

1 TO THE HOUSE OF REPRESENTATIVES:

2 The Committee on Environment and Energy to which was referred Senate
3 Bill No. 100 entitled “An act relating to housing opportunities made for
4 everyone” respectfully reports that it has considered the same and recommends
5 that the House propose to the Senate that the report of the committee be
6 amended by striking out Secs. 1-25 and inserting in lieu thereof the following:

7 * * * Municipal Zoning * * *

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

9 § 4414. ZONING; PERMISSIBLE TYPES OF REGULATIONS

10 * * *

11 (4) Parking and loading facilities. A municipality may adopt provisions
12 setting forth standards for permitted and required facilities for off-street
13 parking and loading, which may vary by district and by uses within each
14 district. For residential uses, a municipality shall not require more than one
15 parking space per one-bedroom dwelling unit. For dwelling units with more
16 than one bedroom, a municipality shall determine parking requirements based
17 on the context and specific needs of the residential use. This determination
18 shall include factors that allow for less parking, including unique residential
19 uses, like senior housing, public transit, on-street parking, public parking,
20 shared parking. For both residential and non-residential uses, a municipality
21 may limit the amount of parking including by setting parking maximums based

1 on demonstrated need, site constraints, or vehicle reduction provisions outlined
2 in the municipal bylaw including transportation demand management and
3 transit-oriented development. These bylaws may also include provisions
4 covering the location, size, design, access, landscaping, and screening of those
5 facilities. In determining the number of parking spaces for nonresidential uses
6 and size of parking spaces required under these regulations, the appropriate
7 municipal panel may take into account the existence or availability of
8 employer “transit pass” and rideshare programs, public transit routes, and
9 public parking spaces in the vicinity of the development. ~~However, a~~
10 ~~municipality shall not require an accessory dwelling unit to have more than~~
11 ~~one parking space per bedroom.~~

12 * * *

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

14 § 4412. REQUIRED PROVISIONS AND PROHIBITED EFFECTS

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

17 (1) Equal treatment of housing and required provisions for affordable
18 housing.

19 * * *

20 (D) Bylaws shall designate appropriate districts and reasonable
21 regulations for multiunit or multifamily dwellings. No bylaw shall have the

1 effect of excluding these multiunit or multifamily dwellings from the
2 municipality. In any district that allows year-round residential development,
3 duplexes shall be an allowed use with the same dimensional standards as a
4 single-unit dwelling. In any district that is served by municipal sewer and
5 water infrastructure that allows residential development, multiunit dwellings
6 with four or fewer units shall be an allowed use.

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

21 (i) The property has sufficient wastewater capacity.

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

3 * * *

4 (H) No bylaw shall have the effect of prohibiting or penalizing a
5 hotel from renting rooms to provide housing assistance through the State of
6 Vermont’s General Assistance program, or to any person whose room is rented
7 with public funds. The term “hotel” has the same meaning as in 32 V.S.A.
8 9202(3).

9 * * *

10 (12) In any district area served by municipal sewer and water
11 infrastructure that allows residential development, bylaws shall establish lot
12 and building dimensional standards that allow four or more dwelling units per
13 acre for each allowed residential use, and density standards for multiunit
14 dwellings shall not be more restrictive than those required for single-family
15 dwellings.

16 (13) In any district area served by municipal sewer and water infrastructure
17 that allows residential development, any mixed-use developments and
18 affordable housing development, as defined in subdivision 4303(2) of this title,
19 including mixed-use development, may exceed building height limitations by
20 one additional habitable floor beyond the maximum height, and using that
21 additional floor may exceed density limitations for residential developments by

1 an additional 40 percent, provided that the structure complies with the
2 Vermont Fire and Building Safety Code.

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

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

7 (i) that residential connections and expansions are available to
8 municipal water and direct and indirect discharge wastewater systems and not
9 prohibited by:

10 (I) State regulations or permits;

11 (II) identified capacity constraints; or

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

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

14 that:

15 (I) exclude flood hazard or inundation areas as established by

16 statute, river corridors or fluvial erosion areas as established by statute,

17 shorelands, areas within a zoning district or overlay district which purpose is

18 natural resource protection, and wherever year-round residential development

19 is not allowed;

1 (II) reflect identified service limits established by State
2 regulations or permits, identified capacity constraints, or municipally adopted
3 service and capacity agreements;

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

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

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

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

12 (VII) exclude areas which, through an approved Planned Unit
13 Development under section 4417 of this title or Transfer of Development
14 Rights under section 4423 of this title, prohibit year-round residential
15 development; or

16 (VIII) modify the zoning provisions allowed under this chapter
17 in areas served by indirect discharge designed for less than 100,000 gallons per
18 day.

19 (B) Municipally adopted areas served by municipal water and sewer
20 infrastructure that limit water and sewer connections and expansions shall not

1 result in the unequal treatment of housing by discriminating against a year-
2 round residential use or housing type otherwise allowed in this chapter.

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

4 § 4413. LIMITATIONS ON MUNICIPAL BYLAWS

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

10 (A) State- or community-owned and ~~operated~~ operated institutions
11 and facilities;

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

14 (C) churches and other places of worship, convents, and parish
15 houses;

16 (D) public and private hospitals;

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

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

21 (G) emergency shelters.

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

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

11 * * *

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

13 § 4303. DEFINITIONS

14 The following definitions shall apply throughout this chapter unless the
15 context otherwise requires:

16 * * *

17 (38) “Accessory dwelling unit” has means a distinct unit that is clearly
18 subordinate to a single-family dwelling, and has facilities and provisions for
19 independent living, including sleeping, food preparation, and sanitation,
20 provided there is compliance with all the following:

21 (A) The property has sufficient wastewater capacity.

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

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

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

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

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

12 § 4441. PREPARATION OF BYLAWS AND REGULATORY TOOLS;

13 AMENDMENT OR REPEAL

14 * * *

15 (c) When considering an amendment to a bylaw, the planning commission
16 shall prepare and approve a written report on the proposal. A single report
17 may be prepared so as to satisfy the requirements of this subsection concerning
18 bylaw amendments and subsection 4384(c) of this title concerning plan
19 amendments. ~~The Department of Housing and Community Development shall~~
20 ~~provide all municipalities with a form for this report.~~ The report shall provide
21 a brief explanation of the proposed bylaw, amendment, or repeal and shall

1 include a statement of purpose as required for notice under section 4444 of this
2 title; and shall include findings regarding how the proposal:

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

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

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

10 * * *

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

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

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

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

21 § 4465. APPEALS OF DECISIONS OF THE ADMINISTRATIVE OFFICER

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

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

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

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

17 (3) A person owning or occupying property in the immediate
18 neighborhood of a property that is the subject of any decision or act taken
19 under this chapter, who can demonstrate a physical or environmental impact on
20 the person’s interest under the criteria reviewed, and who alleges that the

1 decision or act, if confirmed, will not be in accord with the policies, purposes,
2 or terms of the plan or bylaw of that municipality.

3 (4) Any ~~ten persons~~ person aggrieved as defined in 10 VSA § 8502 (7)
4 ~~who may be any combination of voters or real property owners within a~~
5 ~~municipality listed in subdivision (2) of this subsection who, by signed petition~~
6 ~~to the appropriate municipal panel of a municipality, the plan or a bylaw of~~
7 which is at issue in any appeal brought under this title, allege that any relief
8 requested by a person under this title, if granted, will not be in accord with the
9 policies, purposes, or terms of the plan or bylaw of that municipality. This
10 petition to the appropriate municipal panel must designate one person to serve
11 as the representative of the petitioners regarding all matters related to the
12 appeal. For purposes of this subdivision, a particularized interest shall not
13 include the character of the area affected if the project has a residential
14 component that includes affordable housing.

15 (5) Any department and administrative subdivision of this State owning
16 property or any interest in property within a municipality listed in subdivision
17 (2) of this subsection, and the Agency of Commerce and Community
18 Development of this State.

19 * * *

20 Sec. 6a. 10 V.S.A. § 8502(7) is amended to read:

1 (7) “Person aggrieved” means a person who alleges an injury to a
2 particularized interest protected by the provisions of law listed in section 8503
3 of this title, or 24 V.S.A. chapter 117, attributable to an act or decision by a
4 district coordinator, District Commission, the Secretary, an appropriate
5 municipal panel, or the Environmental Division that can be redressed by the
6 Environmental Division or the Supreme Court.

7 * * * Subdivisions * * *

8 Sec. 7. 24 V.S.A. § 4463 is amended to read:

9 § 4463. SUBDIVISION REVIEW

10 (a) Approval of plats. Before ~~any~~ a plat for a subdivision is approved, a
11 public hearing on the plat ~~shall~~ may be held by the appropriate municipal panel
12 after public notice. A bylaw may provide for when a public hearing is
13 required. A copy of the notice shall be sent to the clerk of an adjacent
14 municipality, in the case of a plat located within 500 feet of a municipal
15 boundary, at least 15 days prior to the public hearing.

16 (b) Plat; record. The approval of the appropriate municipal panel or
17 administrative officer, if the bylaws provide for their approval of subdivisions,
18 shall expire 180 days from that approval or certification unless, within that
19 180-day period, that plat shall have been duly filed or recorded in the office of
20 the clerk of the municipality. After an approved plat or certification by the
21 clerk is filed, no expiration of that approval or certification shall be applicable.

1 (1) The bylaw may allow the administrative officer to extend the date
2 for filing the plat by an additional 90 days, if final local or State permits or
3 approvals are still pending.

4 (2) No plat showing a new street or highway may be filed or recorded in
5 the office of the clerk of the municipality until it has been approved by the
6 appropriate municipal panel, or administrative officer if allowed under the
7 bylaws, pursuant to subsection (a) of this section, and that approval is endorsed
8 in writing on the plat, or the certificate of the clerk of the municipality showing
9 the failure of the appropriate municipal panel to take action within the 45-day
10 period is attached to the plat and filed or recorded with the plat. After that
11 filing or recording, the plat shall be a part of the official map of the
12 municipality.

13 * * *

14 Sec. 8. 24 V.S.A. § 4418 is amended to read:

15 § 4418. SUBDIVISION BYLAWS

16 * * *

17 (2) Subdivision bylaws may include:

18 (A) ~~Provisions~~ provisions allowing the appropriate municipal panel
19 to waive or modify, subject to appropriate conditions, the provision of any or
20 all improvements and requirements as in its judgment of the special
21 circumstances of a particular plat or plats are not requisite in the interest of the

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

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

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

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

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

13 * * * Appeals * * *

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

15 § 4471. APPEAL TO ENVIRONMENTAL DIVISION

16 * * *

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

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

8 * * * By Right * * *

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

10 (b) Decisions.

11 * * *

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

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

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

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

1 (iv) limit the density of dwelling units to below that allowed in the
2 municipal bylaws; and

3 (v) otherwise disallow a development to abide by the minimum or
4 maximum applicable municipal standards;

5 (B) However, a decision may require adjustments to the applicable
6 municipal standards listed in subdivision (A) of this subdivision (7) if the panel
7 or officer issues a written finding stating:

8 (i) why the modification is necessary to comply with a
9 prerequisite State or federal permit, municipal permit, or a nondiscretionary
10 standard in a bylaw or ordinance, including requirements related to wetlands,
11 setbacks, and flood hazard areas and river corridors; and

12 (ii) how the identified restrictions do not result in an unequal
13 treatment of housing or an unreasonable exclusion of housing development
14 otherwise allowed by the bylaws.

15 Sec. 11. 24 V.S.A. § 4348a is amended to read:

16 § 4348a. ELEMENTS OF A REGIONAL PLAN

17 (a) A regional plan shall be consistent with the goals established in section
18 4302 of this title and shall include the following:

19 * * *

20 (9) A housing element that identifies the regional and community-level
21 need for housing for all economic groups in the region and communities. In

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

18 * * *

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

2 § 4382. THE PLAN FOR A MUNICIPALITY

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

7 * * *

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

16 * * *

17 * * * Energy Codes * * *

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

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

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

11 Sec. 14. [Deleted.]

12 Sec. 15. [Deleted.]

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

14 § 6001. DEFINITIONS

15 * * *

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

17 * * *

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

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

3 * * *

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

12 * * *

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

14 * * *

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

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

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

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

7 * * *

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

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

10 PERMITS

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

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

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

4 * * *

5 (b) Master plan permits.

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

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

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

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

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

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

3 Sec. 16b. ACT 250 EXEMPTION REQUIREMENTS

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

9 * * * Enhanced Village Centers * * *

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

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

12 * * *

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

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

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

1 (B) at least one of the following: municipal sewer infrastructure, a
2 community or alternative wastewater system approved by the Agency of
3 Natural Resources, or a public community water system; and

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

6 Sec. 17a. 10 V.S.A. § 6081 is amended to read:

7 § 6081. PERMITS REQUIRED; EXEMPTIONS

8 * * *

9 (y) Notwithstanding any other provision of law to the contrary, until July 1,
10 2026, no permit or permit amendment is required for a priority housing project
11 with 50 or fewer units that is located entirely within a village center that has
12 received enhanced designation under 24 V.S.A. § 2793a(e).

13 Sec. 17b. 24 V.S.A. § 2793e is amended to read:

14 § 2793e. NEIGHBORHOOD PLANNING AREAS; DESIGNATION OF
15 NEIGHBORHOOD DEVELOPMENT AREAS

16 * * *

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

20 * * *

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

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

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

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

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

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

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

* * * Enhanced Designation * * *

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

§ 6081. PERMITS REQUIRED; EXEMPTIONS

* * *

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

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

§ 2793f. ENHANCED DESIGNATION

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

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

(1) an approved designated area;

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

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

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

9 (c) Process for issuing enhanced designation.

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

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

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

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

4 (A) Notice.

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

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

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

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

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

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

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

19 (d) Review of enhanced designation status.

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

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

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

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

10 (B) terminate the enhanced designation.

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

13 (e) Appeal.

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

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

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

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

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

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

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

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

14 Sec. 21. ENHANCED DESIGNATION BYLAW ADOPTION

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

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* * * Covenants * * *

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

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

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

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

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

* * * Road Disclosure * * *

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

§ 617. DISCLOSURE OF CLASS 4 ROAD

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

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

* * * Building Energy Code Study Committee * * *

Sec. 24. FINDINGS

The General Assembly finds that:

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

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

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

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

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

14 Sec. 25. ENERGY CODE COMPLIANCE; STUDY COMMITTEE

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

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

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

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

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

6 (3) a representative of Efficiency Vermont;

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

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

9 Association;

10 (6) a representative the Burlington Electric Department;

11 (7) a representative of Vermont Gas Systems;

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

13 Vermont;

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

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

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

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

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

9 (f) Meetings.

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

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

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

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

17 (g) Compensation and reimbursement.

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

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

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

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

9 * * * H.5 * * *

10 **Sec. X. REGIONAL PLANNING REPORT**

11 (a) On or before December 15, 2023, the Vermont Association of Planning
12 and Development Agencies shall report on statutory recommendations to better
13 integrate and implement municipal, regional, and State plans, policies, and
14 investments by focusing on regional future land use maps and policies.

15 (b) The recommendations shall address how to accomplish the following:

16 (1) Aligning policies and implementation between municipalities,
17 regional planning commissions, and State entities to better address climate
18 change, climate resiliency, natural resources, housing, transportation,
19 economic development, and other place-based issues.

20 (2) Building upon municipal and regional enhanced energy plans and
21 their implementation.

1 (3) Evaluating place-based policy and project decisions by the State,
2 regional planning commissions, and municipalities related to implementing
3 regional future land use maps and policies and recommending changes to
4 which of those governmental levels those decisions should occur, if necessary.

5 (4) Ensuring that State agency investment and policy decisions that
6 relate to land development are consistent with regional and local plans. The
7 investments assessed should include, at a minimum:

8 (A) drinking water;

9 (B) wastewater;

10 (C) stormwater;

11 (D) transportation;

12 (E) community and economic development;

13 (F) housing;

14 (G) energy; and

15 (H) telecommunications.

16 (5) Achieving statewide consistency of future land use maps and
17 policies to better support Act 250 and 30 V.S.A. § 248.

18 (6) How Act 250 and 30 V.S.A. § 248 could better support
19 implementation of regional future land use maps and policies.

20 (7) Better support implementation of regional future land use maps and
21 policies in the State designation program under 24 V.S.A. chapter 76A.

1 (8) Improving the quality and effectiveness of future land use maps in
2 regional and municipal plans through changes to 24 V.S.A. chapter 117
3 including:

4 (A) future land use map area delineations, definitions, statements,
5 and policies;

6 (B) existing settlement definitions and their relationship to future
7 land use maps;

8 (C) the role of regional plans in the review and approval of municipal
9 plans and planning processes; and

10 (D) a review mechanism to ensure bylaws are consistent with
11 municipal plans.

12 (c) The report should also discuss how best to implement the
13 recommendations including the following:

14 (1) how best to phase in the recommendations;

15 (2) how to establish a mechanism for the independent review of regional
16 plans to ensure consistency with statutory requirements;

17 (3) what guidance and training will be needed to implement the
18 recommendations; and

19 (4) what incentives and accountability mechanisms are necessary to
20 accomplish these changes at all levels of government.

1 (d) The Vermont Association of Planning and Development Agencies shall
2 consult with the Agency of Transportation, the Agency of Natural Resources,
3 the Agency of Commerce and Community Development, the Department of
4 Public Service, Vermont Emergency Management, the Natural Resources
5 Board, the regional development corporations, the Vermont League of Cities
6 and Towns, statewide environmental organizations, and other interested parties
7 in developing the report and shall summarize comments.

8 (e) The Vermont Association of Planning and Development Agencies shall
9 submit the report to the following committees: the Senate Committees on
10 Economic Development, Housing and General Affairs, on Government
11 Operations, on Natural Resources and Energy, and on Transportation and the
12 House Committees on Commerce and Economic Development, on Energy and
13 Technology, on General, Housing, and Military Affairs, on Government
14 Operations, on Natural Resources, Fish, and Wildlife, and on Transportation
15 on or before December 15, 2023.

16 (f) The Vermont Association of Planning and Development Agencies shall
17 be funded in fiscal year 2023 and fiscal year 2024 for this study through the
18 regional planning grant established in 24 V.S.A. § 4306.

1 **Sec. X. RURAL RECOVERY COORDINATION COUNCIL**

2 (a) Goals. The Rural Recovery Coordination Council is created to study
3 and make recommendations on how to strengthen coordination between
4 agencies and stakeholders involved in rural community development.

5 (b) Purposes. The Council shall consider and identify strategies to:

6 (1) prioritize areas of investment into Vermont’s rural communities in
7 order to ensure necessary resources to meet Vermont’s climate goals, rural
8 community development objectives, and environmental sustainability
9 requirements;

10 (2) build long-term emergency and disaster preparedness and recovery;

11 (3) ensure intergovernmental and regional communications and
12 coordination; and

13 (4) improve access to technical assistance and support from regional and
14 statewide agencies and programs.

15 (c) Powers and duties. The Council shall identify structural changes and
16 improve coordination across all levels of government to support rural
17 community development, including addressing the following issues:

18 (1) a permanent structure for ensuring rural community development
19 programming within State government;

20 (2) how to better include rural voices in regional collaboration and
21 prioritization projects;

1 (3) how municipal, regional, and State plans, policies, and investments
2 can be integrated and mutually supportive;

3 (4) where to establish an office of Rural Community Development and
4 how long the office should be authorized for; and

5 (5) how to support capacity at the municipal level and how to support
6 multitown coordination and collaboration.

7 (d) Report. On or before December 15, 2023, the Council shall report to
8 the General Assembly and to the Agency of Administration with its findings,
9 recommendations, and draft legislation.

10 (e) Members. The Council shall comprise the following members:

11 (1) the Vermont Chief Performance Officer;

12 (2) the Secretary of Commerce and Community Development;

13 (3) the Commissioner of Public Service;

14 (4) the Secretary of Transportation;

15 (5) the Director of Racial Equity or designee;

16 (6) one or more representatives from the regional planning commissions
17 appointed by the Vermont Association of Planning and Development

18 Agencies;

19 (7) one or more representatives from the regional development
20 corporations appointed by the Regional Development Corporations of

21 Vermont;

1 (8) the Executive Director of the Vermont League of Cities and Towns
2 or designee;

3 (9) a member, appointed by the Vermont Communications Union
4 Districts Association;

5 (10) the Secretary of Natural Resources;

6 (11) a member, appointed by the University of Vermont Office of
7 Engagement;

8 (12) a member, appointed by the Vermont Housing and Conservation
9 Board;

10 (13) a member of the House of Representatives, appointed by the
11 Speaker of the House; and

12 (14) a member of the Senate, appointed by the Committee on
13 Committees.

14 (f) Compensation and reimbursement.

15 (1) For attendance at meetings during adjournment of the General
16 Assembly, a legislative member of the Council shall be entitled to per diem
17 compensation and reimbursement of expenses pursuant to 2 V.S.A. § 23.

18 (2) Other members of the Council shall be entitled to per diem
19 compensation and reimbursement of expenses as permitted under 32 V.S.A.
20 § 1010.

21 (g) Meetings; administration.

1 (1) The Council shall meet at least five times and take testimony from a
2 variety of stakeholders, including from representatives from municipalities of
3 variety of sizes and from those with experience in state land use planning,
4 regional planning, municipal planning, economic planning, or strategic
5 planning.

6 (2) The Council shall receive administrative support from the Vermont
7 Council on Rural Development, which shall convene the first meeting.

8 (3) The Committee shall cease to exist on March 31, 2024.

9 (h) Appropriation. In fiscal year 2024, the amount of \$50,000.00 is
10 appropriated from the General Fund to the Agency of Commerce and
11 Community Development to provide funding for the Council as follows:

12 (1) \$40,000.00 to the Vermont Council on Rural Development to
13 convene meetings of the Council and provide administrative and policy
14 support; and

15 (2) \$10,000.00 to provide per diem compensation and reimbursement of
16 expenses for members of the Council.

17

18 (Committee vote: _____)

19

20

Representative _____

21

FOR THE COMMITTEE