.
15	(d) The RPCs shall procure assistance by September 1, 2024 and shall have
16	begun the initial phase of this process by November 1, 2024 and shall conclude
17	this effort by December 1, 2025.
18	(e) In fiscal year 2025, the sum of \$200,000.00 General Fund is
19	appropriated to the Agency of Commerce and Community Development to
20	administer this section including to hire the consultant, create the website and
21	informational materials, and for meeting stipends.

1	* * * Resilience Planning * * *
2	Sec. 43. 24 V.S.A. § 4306 is amended to read:
3	§ 4306. MUNICIPAL AND REGIONAL PLANNING AND RESILIENCE
4	FUND
5	(a)(1) The Municipal and Regional Planning and Resilience Fund for the
6	purpose of assisting municipal and regional planning commissions to carry out
7	the intent of this chapter is hereby created in the State Treasury.
8	(2) The Fund shall be composed of 17 percent of the revenue from the
9	property transfer tax under 32 V.S.A. chapter 231 and any monies from time to
10	time appropriated to the Fund by the General Assembly or received from any
11	other source, private or public. All balances at the end of any fiscal year shall
12	be carried forward and remain in the Fund. Interest earned by the Fund shall
13	be deposited in the Fund.
14	(3) Of the revenues in the Fund, each year:
15	(A) 10 percent shall be disbursed to the Vermont Center for
16	Geographic Information;
17	(B) 70 percent shall be disbursed to the Secretary of Commerce and
18	Community Development for performance contracts with regional planning
19	commissions to provide regional planning services pursuant to section 4341a
20	of this title; and
21	(C) 20 percent shall be disbursed to municipalities.

1	(b)(1) Allocations for performance contract funding to regional planning
2	commissions shall be determined according to a formula to be adopted by rule
3	under 3 V.S.A. chapter 25 by the Department for the assistance of the regional
4	planning commissions. Disbursement of funding to regional planning
5	commissions shall be predicated upon meeting performance goals and targets
6	pursuant to the terms of the performance contract.
7	(2) Disbursement to municipalities shall be awarded annually on or
8	before December 31 through a competitive program administered by the
9	Department providing the opportunity for any eligible municipality or
10	municipalities to compete regardless of size, provided that to receive funds, a
11	municipality:
12	(A) shall be confirmed under section 4350 of this title; or
13	(B)(i) shall use the funds for the purpose of developing a municipal
14	plan to be submitted for approval by the regional planning commission, as
15	required for municipal confirmation under section 4350 of this title; and
16	(ii) shall have voted at an annual or special meeting to provide
17	local funds for municipal planning and resilience purposes and regional
18	planning purposes.
19	(3) Of the annual disbursement to municipalities, an amount not to
20	exceed 20 percent of the total may be disbursed to the Department to
21	administer a program providing direct technical consulting assistance under

percent of the municipality allocation.

retainer on a rolling basis to any eligible municipality to meet the requirements
for designated neighborhood development area under chapter 76A of this title,
provided that the municipality is eligible for funding under subdivision (2) $\underline{\text{of}}$
this subsection and meets funding guidelines established by the Department to
ensure accessibility for lower capacity communities, municipal readiness, and
statewide coverage.
(4) Of the annual disbursement to municipalities, the Department may
allocate funding as bylaw modernization grants under section 4307 of this title.
(c) Funds allocated to municipalities shall be used for the purposes of:
(1) funding the regional planning commission in undertaking capacity
studies;
(2) carrying out the provisions of subchapters 5 through 10 of this
chapter;
(3) acquiring development rights, conservation easements, or title to
those lands, areas, and strictures identified in either regional or municipal plans
as requiring special consideration for provision of needed housing, aquifer
protection, <u>flood protection</u> , <u>climate resilience</u> , open space, farmland
preservation, or other conservation purposes; and
(4) reasonable and necessary costs of administering the Fund by the
Department of Housing and Community Development, not to exceed six

1	Sec. 44. MUNICIPAL PLANNING AND RESILIENCE GRANT
2	PROGRAM
3	(a) The Agency of Commerce and Community Development shall rename
4	the Municipal Planning Grant Program that the Agency administers under
5	24 V.S.A. § 4306(b)(2) as the Municipal Planning and Resilience Grant
6	Program.
7	(b) In addition to other funds appropriated to the Agency of Commerce and
8	Community Development for grants under 24 V.S.A. § 4306, \$1,500,000.00 is
9	appropriated from the General Fund to the Municipal and Regional Planning
10	and Resilience Fund for the grants from the Fund for the following purposes:
11	(1) assistance to municipalities to support resiliency planning and
12	identify and plan for resiliency projects to reduce damages from flooding and
13	other climate change-related hazards; and
14	(2) funding for regional planning commissions to increase staff in order
15	to support municipalities in conducting climate resiliency planning; project
16	development and implementation; and hazard mitigation locally, regionally,
17	and on a watershed scale.
18	Sec. 45. CLIMATE RESILIENCY PLANNING POSITIONS
19	(a) In addition to other funds appropriated to the Agency of Commerce and
20	Community Development in fiscal year 2025, \$125,000.00 is appropriated
21	from the General Fund to the Agency for the purpose of creating a new

1	permanent full-time position to staff the climate resiliency grants from the
2	Municipal Planning and Resilience Grant Program.
3	(b) In addition to other funds appropriated to the Agency of Natural
4	Resources in fiscal year 2025, \$125,000.00 is appropriated from the General
5	Fund to the Agency for the purposes of funding a new permanent full-time
6	position in the Water Investment Division of the Department of Environmental
7	Conservation for the purposes of assisting in the financing of climate resilience
8	projects from the Special Environmental Revolving Funds under 24 V.S.A.
9	chapter 120.
10	* * * Designated Areas Update * * *
11	Sec. 46. REPEAL
12	24 V.S.A. chapter 76A is repealed.
13	Sec. 47. 24 V.S.A. chapter 139 is added to read:
14	CHAPTER 139. STATE COMMUNITY INVESTMENT PROGRAM
15	§ 5801. DEFINITIONS
16	As used in this chapter:
17	(1) "Community Investment Program" means the program established in
18	this chapter, as adapted from the former State designated areas program
19	formerly in chapter 76A of this title. Statutory references outside this chapter
20	referring to the former State-designated village centers, downtown, and new
21	town centers shall mean designated center, once established. Statutory

I	references outside this chapter referring to the former State-designated growth
2	centers and neighborhood development areas shall mean designated
3	neighborhood, once established.
4	(2) "Complete streets" or "complete street principles" has the same
5	meaning as in 19 V.S.A. chapter 24.
6	(3) "Department" means the Department of Housing and Community
7	<u>Development.</u>
8	(4) "Downtown center" or "village center" means areas on the regional
9	plan future land use maps that may be designated as a center consistent with
10	section 4348a of this title.
11	(5) "ERB" refers to the Environmental Review Board established
12	pursuant to 10 V.S.A. § 6021.
13	(6) "Infill" means the use of vacant land or property or the
14	redevelopment of existing buildings within a built-up area for further
15	construction or land development.
16	(7) "Local downtown organization" means either a nonprofit
17	corporation, or a board, council, or commission created by the legislative body
18	of the municipality, whose primary purpose is to administer and implement the
19	community reinvestment agreement and other matters regarding the
20	revitalization of the downtown.

1	(8) "Planned growth area" means an area on the regional plan future
2	land use maps required under section 4348a of this title, which may encompass
3	a downtown center or village center on the regional future land use map and
4	may be designated as a center or neighborhood or both.
5	(9) "Regional plan future land use map" means the map prepared
6	pursuant to 24 V.S.A. § 4348a.
7	(10) "Smart growth principles" means growth that:
8	(A) maintains the historic development pattern of compact village
9	and urban centers separated by rural countryside;
10	(B) develops compact mixed-use centers at a scale appropriate for the
11	community and the region;
12	(C) enables choice in modes of transportation;
13	(D) protects the State's important environmental, natural, and historic
14	features, including natural areas, water quality, scenic resources, and historic
15	sites and districts;
16	(E) serves to strengthen agricultural and forest industries and
17	minimizes conflicts of development with these industries;
18	(F) balances growth with the availability of economic and efficient
19	public utilities and services;
20	(G) supports a diversity of viable businesses in downtowns and
21	villages;

I	(H) provides for nousing that meets the needs of a diversity of social
2	and income groups in each community; and
3	(I) reflects a settlement pattern that, at full build-out, is not
4	characterized by:
5	(i) scattered development located outside compact urban and
6	village centers that is excessively land consumptive and inefficient;
7	(ii) development that limits transportation options, especially for
8	pedestrians, bicyclists, transit users, and people with disabilities;
9	(iii) the fragmentation of farmland and forestland;
10	(iv) development that makes inefficient use of land, energy, roads,
11	utilities, and other supporting infrastructure or that requires the extension of
12	infrastructure across undeveloped lands outside compact, villages, downtowns,
13	or urban centers; and
14	(v) development that contributes to a pattern of strip linear
15	development along well-traveled roads and highways that lacks depth, as
16	measured from the highway.
17	(11) "Sprawl repair" means the redevelopment of lands developed with
18	buildings, traffic and circulation, parking, or other land coverage in pattern that
19	is consistent with smart growth principles and is served by a complete street
20	connecting to a proximate Center and served by water and sewer infrastructure.

1	(12) "State Board" means the Vermont Community Investment Board
2	established in section 5802 of this title.
3	(13) "State Designated Downtown and Village Center" or "Center"
4	means a contiguous downtown or village area approved as part of the ERB
5	review of regional plan future land use maps, which may include an approved
6	preexisting designated village center, designated downtown, or designated new
7	town center established prior to the approval of the regional plan future land
8	use maps. It shall encompass an area that extends access to benefits that
9	sustain and revitalize existing buildings and maintain the basis of the
10	program's original focus on revitalizing historic downtowns and villages by
11	promoting development patterns and historic preservation practices vital to
12	Vermont's economy, cultural landscape, equity of opportunity, and climate
13	resilience.
14	(14) "State-designated neighborhood" or "neighborhood" means a
15	contiguous geographic area approved as part of the Environmental Review
16	Board review of regional plan future land use maps that is adjacent and
17	contiguous to a center, which may include an approved and preexisting
18	designated neighborhood development area or growth center established prior
19	to approval of the regional plan future land use maps. It means an area that is
20	compact, principally walkable to a center, principally served by complete
21	streets, primarily including historic areas, and may include areas transitioning

1	to complete streets and smart growth through municipal capital planning,
2	programming, and budgeting in complete streets in accordance with section
3	4430 of this title.
4	(15) "Vermont Downtown Program" means a program within the
5	Department that coordinates with Main Street America that helps support
6	community revitalization and economic vitality while preserving the historic
7	character of Vermont's downtown cores. The Vermont Downtown Program
8	provides downtowns with financial incentives, training, and technical
9	assistance supporting local efforts to restore historic buildings, improve
10	housing, design walkable communities, and encourage economic development
11	by incentivizing public and private investments.
12	(16) "Village area" means an area on the regional plan future land use
13	maps pursuant to section 4348a of this title, which may encompass a village
14	center on the regional future land use map.
15	§ 5802. VERMONT COMMUNITY INVESTMENT BOARD
16	(a) A Vermont Community Investment Board, also referred to as the "State
17	Board," is created to administer the provisions of this chapter. The State Board
18	shall be composed of the following members or their designees:
19	(1) the Secretary of Commerce and Community Development;
20	(2) the Secretary of Transportation;
21	(3) the Secretary of Natural Resources;

1	(4) the Commissioner of Public Safety;
2	(5) the State Historic Preservation Officer;
3	(6) a member of the community designated by the Director of Racial
4	Equity;
5	(7) a person, appointed by the Governor from a list of three names
6	submitted by the Vermont Natural Resources Council and the Preservation
7	Trust of Vermont;
8	(8) a person, appointed by the Governor from a list of three names
9	submitted by the Association of Chamber Executives;
10	(9) three public members representative of local government, one of
11	whom shall be designated by the Vermont League of Cities and Towns and
12	two of whom shall be appointed by the Governor;
13	(10) the Executive Director of the Vermont Bond Bank;
14	(11) the State Treasurer;
15	(12) a member of the Vermont Planners Association designated by the
16	Association;
17	(13) a representative of a regional development corporation designated
18	by the regional development corporations; and
19	(14) a representative of a regional planning commission designated by
20	the Vermont Association of Planning and Development Agencies.

1	(b) The State Board shall elect a chair and vice chair from among its
2	membership.
3	(c) The Department shall provide legal, staff, and administrative support to
4	the State Board; shall produce guidelines to direct municipalities seeking to
5	obtain designation under this chapter and for other purposes established by this
6	chapter; and shall pay per diem compensation for board members pursuant to
7	32 V.S.A. § 1010(b).
8	(d) The State Board shall meet at least quarterly.
9	(e) The State Board shall have authority to adopt rules of procedure to use
10	for appeal of its decisions and rules on handling conflicts of interest.
11	(f) In addition to any other duties confirmed by law, the State Board shall
12	have the following duties:
13	(1) to serve as the funding and benefits coordination body for the State
14	Community Investment Program;
15	(2) to review and comment on proposed regional plan future land use
16	maps prepared by the regional planning commission and presented to the ERB
17	for designated center and designated neighborhood recognition under
18	10 V.S.A. § 6033;
19	(4) to award tax credits under the 32 V.S.A. § 5930aa et seq.;
20	(5) to manage the Downtown Transportation and Related Capital
21	Improvement Fund Program established by section 5808 of this title; and

1	(6) to review and comment on ERB guidelines, rules, or procedures for
2	the status process and regional plan future land use maps as they relate to the
3	designations under this chapter.
4	§ 5803. DESIGNATION OF DOWNTOWN AND VILLAGE CENTERS
5	(a) Designation established. A regional planning commission may apply to
6	the ERB for approval and designation of all centers by submitting the regional
7	plan future land use map adopted by the regional planning commission. The
8	regional plan future land use map shall identify downtown centers and village
9	centers as the downtown and village areas eligible for designation as centers.
10	The Department and State Board shall provide comments to the Environmental
11	Review on areas eligible for center designation as provided under this chapter.
12	(b) Inclusions. The areas mapped by the regional planning commissions as
13	a center shall allow for the designation of preexisting, approved village centers,
14	downtown centers, and new town centers in existence on or before December
15	<u>31, 2025.</u>
16	(c) With the exception for preexisting, nonconforming designations
17	approved prior to the establishment of the program under this chapter or areas
18	included in the municipal plan for the purposes of relocating a municipality's
19	center for flood resiliency purposes, the areas eligible for designation benefits
20	upon the Environmental Review Board's approval of the regional plan future
21	land use map for designation as a Center shall not include development that is

1	disconnected from a Center and that lacks a pedestrian connection to the
2	Center via a complete street.
3	(d) Approval. The ERB shall conduct its review pursuant to 10 V.S.A.
4	<u>§ 6033</u>
5	(e) Transition. All designated village centers, new town centers, or
6	downtowns existing as of December 31, 2025 will retain current benefits until
7	June 30, 2026 or until approval of the regional future land use maps by the
8	ERB, whichever comes first. All existing designations in effect December 31,
9	2025 will expire June 30, 2026 if the regional planning commission does not
10	receive State Board approval of the regional plan future land use maps under
11	this chapter. All benefits for preexisting designated village centers,
12	downtowns, and new town centers that are removed under this chapter shall
13	remain with the prior designations existing as of December 31, 2025 until July
14	1, 2032. Prior to June 30, 2026, no renewal shall be required for the
15	preexisting designations. New applications may be approved by the State
16	Board prior to the approval of a regional future land use map under former
17	chapter 76A of this title by the State Board until December 31, 2025. The last
18	day to submit an application for designation prior to December 31, 2025 will
19	be October 1, 2025.
20	(f) Benefits Steps. A center may receive the benefits associated with the
21	steps in this section by meeting the established requirements. The Department

1 shall review applications from municipalities to advance from Step One to 2 Two and from Step Two to Three and issue written decisions. The Department 3 shall issue a written administrative decision within 30 days following the 4 regional plan future land use map approval. If a municipal application is 5 rejected by the Department, the municipality may appeal the administrative 6 decision to the State Board. To maintain an established Step Three Center 7 after the initial approval of regional plan future land use map by the ERB, the 8 municipality shall apply for renewal and meet the program requirements upon 9 application for approval of a regional plan future land use map. Step Three 10 designations that are not approved for renewal revert to Step Two. The municipality may appeal the administrative decision of the Department to the 11 12 State Board. Appeals of administrative decisions shall be heard by the State 13 Board at the next meeting following a timely filing stating the reasons for the 14 appeal. The State Board's decision is final. The Department may issue 15 guidelines to administer these steps. 16 (1) Step One. 17 (A) Requirements. Step One is established to create an accessible 18 and low-barrier entry point for all villages throughout the State to access site-19 based improvement supports and conduct initial planning. All downtown and 20 village centers shall automatically reach Step One upon approval of the

regional plan future land use map by the Environmental Review Board.

1	Regional plan future land use maps supersede preexisting designated areas that
2	may already meet the Step One requirement.
3	(B) Benefits. A center that reaches Step One is eligible for the
4	following benefits:
5	(i) funding and technical assistance for site-based projects,
6	including the Better Places Grant Program, access to the Downtown and
7	Village Center Tax Credit Program described in 32 V.S.A. § 5930aa et seq.,
8	and other programs identified in the Department's guidelines; and
9	(ii) funding for developing or amending the municipal plan,
10	visioning, and assessments.
11	(2) Step Two.
12	(A) Requirements. Step Two is established to create a mid-level
13	entry point for emerging villages throughout the State to build planning and
14	implementation capacity for community-scale projects. A center reaches Step
15	Two if it:
16	(i) meets the requirements of Step One or if it has a designated
17	village center or new town center under chapter 76A of this title upon initial
18	approval of the regional plan future land use map and prior to December 31,
19	<u>2026;</u>
20	(ii) has a confirmed municipal planning process; and
21	(iii) has a municipal plan with goals for investment in the center.

1	(B) Benefits. In addition to the benefits of Step One, a center that
2	reaches Step Two is eligible for the following benefits:
3	(i) general grant priority for bylaws and special-purpose plans,
4	capital plans, and area improvement or reinvestment plans, including priority
5	consideration for the Better Connections Program and other applicable
6	programs identified by Department guidance;
7	(ii) funding priority for infrastructure project scoping, design,
8	engineering, and construction by the State Program;
9	(iii) the authority to create a special taxing district pursuant to
10	chapter 87 of this title for the purpose of financing both capital and operating
11	costs of a project within the boundaries of a center;
12	(iv) priority consideration for State and federal affordable housing
13	funding;
14	(v) authority for the municipal legislative body to lower speed
15	limits to less than 25 mph within the center under 23 V.S.A. § 1007(g);
16	(vi) State wastewater permit fees capped at \$50.00 for residential
17	development under 3 V.S.A. § 2822;
18	(vii) exemption from the land gains tax under 32 V.S.A.
19	§ 10002(p); and
20	(viii) assistance and guidance from the Department for establishing
21	local historic preservation regulations.

1	(3) Step Three.
2	(A) Requirements. Step Three is established to create the higher-
3	level entry point for downtowns throughout the State to create vibrant mixed-
4	use centers. A center reaches Step Three and maintains Step Three as a
5	downtown if the Department finds that it meets the following requirements:
6	(i) Meets the requirements of Step Two, or if it has an existing
7	downtown designated under chapter 76A of this title in effect upon initial
8	approval of the regional future land use map and prior to December 31, 2026.
9	(ii) Is listed or eligible for listing in the National Register of
10	Historic Places.
11	(iii) Has a downtown improvement plan.
12	(iv) Has a downtown investment agreement.
13	(v) Has a capital plan adopted under section 4430 of this title that
14	implements the downtown improvement plan.
15	(vi) Has a local downtown organization with an organizational
16	structure necessary to sustain a comprehensive long-term downtown
17	revitalization effort, including a local downtown organization that will
18	collaborate with municipal departments, local businesses, and local nonprofit
19	organizations. The local downtown organization shall work to:
20	(I) enhance the physical appearance and livability of the
21	downtown district by implementing local policies that promote the use and

I	rehabilitation of historic and existing buildings, by developing pedestrian-
2	oriented design requirements, by encouraging new development and infill that
3	satisfy such design requirements, and by supporting long-term planning that is
4	consistent with the goals set forth in section 4302 of this title;
5	(II) build consensus and cooperation among the many groups
6	and individuals who have a role in the planning, development, and
7	revitalization process;
8	(III) market the assets of the downtown district to customers,
9	potential investors, new businesses, local citizens, and visitors;
10	(IV) strengthen, diversify, and increase the economic activity
11	within the downtown; and
12	(V) measure annually progress and achievements of the
13	revitalization efforts as required by Department guidelines.
14	(vii) Has available public water and wastewater service and
15	capacity.
16	(viii) Has permanent zoning and subdivision bylaws.
17	(ix) Has adopted historic preservation regulations for the district
18	with a demonstrated commitment to protect and enhance the historic character
19	of the downtown through the adoption of bylaws that adequately meet the
20	historic preservation requirements in subdivisions 4414(1)(E) and (F) of this

1	title, unless recognized by the program as a preexisting designated new town
2	center.
3	(x) Has adopted design or form-based regulations that adequately
4	regulate the physical form and scale of development.
5	(B) Benefits. In addition to the benefits of Steps One and Two, a
6	municipality that reaches Step Three is eligible for the following benefits:
7	(i) Funding for the local downtown organization and technical
8	assistance from the Vermont Downtown Program for the center.
9	(ii) Tax increment financing district location pursuant to 32
10	V.S.A. § 5404a.
11	(iii) A reallocation of receipts related to the tax imposed on sales
12	of construction materials as provided in 32 V.S.A. § 9819.
13	(iv) Eligibility to receive National Main Street Accreditation from
14	Main Street America through the Vermont Downtown Program.
15	(v) Signage options pursuant to 10 V.S.A. § 494(13) and (17).
16	(vi) Certain housing appeal limitations pursuant to chapter 117 of
17	this title.
18	(vii) Highest priority for locating proposed State functions by the
19	Commissioner of Buildings and General Services or other State officials, in
20	consultation with the municipality, Department, State Board, the General
21	Assembly committees of jurisdiction for the Capital Budget, and the regional

1	planning commission. When a downtown location is not suitable, the
2	Commissioner shall issue written findings to the consulted parties
3	demonstrating how the suitability of the State function to a downtown location
4	is not feasible.
5	(viii) Funding for infrastructure project scoping, design, and
6	engineering, including participation in the Downtown Transportation and
7	Related Capital Improvement Fund Program established by section 5808 of
8	this title.
9	§ 5804. DESIGNATED NEIGHBORHOOD
10	(a) Designation established.
11	(1) A regional planning commission may request approval from the
12	Environmental Review Board for designation of areas on the regional plan
13	future land use maps as a designated neighborhood under 10 V.S.A. § 6033.
14	Areas eligible for designation include planned growth areas and village areas
15	identified on the regional plan future land use map. This designation
16	recognizes that the vitality of downtowns and villages and their adjacent
17	neighborhoods and the benefits structure must ensure that any subsidy for
18	sprawl repair or infill development locations within a neighborhood is
19	secondary to a primary commitment to maintain the livability and maximize
20	the climate resilience and flood-safe infill potential of these areas.

1	(2) Approval of planned growth areas and village areas as designated
2	neighborhoods shall follow the same process as approval for designated
3	centers provided for in 10 V.S.A. § 6033 and consistent with sections 4348 and
4	4348a of this title.
5	(b) Transition. Any municipality with an existing designated growth center
6	or neighborhood development area will retain current benefits until July 1,
7	2029 or upon approval of the regional plan future land use maps, whichever
8	comes first. All existing neighborhood development area and growth center
9	designations in effect on July 1, 2024 will expire on July 1, 2029 if the regional
10	plan future land use map does not gain approval. All benefits that are removed
11	for neighborhood development areas and growth centers under this chapter
12	shall remain active with prior designations existing as of July 1, 2024 until July
13	1, 2032. During the period of transition, no renewal shall be required for the
14	existing designations. Prior to the approval of a regional plan future land use
15	map by the ERB, new neighborhood development area designations may be
16	approved by the State Board.
17	(c) Requirements. A designated neighborhood shall meet the requirements
18	for planned growth area or village area as described in section 4348a of this
19	title.
20	(d) Benefits. A designated neighborhood is eligible for the following
21	benefits:

1	(1) general grant priority for bylaws and special-purpose plans, capital
2	plans, and area improvement or reinvestment plans, including the Better
3	Connections Program and other programs identified in Department guidance;
4	(2) funding priority for infrastructure project scoping, design,
5	engineering, and construction by State programs;
6	(3) access to the Downtown and Village Center Tax Credit Program
7	described in 32 V.S.A. § 5930aa et seq.;
8	(4) priority consideration for State and federal affordable housing
9	funding;
10	(5) certain housing appeal limitations under chapter 117 of this title;
11	(6) authority for the municipal legislative body to lower speed limits to
12	less than 25 mph within the neighborhood;
13	(7) State wastewater application fee capped at \$50.00 for residential
14	development under 3 V.S.A. § 2822(j)(4)(D); and
15	(8) exclusion from the land gains tax provided by 32 V.S.A. § 10002(p).
16	§ 5805. TRANSITION
17	On or before June 30, 2026, the regional planning commissions shall update
18	the regional plan future land use maps to delineate downtown or village
19	centers, planned growth areas, which may encompass a downtown center and
20	village center; and village areas. Notwithstanding other provisions in this
21	chapter, new applications for designation under the prior chapter 76A

1	framework shall end upon approval of a regional plan future land use map by
2	the ERB.
3	§ 5806. DESIGNATION DATA CENTER
4	The Department shall maintain an online municipal planning data center
5	publishing approved regional plan future land use maps and indicating the
6	status of each approved designation within the region, and associated steps for
7	centers.
8	§ 5807. MUNICIPAL TECHNICAL ASSISTANCE
9	(a) The Commissioner of Housing and Community Development shall
10	develop a procedure for providing interagency technical assistance to
11	municipalities participating in the programs under this chapter.
12	(b) The procedure shall include interagency assistance and address the
13	following:
14	(1) general project advising and scoping services;
15	(2) physical improvement design services;
16	(3) regulatory and policy-making project services;
17	(4) programmatic and project management services; and
18	(5) legislative recommendations to the General Assembly to better align
19	designation benefits with strategic priorities on or before December 15, 2026.

1	(c) Procedures and recommendations shall address statutory State agency
2	plans with a focus on the following strategic priorities for municipal and
3	community development assistance:
4	(1) housing development growth and equity;
5	(2) climate resilience;
6	(3) coordinated infrastructure investment;
7	(4) local administrative capacity;
8	(5) equity, diversity, and access;
9	(6) livability and social service; and
10	(7) historic preservation.
11	§ 5808. DOWNTOWN TRANSPORTATION AND RELATED CAPITAL
12	IMPROVEMENT FUND
13	(a) There is created the Downtown Transportation and Related Capital
14	Improvement Fund, which shall be a special fund created under 32 V.S.A.
15	chapter 7, subchapter 5, to be administered by the State Board in accordance
16	with this chapter to aid municipalities with designated centers in financing
17	capital transportation and related improvement projects to support economic
18	development. This shall be the same Fund that was created under the prior
19	section 2796 of this title.
20	(b) The Fund shall be composed of the following:

1	(1) State or federal funds as may be appropriated by the General
2	Assembly:
3	(2) any gifts, grants, or other contributions to the Fund; and
4	(3) proceeds from the issuance of general obligation bonds.
5	(c) Any municipality with a designated center may apply to the Board for
6	financial assistance from the Fund for capital transportation and related
7	improvement projects within or serving the district. The Board may award to
8	any municipality grants in amounts not to exceed \$250,000.00 annually, loans,
9	or loan guarantees for financing capital transportation projects, including
10	construction or alteration of roads and highways, parking facilities, and rail or
11	bus facilities or equipment, or for the underground relocation of electric utility.
12	cable, and telecommunications lines, but shall not include assistance for
13	operating costs. Grants awarded by the Board shall not exceed 80 percent of
14	the overall cost of the project. The approval of the Board may be conditioned
15	upon the repayment to the Fund of some or all of the amount of a loan or other
16	financial benefits and such repayment may be from local taxes, fees, or other
17	local revenues sources. The Board shall consider geographical distribution in
18	awarding the resources of the Fund.
19	(d) The Fund shall be available to the Department of Housing and
20	Community Development for the reasonable and necessary costs of
21	administering the Fund. The amount projected to be spent on administration

1	shall be included in the Department's fiscal year budget presentations to the
2	General Assembly.
3	§ 5809. PROPERTY ASSESSMENT FUND; BROWNFIELDS AND
4	REDEVELOPMENT; COMPETITIVE PROGRAM
5	(a) There is created the Property Assessment Fund pursuant to 32 V.S.A.
6	chapter 7, subchapter 5 to be administered by the Department of Housing and
7	Community Development for the purpose of providing financing, on a
8	competitive basis, to municipalities that demonstrate a financial need in order
9	to determine and evaluate a full assessment of the extent and the cost of
10	remediation of property or, in the case of an existing building, an assessment
11	that supports a clear plan, including the associated costs of renovation to bring
12	the building into compliance with State and local building codes. This shall be
13	the same Fund that was created under the prior section 2797 of this title.
14	(b) The Fund shall be composed of the following:
15	(1) State or federal funds that may be appropriated by the General
16	Assembly:
17	(2) any gifts, grants, or other contributions to the funds; and
18	(3) proceeds from the issuance of general obligation bonds.
19	(c) A municipality deemed financially eligible may apply to the Fund for
20	the assessment of property and existing buildings proposed for redevelopment,
21	provided the Department finds that the property or building:

1	(1) is not likely to be renovated or improved without the preliminary
2	assessment; and
3	(2) when renovated or redeveloped, will integrate and be compatible
4	with any applicable and approved regional development, capital, and municipal
5	plans; is expected to create new property tax if developed by a taxable entity;
6	and is expected to reduce pressure for development on open or undeveloped
7	land in the local community or in the regional planning commission.
8	(d) The Department shall distribute funds under this section in a manner
9	that provides funding for assessment projects of various sizes in as many
10	geographical areas of the State as possible and may require matching funds
11	from the municipality in which an assessment project is conducted.
12	§ 5810. BETTER PLACES PROGRAM; CROWD GRANTING
13	(a)(1) There is created the Better Places Program within the Department of
14	Housing and Community Development, and the Better Places Fund, which the
15	Department shall manage pursuant to 32 V.S.A. chapter 7, subchapter 5. This
16	shall be the same Fund created under the prior section 2799 of this title.
17	(2) The purpose of the Program is to utilize crowdfunding to spark
18	community revitalization through collaborative grantmaking for projects that
19	create, activate, or revitalize public spaces.
20	(3) The Department may administer the Program in coordination with
21	and support from other State agencies and nonprofit and philanthropic partners.

1	(b) The Fund is composed of the following:
2	(1) State or federal funds appropriated by the General Assembly;
3	(2) gifts, grants, or other contributions to the Fund; and
4	(3) any interest earned by the Fund.
5	(c) As used in this section, "public space" means an area or place that is
6	open and accessible to all persons with no charge for admission and includes
7	village greens, squares, parks, community centers, town halls, libraries, and
8	other publicly accessible buildings and connecting spaces such as sidewalks,
9	streets, alleys, and trails.
10	(d)(1) The Department of Housing and Community Development shall
11	establish an application process, eligibility criteria, and criteria for prioritizing
12	assistance for awarding grants through the Program.
13	(2) The Department may award a grant to a municipality, a nonprofit
14	organization, or a community group with a fiscal sponsor for a project that is
15	located in or serves an area designated under this chapter that will create a new
16	public space or revitalize or activate an existing public space.
17	(3) The Department may award a grant to not more than three projects
18	per calendar year within a municipality.
19	(4) The minimum amount of a grant award is \$5,000.00, and the
20	maximum amount of a grant award is \$40,000.00.

1	(5) The Department shall develop matching grant eligibility
2	requirements to ensure a broad base of community and financial support for
3	the project, subject to the following:
4	(A) A project shall include in-kind support and matching funds raised
5	through a crowdfunding approach that includes multiple donors.
6	(B) An applicant may not donate to its own crowdfunding campaign.
7	(C) A donor may not contribute more than \$10,000.00 or 35 percent
8	of the campaign goal, whichever is less.
9	(D) An applicant shall provide matching funds raised through
10	crowdfunding of not less than 33 percent of the grant award. The Department
11	may require a higher percent of matching funds for certain project areas to
12	ensure equitable distribution of resources across Vermont.
13	(e) The Department of Housing and Community Development, with the
14	assistance of a fiscal agent, shall distribute funds under this section in a manner
15	that provides funding for projects of various sizes in as many geographical
16	areas of the State as possible.
17	(f) The Department of Housing and Community Development may use up
18	to 15 percent of any appropriation to the Fund from the General Fund to assist
19	with crowdfunding, administration, training, and technological needs of the
20	Program.

21

1 Sec. 48. 32 V.S.A. § 5930aa is amended to read: 2 § 5930aa. DEFINITIONS 3 As used in this subchapter: \* \* \* 4 5 (2) "Qualified building" means a building built at least 30 years before 6 the date of application, located within a designated downtown, village center, 7 or neighborhood development area center or neighborhood, which, upon 8 completion of the project supported by the tax credit, will be an income-9 producing building not used solely as a single-family residence. Churches and 10 other buildings owned by a religious organization may be qualified buildings, 11 but in no event shall tax credits be used for religious worship. 12 (3) "Qualified code improvement project" means a project: 13 (A) to install or improve platform lifts suitable for transporting 14 personal mobility devices, limited use or limited application elevators, 15 elevators, sprinkler systems, and capital improvements in a qualified building, 16 and the installations or improvements are required to bring the building into 17 compliance with the statutory requirements and rules regarding fire prevention, 18 life safety, and electrical, plumbing, and accessibility codes as determined by 19 the Department of Public Safety;

(B) to abate lead paint conditions or other substances hazardous to

human health or safety in a qualified building; or

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

5 \*\*\*

- (5) "Qualified façade improvement project" means the rehabilitation of the façade of a qualified building that contributes to the integrity of the designated downtown, designated village center, or neighborhood development area center or neighborhood. Façade improvements to qualified buildings listed, or eligible for listing, in the State or National Register of Historic Places must be consistent with the Secretary of the Interior Standards, as determined by the Vermont Division for Historic Preservation.
- (6) "Qualified Flood Mitigation Project" means any combination of structural and nonstructural changes to a <u>qualified</u> building <del>located within the flood hazard area as mapped by the Federal Emergency Management Agency</del> that reduces or eliminates flood damage to the building or its contents. <u>This may include relocation of HVAC</u>, electrical, plumbing, and other building <u>systems</u>, and equipment above the flood level; repairs or reinforcement of <u>foundation walls</u>, including flood gates; or elevation of an entire eligible <u>building above the flood level</u>. Further eligible projects may be defined via <u>program guidance</u>. The project shall comply with the municipality's adopted

1	flood hazard bylaw, if applicable, and a certificate of completion shall be
2	submitted by a registered engineer, architect, qualified contractor, or qualified
3	local official to the State Board program staff. Improvements to qualified
4	buildings listed, or eligible for listing, in the State or National Register of
5	Historic Places shall be consistent with Secretary of the Interior's Standards for
6	Rehabilitation, as determined by the Vermont Division for Historic
7	Preservation.
8	* * *
9	(9) "State Board" means the Vermont Downtown Development
10	Community Investment Board established pursuant to 24 V.S.A. chapter 76A
11	<u>139</u> .
12	Sec. 49. 32 V.S.A. § 5930bb is amended to read:
13	§ 5930bb. ELIGIBILITY AND ADMINISTRATION
14	(a) Qualified applicants may apply to the State Board to obtain the tax
15	credits provided by this subchapter for a qualified project at any time before
16	the completion of the qualified project.
17	(b) To qualify for any of the tax credits under this subchapter, expenditures
18	for the qualified project must exceed \$5,000.00.
19	(c) Application shall be made in accordance with the guidelines set by the
20	State Board.

(d) Notwithstanding any other provision of this subchapter, qualified				
applicants may apply to the State Board at any time prior to June 30, 2013, to				
obtain a tax credit not otherwise available under subsections 5930cc(a) (c) of				
this title of 10 percent of qualified expenditures resulting from damage caused				
by a federally declared disaster in Vermont in 2011. The credit shall only be				
claimed against the taxpayer's State individual income tax under section 5822				
of this title. To the extent that any allocated tax credit exceeds the taxpayer's				
tax liability for the first tax year in which the qualified project is completed,				
the taxpayer shall receive a refund equal to the unused portion of the tax credit.				
If within two years after the date of the credit allocation no claim for a tax				
credit or refund has been filed, the tax credit allocation shall be rescinded and				
recaptured pursuant to subdivision 5930ee(6) of this title. The total amount of				
tax credits available under this subsection shall not be more than \$500,000.00				
and shall not be subject to the limitations contained in subdivision 5930ee(2)				
of this subchapter.				
(e) Beginning on July 1, 2025, under this subchapter no new tax credit may				
be allocated by the State Board to a qualified building located in a				
neighborhood development area Designated Neighborhood unless specific				
funds have been appropriated for that purpose.				

- 1 Sec. 50. 32 V.S.A. § 5930cc is amended to read:
- 2 § 5930cc. DOWNTOWN AND VILLAGE CENTER PROGRAM TAX
- 3 CREDITS

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- (c) Code improvement tax credit. The qualified applicant of a qualified code improvement project shall be entitled, upon the approval of the State Board, to claim against the taxpayer's State individual income tax, State corporate income tax, or bank franchise or insurance premiums tax liability a credit of 50 percent of qualified expenditures up to a maximum tax credit of \$12,000.00 for installation or improvement of a platform lift, a maximum credit of \$60,000.00 for the installation or improvement of a limited use or limited application elevator, a maximum tax credit of \$75,000.00 for installation or improvement of a sprinkler system, and a maximum tax credit of \$50,000.00 for installation or improvement of a sprinkler system, and a maximum tax credit of \$50,000.00 \$100,000.00 for the combined costs of all other qualified code improvements.
  - (d) Flood Mitigation Tax Credit. The qualified applicant of a qualified flood mitigation project shall be entitled, upon the approval of the State Board, to claim against the taxpayer's State individual income tax, State corporate income tax, or bank franchise or insurance premiums tax liability a credit of

1	50 percent of qualified expenditures up to a maximum tax credit of \$75,000.00
2	<u>\$100,000.00</u> .
3	Sec. 51. 32 V.S.A. § 5930ee is amended to read:
4	§ 5930ee. LIMITATIONS
5	Beginning in fiscal year 2010 and thereafter, the State Board may award tax
6	credits to all qualified applicants under this subchapter, provided that:
7	(1) the total amount of tax credits awarded annually, together with sales
8	tax reallocated under section 9819 of this title, does not exceed \$3,000,000.00
9	<u>\$5,000,000.00;</u>
10	* * *
11	Sec. 52. REVISION AUTHORITY
12	In preparing the Vermont Statutes Annotated for publication in 2024, the
13	Office of Legislative Counsel shall replace all references to "24 V.S.A. chapter
14	76A" with "24 V.S.A. chapter 139."
15	* * * Effective Dates * * *
16	Sec. 53. EFFECTIVE DATES
17	This act shall take effect on passage, except that:
18	(1) Secs. 13 (10 V.S.A. chapter 220) and 14 (4 V.S.A. § 34) shall take
19	effect on October 1, 2026;
20	(2) Secs. 19 (10 V.S.A. § 6001), 20 (10 V.S.A. § 6086(a)(8)), and 26 (10
21	V.S.A. § 6001) shall take effect on December 31, 2026; and

1	(3) Sec. 46 (repeal) shall take effect	on January 1, 2027.
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3		
4		
5		
6		
7	(Committee vote:)	
8		
9		Representative
10		FOR THE COMMITTEE