

1 H.687

2 Senator Bray moves that the bill be amended as follows:

3 First: By striking out Secs. 1–71 and their reader assistance headings in
4 their entireties and inserting in lieu thereof the following:

5 * * * Act 250 * * *

6 Sec. 1. 10 V.S.A. § 6000 is added to read:

7 § 6000. PURPOSE; CONSTRUCTION

8 The purposes of this chapter are to protect and conserve the environment of
9 the State and to support the achievement of the goals of the Capability and
10 Development Plan, of 24 V.S.A. § 4302(c), and of the conservation vision and
11 goals for the State established in section 2802 of this title, while supporting
12 equitable access to infrastructure, including housing.

13 Sec. 2. 10 V.S.A. § 6021 is amended to read:

14 § 6021. BOARD; VACANCY; REMOVAL

15 (a) ~~A Natural Resources Board established.~~ The Land Use Review Board
16 is created.

17 (1) The Board shall consist of five members appointed by the Governor,
18 after review and approval by the Land Use Review Board Nominating
19 Committee in accordance with subdivision (2) of this subsection and
20 confirmed with the advice and consent of the Senate, so that one appointment
21 expires in each year. The Chair and the other four members shall be full-time

1 positions. In making these appointments, the Governor and the Senate shall
2 give consideration to candidates who have experience, expertise, or skills
3 relating to ~~the environment or land use~~ one or more of the following areas:
4 environmental science; land use law, policy, planning, and development; and
5 community planning. All candidates shall have a commitment to
6 environmental justice.

7 (A) The Governor shall appoint a chair of the Board, a position that
8 shall be a full-time position. The Governor shall ensure Board membership
9 reflects, to the extent possible, the racial, ethnic, gender, and geographic
10 diversity of the State. The Board shall not contain two members who reside in
11 the same county.

12 (B) Following initial appointments, the members, ~~except for the~~
13 ~~Chair,~~ shall be appointed for terms of ~~four~~ five years. All terms shall begin on
14 July 1 and expire on June 30. A member may continue serving until a
15 successor is appointed. The initial appointments shall be for staggered terms
16 of one year, two years, three years, four years, and five years.

17 (2) ~~The Governor shall appoint up to five persons, with preference given~~
18 ~~to former Environmental Board, Land Use Review Board, or District~~
19 ~~Commission members, with the advice and consent of the Senate, to serve as~~
20 ~~alternates for Board members.~~

1 (A) ~~Alternates shall be appointed for terms of four years, with initial~~
2 ~~appointments being staggered~~ The Land Use Review Board Nominating
3 Committee shall advertise the position when a vacancy will occur on the Land
4 Use Review Board.

5 (B) ~~The Chair of the Board may assign alternates to sit on specific~~
6 ~~matters before the Board in situations where fewer than five members are~~
7 ~~available to serve~~ The Nominating Committee shall review the applicants to
8 determine which are well qualified for appointment to the Board and shall
9 recommend those candidates to the Governor. The names of candidates shall
10 be confidential.

11 (C) The Governor shall appoint, with the advice and consent of the
12 Senate, a chair and four members of the Board from the list of well-qualified
13 candidates sent to the Governor by the Committee.

14 (b) ~~Any vacancy occurring in the membership of the Board shall be filled~~
15 ~~by the Governor for the unexpired portion of the term~~ Terms; vacancy;
16 succession. The term of each appointment subsequent to the initial
17 appointments described in subsection (a) of this section shall be five years.
18 Any appointment to fill a vacancy shall be for the unexpired portion of the
19 term vacated. A member may seek reappointment by informing the Governor.
20 If the Governor decides not to reappoint the member, the Nominating
21 Committee shall advertise the vacancy.

1 (c) Removal. Notwithstanding the provisions of 3 V.S.A. § 2004, members
2 shall only be removable for cause ~~only, except the Chair, who shall serve at the~~
3 ~~pleasure of the Governor~~ by the remaining members of the Board. The Board
4 shall adopt rules pursuant to 3 V.S.A. chapter 25 to define the basis and
5 process for removal.

6 (d) Disqualified members. The Chair of the Board, upon request of the
7 Chair of a District Commission, may appoint and assign former Commission
8 members to sit on specific Commission cases when some or all of the regular
9 members and alternates of the District Commission are disqualified or
10 otherwise unable to serve. If necessary to achieve a quorum, the Chair of the
11 Board may appoint a member of a District Commission who has not worked
12 on the case to sit on a specific case before the Board.

13 (e) Retirement from office. When a Board member who hears all or a
14 substantial part of a case retires from office before the case is completed, the
15 member may remain a member of the Board, at the member's discretion, for
16 the purpose of concluding and deciding that case and signing the findings and
17 judgments involved. A retiring chair shall also remain a member for the
18 purpose of certifying questions of law if a party appeals to the Supreme Court.
19 For the service, the member shall receive a reasonable compensation to be
20 fixed by the remaining members of the Board and necessary expenses while on
21 official business.

1 Sec. 3. 10 V.S.A. § 6032 is added to read:

2 § 6032. LAND USE REVIEW BOARD NOMINATING COMMITTEE

3 (a) Creation. The Land Use Review Board Nominating Committee is
4 created for the purpose of assessing the qualifications of applicants for
5 appointment to the Land Use Review Board in accordance with section 6021
6 of this title.

7 (b) Members. The Committee shall consist of six members who shall be
8 appointed by July 31, 2024 as follows:

9 (1) The Governor shall appoint two members from the Executive
10 Branch, with at least one being an employee of the Department of Human
11 Resources.

12 (2) The Speaker of the House of Representatives shall appoint two
13 members from the House of Representatives.

14 (3) The Senate Committee on Committees shall appoint two members
15 from the Senate.

16 (c) Terms. The members of the Committee shall serve for terms of two
17 years. Members shall serve until their successors are appointed. Members
18 shall serve not more than three consecutive terms. A legislative member who
19 is appointed as a member of the Committee shall retain the position for the
20 term appointed to the Committee even if the member is subsequently not

1 reelected to the General Assembly during the member's term on the
2 Committee.

3 (d) Chair. The members shall elect their own chair.

4 (e) Quorum. A quorum of the Committee shall consist of four members.

5 (f) Staff and services. The Committee is authorized to use the staff and
6 services of appropriate State Agencies and Departments as necessary to
7 conduct investigations of applicants.

8 (g) Confidentiality. Except as provided in subsection (h) of this section,
9 proceedings of the Committee, including the names of candidates considered
10 by the Committee and information about any candidate submitted to the
11 Governor, shall be confidential. The provisions of 1 V.S.A. § 317(e)
12 (expiration of Public Records Act exemptions) shall not apply to the
13 exemptions or confidentiality provisions in this subsection.

14 (h) Public information. The following shall be public:

15 (1) operating procedures of the Committee;

16 (2) standard application forms and any other forms used by the
17 Committee, provided they do not contain personal information about a
18 candidate or confidential proceedings;

19 (3) all proceedings of the Committee prior to the receipt of the first
20 candidate's completed application; and

1 (4) at the time the Committee sends the names of the candidates to the
2 Governor, the total number of applicants for the vacancies and the total number
3 of candidates sent to the Governor.

4 (i) Reimbursement. Legislative members of the Committee shall be
5 entitled to per diem compensation and reimbursement for expenses in
6 accordance with 32 V.S.A. § 1010. Compensation and reimbursement shall be
7 paid from the legislative appropriation.

8 (j) Duties.

9 (1) When a vacancy occurs, the Committee shall review applicants to
10 determine which are well qualified for the Board and submit those names to
11 the Governor. The Committee shall submit to the Governor a summary of the
12 qualifications and experience of each candidate whose name is submitted to the
13 Governor together with any further information relevant to the matter.

14 (2) An applicant for the position of member of the Land Use Review
15 Board shall not be required to be an attorney. If the candidate is admitted to
16 practice law in Vermont or practices a profession requiring licensure,
17 certification, or other professional regulation by the State, the Committee shall
18 submit the candidate's name to the Court Administrator or the applicable State
19 professional regulatory entity, and that entity shall disclose to the Committee
20 any professional disciplinary action taken or pending concerning the candidate.

1 (3) Candidates shall be sought who have experience, expertise, or skills
2 relating to one or more of the following areas: environmental science; land use
3 law, policy, planning, and development; and community planning. All
4 candidates shall have a commitment to environmental justice.

5 (4) The Committee shall ensure a candidate possesses the following
6 attributes:

7 (A) Integrity. A candidate shall possess a record and reputation for
8 excellent character and integrity.

9 (B) Impartiality. A candidate shall exhibit an ability to make
10 determinations in a manner free of bias.

11 (C) Work ethic. A candidate shall demonstrate diligence.

12 (D) Availability. A candidate shall have adequate time to dedicate to
13 the position.

14 (5) The Committee shall require candidates to disclose to the Committee
15 their financial interests and potential conflicts of interest.

16 Sec. 4. 10 V.S.A. § 6025 is amended to read:

17 § 6025. RULES

18 (a) The Board may adopt rules of procedure for itself and the District
19 Commissions. The Board's procedure for approving regional plans and
20 regional plan maps, which may be adopted as rules or issued as guidance, shall

1 ensure that the maps are consistent with legislative intent as expressed in
2 section 2802 of this title and 24 V.S.A. §§ 4302 and 4348a.

3 * * *

4 **Sec. 5. 10 V.S.A. § 6027 is amended to read:**

5 § 6027. POWERS

6 (a) The Board and District Commissions ~~each~~ shall have supervisory
7 authority in environmental matters respecting projects within their jurisdiction
8 and shall apply their independent judgment in determining facts and
9 interpreting law. Each shall have the power, with respect to any matter within
10 its jurisdiction, to:

11 (1) administer oaths, take depositions, subpoena and compel the
12 attendance of witnesses, and require the production of evidence;

13 (2) allow parties to enter upon lands of other parties for the purposes of
14 inspecting and investigating conditions related to the matter before the Board
15 or Commission;

16 (3) enter upon lands for the purpose of conducting inspections,
17 investigations, examinations, tests, and site evaluations as it deems necessary
18 to verify information presented in any matter within its jurisdiction; and

19 (4) apply for and receive grants from the federal government and from
20 other sources.

1 (b) The powers granted under this chapter are additional to any other
2 powers ~~which~~ that may be granted by other legislation.

3 (c) The ~~Natural Resources~~ Board may designate or establish ~~such~~ regional
4 offices as it deems necessary to implement the provisions of this chapter and
5 the rules adopted ~~hereunder~~. The ~~Natural Resources~~ Board may designate or
6 require a regional planning commission to receive applications, provide
7 administrative assistance, perform investigations, and make recommendations.

8 (d) At the request of a District Commission, if the Board Chair determines
9 that the workload in the requesting district is likely to result in unreasonable
10 delays or that the requesting District Commission is disqualified to hear a case,
11 the Chair may authorize the District Commission of another district to sit in the
12 requesting district to consider one or more applications.

13 (e) The ~~Natural Resources~~ Board may by rule allow joint hearings to be
14 conducted with specified State agencies or specified municipalities.

15 (f) The Board may publish online or contract to publish annotations and
16 indices of the decisions of the Environmental Division and the text of those
17 decisions. The published product shall be available at a reasonable rate to the
18 general public and at a reduced rate to libraries and governmental bodies
19 within the State.

20 (g) The ~~Natural Resources~~ Board shall manage the process by which land
21 use permits are issued under section 6086 of this title, may initiate enforcement

1 on related matters under the provisions of chapters 201 and 211 of this title,
2 and may petition the Environmental Division for revocation of land use
3 permits issued under this chapter. Grounds for revocation are:

4 (1) noncompliance with this chapter, rules adopted under this chapter, or
5 an order that is issued that relates to this chapter;

6 (2) noncompliance with any permit or permit condition;

7 (3) failure to disclose all relevant and material facts in the application or
8 during the permitting process;

9 (4) misrepresentation of any relevant and material fact at any time;

10 (5) failure to pay a penalty or other sums owed pursuant to, or other
11 failure to comply with, court order, stipulation agreement, schedule of
12 compliance, or other order issued under Vermont statutes and related to the
13 permit; or

14 (6) failure to provide certification of construction costs, as required
15 under subsection 6083a(a) of this title, or failure to pay supplemental fees as
16 required under that section.

17 (h) The ~~Natural Resources Board~~ ~~may~~ shall hear appeals of decisions made
18 by District Commissions and district coordinators, including fee refund
19 requests under section 6083a of this title.

1 (i) The Chair, subject to the direction of the Board, shall have general
2 charge of the offices and employees of the Board and the offices and
3 employees of the District Commissions.

4 (j) The ~~Natural Resources~~ Board may participate as a party in all matters
5 before the Environmental Division that relate to land use permits issued under
6 this chapter.

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.

10 (k) The Board shall review applications for Tier 1A areas and approve or
11 disapprove based on whether the application demonstrates compliance with the
12 requirements of section 6034 of this title. The Board shall produce guidelines
13 for municipalities seeking to obtain the Tier 1A area status.

14 * * *

15 (n) The Board shall review for compliance regional plans and the future
16 land use maps, including proposed Tier 1B areas, developed by the regional
17 planning commissions pursuant to 24 V.S.A. § 4348a.

18 Sec. 6. 10 V.S.A. § 6022 is amended to read:

19 § 6022. PERSONNEL

20 (a) Regular personnel. The Board may appoint legal counsel, scientists,
21 engineers, experts, investigators, temporary employees, and administrative

1 personnel as it finds necessary in carrying out its duties, ~~unless the Governor~~
2 ~~shall otherwise provide~~ in providing personnel to assist the District
3 Commissions and in investigating matters within its jurisdiction.

4 (b) Executive Director. The Board shall appoint an Executive Director.
5 The Director shall be a full-time State employee, shall be exempt from the
6 State classified system, and shall serve at the pleasure of the Board. The
7 Director shall be responsible for:

8 (1) supervising and administering the operation and implementation of
9 this chapter and the rules adopted by the Board as directed by the Board;

10 (2) assisting the Board in its duties and administering the requirements
11 of this chapter; and

12 (3) employing any staff as may be required to carry out the functions of
13 the Board.

14 Sec. 7. 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

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

12 * * *

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

18 * * *

19 (f) The applicant shall post a sign provided by the District Commission on
20 the subject property in a visible location 14 days prior to the hearing on the
21 application and until the permit is issued or denied. The District Commission

1 shall provide the sign that shall include a general description of the project, the
2 date and place of the hearing, the identification number of the application and
3 the internet address, and the contact information for the District Commission.
4 The design of the signs shall be consistent throughout the State and
5 prominently state “This Property has applied for an Act 250 Permit.”

6 * * *

7 Sec. 8. 10 V.S.A. § 6086(h) is added to read:

8 (h) Compliance self-certification. The District Commission may require
9 that a person who receives a permit under this chapter report on a regular
10 schedule to the District Commission on whether or not the person has
11 complied with and is in compliance with the conditions required in that permit.
12 The report shall be made on a form provided by the Board and shall be
13 notarized and contain a self-certification to the truth of statements.

14 **Sec. 9. 10 V.S.A. § 6083a is amended to read:**

15 § 6083a. ACT 250 FEES

16 * * *

17 (i) Any municipality filing an application for a Tier 1A area status shall pay
18 a fee of \$295.00.

19 (j) Any regional planning commission filing a regional plan or future land
20 use map to be reviewed by the Board shall pay a fee of \$295.00.

1 Sec. 10. LAND USE REVIEW BOARD POSITIONS;

2 APPROPRIATION

3 (a) The following new positions are created at the Land Use Review Board
4 for the purposes of carrying out this act:

5 (1) two Staff Attorneys; and

6 (2) four full-time Land Use Review Board members.

7 (b) In fiscal year 2025, \$112,500.00 is appropriated from the General Fund
8 to the Land Use Review Board for the attorney positions established in
9 subdivision (a)(1) of this section.

10 Sec. 11. LAND USE REVIEW BOARD APPOINTMENTS

11 The Governor shall appoint the members of Land Use Review Board on or
12 before July 1, 2025, and the terms of any Land Use Review Board member not
13 appointed consistent with the requirements of 10 V.S.A. § 6021(a)(1)(A)
14 or (B) shall expire on that day.

15 **Sec. 11a. ACT 250 APPEALS STUDY**

16 (a) On or before December 15, 2026, the Land Use Review Board shall
17 issue a report addressing whether to transfer appeals of permit decisions and
18 jurisdictional opinions issued pursuant to 10 V.S.A. chapter 151 to the Land
19 Use Review Board. The Board shall convene a stakeholder group composed of
20 a representative of environmental interests, attorneys that practice
21 environmental and development law in Vermont, the Vermont League of Cities

1 and Towns, the Vermont Association of Planning and Development Agencies,
2 the Vermont Chamber of Commerce, the Land Access and Opportunity Board,
3 the Office of Racial Equity, a representative of non-profit housing
4 development interests, the Agency of Commerce and Community
5 Development, and the Agency of Natural Resources in preparing the report.

6 (b) The report shall recommend:

7 (1) whether to allow consolidation of appeals at the Board, or with the
8 Environmental Division of the Superior Court, and how, if transferred to the
9 Board, appeals of permit decisions issued under 24 V.S.A. chapter 117 and the
10 Agency of Natural Resources can be consolidated with Act 250 appeals;

11 (2) how the Board can be directed to prioritize and expedite the
12 adjudication of appeals related to housing projects, including the use of hearing
13 officers to expedite appeals and the setting of timelines for processing of
14 housing appeals;

15 (3) procedural rules to govern the Board's administration of Act 250 and
16 the adjudication of appeals of Act 250 decisions. These rules shall include
17 procedures to create a firewall and eliminate any potential for conflicts with
18 the Board managing appeals and issuing permit decisions and jurisdictional
19 opinions; and

1 (49) “Habitat” means the physical and biological environment in which
2 a particular species of plant or wildlife lives.

3 Sec. 13. 10 V.S.A. § 6086(a)(8) is amended to read:

4 (8) Ecosystem protection; scenic beauty; historic sites.

5 (A) Scenic beauty, historic sites, and rare and irreplaceable natural
6 areas. Will not have an undue adverse effect on the scenic or natural beauty of
7 the area, aesthetics, historic sites, or rare and irreplaceable natural areas.

8 ~~(A)~~(B) Necessary wildlife habitat and endangered species. A permit
9 will not be granted if it is demonstrated by any party opposing the applicant
10 that a development or subdivision will destroy or significantly imperil
11 necessary wildlife habitat or any endangered species; ~~and~~:

12 (i) the economic, social, cultural, recreational, or other benefit to
13 the public from the development or subdivision will not outweigh the
14 economic, environmental, or recreational loss to the public from the
15 destruction or imperilment of the habitat or species; ~~or~~

16 (ii) all feasible and reasonable means of preventing or lessening
17 the destruction, diminution, or imperilment of the habitat or species have not
18 been or will not continue to be applied; or

19 (iii) a reasonably acceptable alternative site is owned or controlled
20 by the applicant which would allow the development or subdivision to fulfill
21 its intended purpose.

1 (C) Forest blocks and habitat connectors. A permit will not be
2 granted for a development or subdivision within or partially within a forest
3 block or habitat connector unless the applicant demonstrates that a project will
4 not result in an undue adverse impact on the forest block or habitat connector.
5 If a project as proposed would result in an undue adverse impact, a permit may
6 only be granted if effects are avoided, minimized, or mitigated as allowed in
7 accordance with rules adopted by the Board.

8 Sec. 14. CRITERION 8(C) RULEMAKING

9 (a) The Land Use Review Board (Board), in collaboration with the Agency
10 of Natural Resources, shall adopt rules to implement the requirements for the
11 administration of 10 V.S.A. § 6086(a)(8)(C). It is the intent of the General
12 Assembly that these rules discourage fragmentation of the forest blocks and
13 habitat connectors by encouraging clustering of development. Rules adopted
14 by the Board shall include:

15 (1) How forest blocks and habitat connectors are further defined,
16 including their size, location, and function, which may include:

17 (A) information that will be available to the public to determine
18 where forest blocks and habitat connectors are located; or

19 (B) advisory mapping resources, how they will be made available,
20 how they will be used, and how they will be updated.

1 (2) Standards establishing how impacts can be avoided or minimized,
2 including how fragmentation of forest blocks or habitat connectors is avoided
3 or minimized, which may include steps to promote proactive site design of
4 buildings, roadways and driveways, utility location, and location relative to
5 existing features such as roads, tree lines, and fence lines.

6 (3)(A) As used in this section “fragmentation” generally means dividing
7 land that has naturally occurring vegetation and ecological processes into
8 smaller areas as a result of land uses that remove vegetation and create
9 physical barriers that limit species’ movement and interrupt ecological
10 processes between previously connected natural vegetation. However, the
11 rules shall further define “fragmentation” for purposes of avoiding,
12 minimizing, and mitigating undue adverse impacts on forest blocks and habitat
13 connectors. “Fragmentation” does not include the division or conversion of a
14 forest block or habitat connector by an unpaved recreational trail or by
15 improvements constructed for farming, logging, or forestry purposes below the
16 elevation of 2,500 feet.

17 (B) As used in this subsection (a), “recreational trail” has the same
18 meaning as “trails” in 10 V.S.A. § 442.

19 (4) Criteria to identify the circumstances when a forest block or habitat
20 connector is eligible for mitigation. As part of this, the criteria shall identify

1 the circumstances when the function, value, unique sensitivity, or location of
2 the forest block or habitat connector would not allow mitigation.

3 (5) Standards for how impacts to a forest block or habitat connector may
4 be mitigated. Standards may include:

5 (A) appropriate ratios for compensation;

6 (B) appropriate forms of compensation such as conservation
7 easements, fee interests in land, and other forms of compensation; and

8 (C) appropriate uses of on-site and off-site mitigation.

9 (b) The Board shall convene a working group of stakeholders to provide
10 input to the rule prior to prefiling with the Interagency Committee on
11 Administrative Rules. The Board shall convene the working group on or
12 before July 1, 2025.

13 (c) The Board shall file a final proposed rule with the Secretary of State
14 and Legislative Committee on Administrative Rules on or before June 15,
15 2026.

16 Sec. 15. 10 V.S.A. § 127 is amended to read:

17 § 127. RESOURCE MAPPING

18 (a) ~~On or before January 15, 2013, the~~ The Secretary of Natural Resources
19 shall complete and maintain resource mapping based on the Geographic
20 Information System (GIS) or other technology. The mapping shall identify
21 natural resources throughout the State, including forest blocks and habitat

1 connectors, that may be relevant to the consideration of energy projects and
2 projects subject to chapter 151 of this title. The Center for Geographic
3 Information shall be available to provide assistance to the Secretary in carrying
4 out the ~~GIS-based~~ resource mapping.

5 (b) The Secretary ~~of Natural Resources~~ shall consider the ~~GIS-based~~
6 resource maps developed under subsection (a) of this section when providing
7 evidence and recommendations to the Public Utility Commission under
8 30 V.S.A. § 248(b)(5) and when commenting on or providing
9 recommendations under chapter 151 of this title to District Commissions on
10 other projects.

11 (c) The Secretary shall establish and maintain written procedures that
12 include a process and science-based criteria for updating resource maps
13 developed under subsection (a) of this section. Before establishing or revising
14 these procedures, the Secretary shall provide opportunities for affected parties
15 and the public to submit relevant information and recommendations.

16 * * * Wood Products Manufacturers * * *

17 Sec. 16. 10 V.S.A. § 6093 is amended to read:

18 § 6093. MITIGATION OF PRIMARY AGRICULTURAL SOILS

19 (a) Mitigation for loss of primary agricultural soils. Suitable mitigation for
20 the conversion of primary agricultural soils necessary to satisfy subdivision
21 6086(a)(9)(B)(iv) of this title shall depend on where the project tract is located.

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* * *

(5) Wood products manufacturers. Notwithstanding any provision of this chapter to the contrary, a conversion of primary agricultural soils by a wood products manufacturing facility shall be allowed to pay a mitigation fee computed according to the provisions of subdivision (1) of this subsection, except that it shall be entitled to a ratio of 1:1 protected acres to acres of affected primary agricultural soil.

* * *

Sec. 17. 24 V.S.A. § 4412(11) is amended to read:

(11) Accessory on-farm businesses. No bylaw shall have the effect of prohibiting an accessory on-farm business at the same location as a farm.

(A) Definitions. As used in this subdivision (11):

(i) “Accessory on-farm business” means activity ~~that is accessory to~~ on a farm, the revenues of which may exceed the revenues of the farming operation, and comprises one or both of the following:

(I) The storage, preparation, processing, and sale of qualifying products, provided that ~~more than 50 percent of the total annual sales are from~~ the qualifying products that are produced on the a farm at which the business is located; the sale of products that name, describe, or promote the farm or accessory on-farm business, including merchandise or apparel that features the farm or accessory on-farm business; or the sale of bread or baked goods.

1 * * *

2 (iv) “Qualifying product” means a product that is wholly:

3 (I) an agricultural, horticultural, viticultural, or dairy
4 commodity, or maple syrup;

5 (II) livestock or cultured fish or a product thereof;

6 (III) a product of poultry, bees, an orchard, or fiber crops;

7 (IV) a commodity otherwise grown or raised on a farm; or

8 (V) a product manufactured on one or more farms from
9 commodities wholly grown or raised on one or more farms.

10 * * *

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

12 § 6081. PERMITS REQUIRED; EXEMPTIONS

13 * * *

14 (t) No permit or permit amendment is required for the construction of
15 improvements for an accessory on-farm business for the storage or sale of
16 qualifying products or the other eligible enumerated products as defined in
17 24 V.S.A. § 4412(11)(A)(i)(I). No permit or permit amendment is required for
18 the construction of improvements for an accessory on-farm business for the
19 preparation or processing of qualifying products as defined in 24 V.S.A.
20 § 4412(11)(A)(i)(I), provided that more than 50 percent of the total annual
21 sales of the prepared or processed qualifying products come from products

1 produced on the farm where the business is located. This subsection shall not
2 apply to the construction of improvements related to hosting events or farm
3 stays as part of an accessory on-farm business as defined in 24 V.S.A.
4 § 4412(11)(A)(i)(II).

5 * * *

6 * * * Road Rule * * *

7 Sec. 18. 10 V.S.A. § 6001(3)(A)(xii) is added to read:

8 (xii) The construction of a road or roads and any associated
9 driveways to provide access to or within a tract of land owned or controlled by
10 a person. For the purposes of determining jurisdiction under this subdivision,
11 any new development or subdivision on a parcel of land that will be provided
12 access by the road and associated driveways is land involved in the
13 construction of the road.

14 (I) Jurisdiction under this subdivision shall not apply unless the
15 length of any single road is greater than 800 feet, or the length of all roads and
16 any associated driveways in combination is greater than 2,000 feet.

17 (II) As used in this subdivision (xii), “roads” shall include any
18 new road or improvement to a class 4 town highway by a person other than a
19 municipality, including roads that will be transferred to or maintained by a
20 municipality after their construction or improvement.

1 (III) For the purpose of determining the length of any road and
2 associated driveways, the length of all other roads and driveways within the
3 tract of land constructed after July 1, 2026 shall be included.

4 (IV) This subdivision (xi) shall not apply to:

5 (aa) a State or municipal road, a utility corridor of an
6 electric transmission or distribution company, or a road used primarily for
7 farming or forestry purposes; and

8 (bb) development within a Tier 1A area established in
9 accordance with section 6034 of this title or a Tier 1B area established in
10 accordance with section 6033 of this title

11 (V) The conversion of a road used for farming or forestry
12 purposes that also meets the requirements of this subdivision (xi) shall
13 constitute development.

14 (VI) The intent of this subdivision (xii) is to encourage the
15 design of clustered subdivisions and development that does not fragment Tier 2
16 areas or Tier 3 areas.

17 **Sec. 19. RULEMAKING; ROAD CONSTRUCTION**

18 The Natural Resources Board may adopt rules after consulting with
19 stakeholders, providing additional specificity to the necessary elements of 10
20 V.S.A. § 6001(3)(A)(xii). It is the intent of the General Assembly that any

1 rules encourage the design of clustered subdivisions and development that does
2 not fragment Tier 2 areas or Tier 3 areas.

3 * * * Location-Based Jurisdiction * * *

4 Sec. 20. 10 V.S.A. § 6001 is amended to read:

5 § 6001. DEFINITIONS

6 As used in this chapter:

7 * * *

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

9 (i) The construction of improvements on a tract or tracts of land,
10 owned or controlled by a person, involving more than 10 acres of land within a
11 radius of five miles of any point on any involved land, for commercial or
12 industrial purposes in a municipality that has adopted permanent zoning and
13 subdivision bylaws.

14 (ii) The construction of improvements on a tract or tracts of land,
15 owned or controlled by a person, involving more than one acre of land within a
16 radius of five miles of any point on any involved land, for commercial or
17 industrial purposes in a municipality that has not adopted permanent zoning
18 and subdivision bylaws.

19 (iii) The construction of improvements for commercial or
20 industrial purposes on a tract or tracts of land, owned or controlled by a person,
21 involving more than one acre of land within a municipality that has adopted

1 permanent zoning and subdivision bylaws, if the municipality in which the
2 proposed project is located has elected by ordinance, adopted under 24 V.S.A.
3 chapter 59, to have this jurisdiction apply.

4 (iv) The construction of housing projects such as cooperatives,
5 condominiums, or dwellings, or construction or maintenance of mobile homes
6 or mobile home parks, with 10 or more units, constructed or maintained on a
7 tract or tracts of land, owned or controlled by a person, within a radius of five
8 miles of any point on any involved land and within any continuous period of
9 five years. However:

10 * * *

11 (vi) The construction of improvements for commercial, industrial,
12 or residential use at or above the elevation of 2,500 feet.

13 * * *

14 (xiii) The construction of improvements for commercial,
15 industrial, or residential purposes in a Tier 3 area as determined by rules
16 adopted by the Board.

17 * * *

18 (45) “Tier 2” means an area that is not a Tier 1 area or a Tier 3 area.

19 (46) “Tier 3” means an area consisting of critical natural resources
20 defined by the rules of the Board. The Board’s rules shall at a minimum
21 determine whether and how to protect river corridors, headwater streams,

1 habitat connectors of statewide significance, riparian areas, class A waters,
2 natural communities, and other critical natural resources.

3 Sec. 21. TIER 3 RULEMAKING

4 (a) The Natural Resources Board, in consultation with the Secretary of
5 Natural Resources, shall adopt rules to implement the requirements for the
6 administration of 10 V.S.A. § 6001(3)(A)(xiii) and 10 V.S.A. § 6001(46). It is
7 the intent of the General Assembly that these rules identify critical natural
8 resources for protection. The Board shall review the definition of Tier 3 area,
9 determine the critical natural resources that shall be included in Tier 3, giving
10 due consideration to river corridors, headwater streams, habitat connectors of
11 statewide significance, riparian areas, class A waters, natural communities,
12 recommend any additional critical natural resources that should be added to the
13 definition, and how to define the boundaries. Rules adopted by the Board shall
14 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 critical natural resources;

20 (3) the process for how Tier 3 areas will be mapped or identified by the
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 6001(46).

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, the State Natural Resources Conservation Council, and
12 other stakeholders, such as the Vermont Ski Areas Association, the
13 Department of Taxes, Division of Property Valuation and Review, the
14 Department of Forests, Parks and Recreation, the Department of
15 Environmental Conservation, the Department of Fish and Wildlife, the
16 Vermont Woodlands Association, and the Professional Logging Contractors of
17 the Northeast.

18 (c) The Board shall file a final proposed rule with the Secretary of State
19 and Legislative Committee on Administrative Rules on or before February 1,
20 2026.

1 entirely within a designated downtown development district, designated
2 neighborhood development area, or a designated growth center or within one-
3 half mile around such designated center. For purposes of this subdivision, in
4 order for a parcel to qualify for the exemption, at least 51 percent of the parcel
5 shall be located within one-half mile of the designated center boundary. If the
6 one-half mile around the designated center extends into an adjacent
7 municipality, the legislative body of the adjacent municipal may inform the
8 Board that it does not want the exemption to extend into that area.

9 Sec. 24. 2023 Acts and Resolves No. 47, Sec. 16a is amended to read:

10 Sec. 16a. ACT 250 EXEMPTION REQUIREMENTS

11 In order to qualify for the exemptions established in 10 V.S.A. § 6001
12 ~~(3)(A)(xi) and (3)(D)(viii)(III)~~ and 10 V.S.A. § 6081 (bb), (cc), (dd), a person
13 shall request a jurisdictional opinion under 10 V.S.A. § 6007 on or before June
14 30, ~~2026~~ 2027. The jurisdictional opinion shall require the project to
15 substantially complete construction on or before June 30, 2029 in order to
16 remain exempt. Notwithstanding any provisions of law to the contrary, the
17 jurisdictional opinions required under this section shall only be appealed to the
18 Natural Resources Board. Within 30 days of the appeal being filed with the
19 Board, the Board shall issue a decision on the appeal. The Board may adopt
20 rules of procedure for these appeals.

21 Sec. 25. REPEAL

1 2023 Acts and Resolves No. 47, Sec. 19c is repealed.

2 Sec. 26. 10 V.S.A. § 6081(y) is amended to read:

3 (y) ~~No~~ Until December 31, 2030, no permit or permit amendment is
4 required for a retail electric distribution utility’s rebuilding of existing
5 electrical distribution lines and related facilities to improve reliability and
6 service to existing customers, through overhead or underground lines in an
7 existing corridor, road, or State or town road right-of-way. Nothing in this
8 section shall be interpreted to exempt projects under this subsection from other
9 required permits or the conditions on lands subject to existing permits required
10 by this section.

11 Sec. 27. 10 V.S.A. § 6033 is added to read:

12 § 6033. REGIONAL PLAN FUTURE LAND USE MAP REVIEW

13 (a) The Board shall review requests from regional planning commissions to
14 approve or disapprove portions of future land use maps for the purposes of
15 changing jurisdictional thresholds under this chapter by identifying areas on
16 future land use maps for Tier 1B area status and to approve designations
17 pursuant to 24 V.S.A. chapter 139. The Board may produce guidelines for
18 regional planning commissions seeking Tier 1B area status. If requested by the
19 regional planning commission, the Board shall complete this review
20 concurrently with regional plan approval. A request for Tier 1B area status

1 made by a regional planning commission separate from regional plan approval
2 shall follow the process set forth in 24 V.S.A. § 4348.

3 (b) The Board shall review the portions of future land use maps that
4 include downtowns or village centers, planned growth areas, and village areas
5 to ensure they meet the requirements under 24 V.S.A. §§ 5803 and 5804 for
6 designation as downtown and village centers and neighborhood areas.

7 (c) To obtain a Tier 1B area status under this section, the regional planning
8 commission shall demonstrate to the Board that the municipalities with Tier 1B
9 areas meet the requirements for village areas included in 24 V.S.A.

10 § 4348a(a)(12)(C). A municipality may have multiple noncontiguous areas
11 receive Tier 1B area status.

12 (d) A municipality that is eligible for Tier 1B status may formally request
13 of the Board that they be excluded from Tier 1B area status if the municipality
14 has elected by ordinance adopted under 24 V.S.A. chapter 59.

15 Sec. 28. 10 V.S.A. § 6034 is added to read:

16 § 6034. TIER 1A AREA STATUS

17 (a) Application and approval.

18 (1) Beginning on January 1, 2026, a municipality, by resolution of its
19 legislative body, may apply to the Land Use Review Board for Tier 1A status
20 for the area of the municipality that is suitable for dense development and
21 meets the requirements of subsection (b) of this section. A municipality may

1 apply for multiple noncontiguous areas to be receive Tier 1A area status.

2 Applications may be submitted at different times.

3 (2) The Board shall issue an affirmative determination on finding that
4 the municipality meets the requirements of subsection (b) of this section within
5 45 days after the application is received.

6 (b) Tier 1A area status requirements.

7 (1) To obtain a Tier 1A area status under this section, a municipality
8 shall demonstrate to the Board that

9 (A) The boundaries are consistent with downtown or village centers
10 and planned growth areas as defined 24 V.S.A. § 4348a(a)(12) in an approved
11 regional plan future land use map with any minor amendments.

12 (B) The municipality has adopted flood hazard and river corridor
13 bylaws, applicable to the entire municipality, that are consistent with or
14 stronger than the standards established pursuant to subsection 755(b) of this
15 title (flood hazard) and subsection 1428(b) of this title (river corridor) or the
16 proposed Tier 1A area excludes the flood hazard areas and river corridor.

17 (C) Permanent zoning and subdivision bylaws that do not include
18 broad exemptions that exclude significant private or public land development
19 from requiring a municipal land use permit.

20 (D) The municipality has permanent land development regulations
21 for the Tier 1A area that further the smart growth principles of 24 V.S.A.

1 chapters 76A, adequately regulate the physical form and scale of development,
2 and provide reasonable provision for a portion of the areas with sewer and
3 water to allow at least four stories, and conform to the guidelines established
4 by the Board.

5 (E) The Tier 1A area is compatible with the character of adjacent
6 National Register Historic Districts, National or State Register Historic Sites,
7 and other significant cultural and natural resources identified by local or State
8 government.

9 (F) To the extent that they are not covered under State permits, the
10 municipality has identified and planned for the maintenance of significant
11 natural communities, rare, threatened, and endangered species located in the
12 Tier 1A area or excluded those areas from the Tier 1A area.

13 (G) Public water and wastewater systems or planned improvements
14 have the capacity to support additional development within the Tier 1A area.

15 (2) If any party entitled to notice under subdivision (c)(3)(A) of this
16 section or any resident of the municipality raises concerns about the
17 municipality's compliance with the requirements, those concerns shall be
18 addressed as part of the municipality's application.

19 (c) Process for issuing determinations of Tier 1A area status.

20 (1) A preapplication meeting shall be held with the Board staff,
21 municipal staff, and staff of the relevant regional planning commission (RPC)

1 to review the requirements of subsection (b) of this section. The meeting shall
2 be held in person or electronically.

3 (2) An application by the municipality shall include the information and
4 analysis required by the Board’s guidelines on how to meet the requirements of
5 subsection (b) of this section.

6 (3) After receipt of a complete final application, the Land Use Review
7 Board shall convene a public hearing in the municipality to consider whether
8 to issue a determination of Tier 1A area status under this section.

9 (A) Notice.

10 (i) At least 35 days in advance of the Board’s meeting, the
11 regional planning commission shall post notice of the meeting on its website.

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

20 (iii) The notice shall also be posted by the municipality in or near
21 the municipal clerk’s office and in at least two other designated public places

1 in the municipality, on the websites of the municipality and the regional
2 planning commission, and on any relevant e-mail lists or social media that the
3 municipality uses.

4 (iv) The municipality shall also certify in writing that the notice
5 required by this subsection (c) has been published, delivered, and posted within
6 the specified time.

7 (v) Notice of an application for Tier 1A area status shall be
8 delivered physically or electronically with proof of receipt or sent by certified
9 mail, return receipt requested, to each of the following:

10 (I) the chair of the legislative body of each adjoining
11 municipality;

12 (II) the executive director of each abutting regional planning
13 commission;

14 (III) the Department of Housing and Community Development
15 and the Community Investment Board for a formal review and comment; and

16 (IV) business, conservation, low-income advocacy, and other
17 community or interest groups or organizations that have requested notice in
18 writing prior to the date the hearing is warned.

19 (B) No defect in the form or substance of any requirements of this
20 subsection (c) shall invalidate the action of the Board where reasonable efforts
21 are made to provide adequate posting and notice. However, the action shall be

1 invalid when the defective posting or notice was materially misleading in
2 content. If an action is ruled to be invalid by the Superior Court or by the
3 Board itself, the municipality shall issue new posting and notice, and the Board
4 shall hold a new hearing and take a new action.

5 (4) The Board may recess the proceedings on any application pending
6 submission of additional information. The Board shall close the proceedings
7 promptly after all parties have submitted the requested information.

8 (5) The Board shall issue its determination in writing. The
9 determination shall include explicit findings on each of the requirements in
10 subsection (b) of this section.

11 (d) Review of status.

12 (1) Initial determination of status may be made at any time. Thereafter,
13 review of a status shall occur every eight years with a check-in after four years.

14 (2) The Board, on its motion, may review compliance with the Tier 1A
15 area requirements at more frequent intervals.

16 (3) If at any time the Board determines that the Tier 1A area no longer
17 meets the standards for the status, it shall take one of the following actions:

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

19 (B) terminate the status.

1 § 6081. PERMITS REQUIRED; EXEMPTIONS

2 * * *

3 (z)(1) Notwithstanding any other provision of this chapter to the contrary,
4 no permit or permit amendment is required for any subdivision, development,
5 or change to an existing project that is located entirely within a Tier 1A area
6 under section 6034 of this chapter.

7 (2) Notwithstanding any other provision of this chapter to the contrary,
8 no permit or permit amendment is required within a Tier 1B area approved by
9 the Board under section 6033 of this chapter for 50 units or fewer of housing
10 on a tract or tracts of land involving 10 acres or less or for mixed-use
11 development with 50 units or fewer of housing on a tract or tracts of land
12 involving 10 acres or less.

13 (3) Upon receiving notice and a copy of the permit issued by an
14 appropriate municipal panel pursuant to 24 V.S.A. § 4460(g), a previously
15 issued permit for a development or subdivision located in a Tier 1A area shall
16 remain attached to the property. However, neither the Board nor the Agency
17 of Natural Resources shall enforce the permit or assert amendment jurisdiction
18 on the tract or tracts of land unless the designation is revoked or the
19 municipality has not taken any reasonable action to enforce the conditions of
20 the permit.

1 (aa) No permit amendment is required for the construction of
2 improvements for a hotel or motel converted to permanently affordable
3 housing developments as defined in 24 V.S.A. § 4303(2).

4 (bb) Until July 1, 2027, no permit or permit amendment is required for the
5 construction of improvements for an accessory dwelling. Units constructed
6 pursuant to this subdivision shall not count towards the total units constructed
7 in other projects.

8 (cc) Until July 1, 2027, no permit amendment is required for the
9 construction of improvements for converting a structure used for a commercial
10 purpose to 29 or fewer housing units.

11 (dd) Interim housing exemptions.

12 (1) Notwithstanding any other provision of law to the contrary, until
13 July 1, 2027, no permit or permit amendment is required for the construction of
14 housing projects such as cooperatives, condominiums, dwellings, or mobile
15 homes, with 75 or units fewer, constructed or maintained on a tract or tracts of
16 land, located entirely within a designated downtown development district or
17 within one-half mile of its boundary, a designated new town center, a
18 designated growth center, or a designated neighborhood development area.
19 Housing units constructed pursuant to this subdivision shall not count towards
20 the total units constructed in other areas. This exemption shall not apply to
21 areas within mapped river corridors and floodplains. For purposes of this

1 subdivision, in order for a parcel to qualify for the exemption, at least 51
2 percent of the parcel shall be located within one-half mile of the designated
3 downtown boundary. If the one-half mile around the designated downtown
4 extends into an adjacent municipality, the legislative body of the adjacent
5 municipal may inform the Board that it does not want the exemption to extend
6 into that area.

7 (2)(A) Notwithstanding any other provision of law to the contrary, until
8 July 1, 2027, no permit or permit amendment is required for the construction of
9 housing projects such as cooperatives, condominiums, dwellings, or mobile
10 homes, with 50 or fewer units, constructed or maintained on a tract or tracts of
11 land of 10 acres or less, located entirely within:

12 (i) a designated village center with permanent zoning and
13 subdivision bylaws or within one-quarter mile of its boundary; or

14 (ii) areas of a municipality that are within a census-designated
15 urbanized area with over 50,000 residents and within one-quarter mile of a
16 transit route.

17 (B) Housing units constructed pursuant to this subdivision shall not
18 count towards the total units constructed in other areas. This exemption shall
19 not apply to areas within mapped river corridors and floodplains. For purposes
20 of this subdivision, in order for a parcel to qualify for the exemption, at least
21 51 percent of the parcel shall be located within one-quarter mile of the

1 designated village center boundary or the center line of the transit route. If the
2 one-quarter mile extends into an adjacent municipality, the legislative body of
3 the adjacent municipal may inform the Board that it does not want the
4 exemption to extend into that area.

5 Sec. 32. 10 V.S.A. § 6001(50) and (51) are added to read :

6 (50) “Accessory dwelling unit” means a distinct unit that is clearly
7 subordinate to a single-family dwelling, located on an owner-occupied lot and
8 has facilities and provisions for independent living, including sleeping, food
9 preparation and sanitation, provided there is compliance with all of the
10 following:

11 (A) the unit does not exceed 30 percent of the habitable floor area of
12 the single-family dwelling or 900 square feet, whichever is greater; and

13 (B) the unit is located within or appurtenant to a single-family
14 dwelling, whether the dwelling is existing or new construction.

15 (51) “Transit route” means a set route or network of routes on which a
16 public transit service as defined in 24 V.S.A. § 5088 operates a regular
17 schedule.

18 Sec. 33. 24 V.S.A. § 4460 is amended to read:

19 § 4460. APPROPRIATE MUNICIPAL PANELS

20 * * *

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

- 1 (A) was previously permitted pursuant to 10 V.S.A. chapter 151;
2 (B) is located in a Tier 1A area pursuant to 10 V.S.A. § 6034; and
3 (C) has applied for a permit or permit amendment required by zoning
4 regulations or bylaws adopted pursuant to this subchapter.

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

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

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

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

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

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

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

4 (4) The appropriate municipal panel shall comply with the notice and
5 hearing requirements provided in subdivision 4464(a)(1) of this title. In
6 addition, notice shall be provided to those persons requiring notice under
7 10 V.S.A. § 6084(b) and shall explicitly reference the existing Act 250 permit.

8 (5) The appropriate municipal panel’s decision shall be issued in
9 accordance with subsection 4464(b) of this title and shall include specific
10 findings with respect to its determinations pursuant to subdivision (2) of this
11 subsection.

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

15 (h) Within a Tier 1A area, the appropriate municipal panel shall enforce
16 any existing permits issued under 10 V.S.A. chapter 151 that has not had its
17 permit conditions transferred to a municipal permit pursuant to subsection (g)
18 of this section.

1 Sec. 34. TIER 2 AREA REPORT

2 (a) On or before February 15, 2026, the Land Use Review Board shall
3 report recommendations to address Act 250 jurisdiction in Tier 2 areas. The
4 recommendations shall:

5 (1) recommend statutory changes to address fragmentation of rural and
6 working lands while allowing for development;

7 (2) address how to apply location-based jurisdiction to Tier 2 areas
8 while meeting the statewide planning goals, including how to address
9 commercial development and which shall also include:

10 (A) review of the effectiveness of mitigation of impacts on primary
11 agricultural soils and making recommendations for how to improve protections
12 for this natural resource;

13 (B) review of the effectiveness of jurisdictional triggers for
14 development of retail and service businesses outside village centers, and
15 criterion 9(L), in addressing sprawl and strip development, and how to improve
16 the effectiveness of criterion 9(L); and

17 (C) review of 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. WOOD PRODUCTS MANUFACTURERS REPORT

2 (a) The Land Use Review Board, in consultation with the Department of
3 Forests, Parks and Recreation, shall convene a stakeholder group to report on
4 how to address the Act 250 permitting process to better support wood products
5 manufacturers and their role in the forest economy.

6 (b) The group shall examine the Act 250 permitting process and identify
7 how the minor permit process provided for in 10 V.S.A. § 6084(g) has been
8 working and whether there are shortcomings or challenges.

9 (c) The group may look at permitting holistically to understand the role of
10 permits from the Agency of Natural Resources, municipal permits, where they
11 apply, and Act 250 permits and develop recommendations to find efficiencies
12 in the entire process or recommend an alternative permitting process for wood
13 products manufacturers.

14 (d) On or before December 15, 2024, the Land Use Review Board shall
15 submit the report to the House Committees on Agriculture, Food Resiliency,
16 and Forestry and on Environment and Energy and the Senate Committee on
17 Natural Resources and Energy.

18 Sec. 36. LOCATION-BASED JURISDICTION REVIEW

19 On or before February 1, 2029, the Land Use Review Board shall review
20 and report on the new Tier jurisdiction framework used to establish location-
21 based jurisdiction for 10 V.S.A. chapter 151. The Board shall report on the

1 outcomes and outline successes and any changes that are needed. The Board
2 shall undertake an in-depth review of the Act 250 updates, including the duties
3 and responsibilities of all the staff and the Board itself, specifically whether the
4 updates have reduced appeals and whether the updates have created more
5 equity and cohesion amongst the District Commissions and district
6 coordinators.

7 Sec. 37. AFFORDABLE HOUSING DEVELOPMENT REGULATORY
8 INCENTIVES STUDY

9 (a) The Department of Housing and Community Development, the
10 Vermont Housing and Conservation Board, the Land Access and Opportunity
11 Board, and the Vermont Housing Finance Agency shall:

12 (1) engage with diverse stakeholders including housing developers, local
13 government officials, housing advocacy organizations, financial institutions,
14 and community members to identify regulatory policies that incentivize mixed-
15 income, mixed-use development and support affordable housing production as
16 a percentage of new housing units in communities throughout the State,
17 including examining the impact of inclusionary zoning; and

18 (2) develop recommendations for legislative, regulatory, and
19 administrative actions to improve and expand affordable housing development
20 incentives within State designated areas.

1 Council pursuant to subdivision 6006(c)(1)(B) of this title. Each plan shall
2 describe how the agency plans to provide meaningful participation in
3 compliance with Title VI of the Civil Rights Act of 1964.

4 (d) The covered agencies shall submit an annual summary beginning on
5 ~~January~~ March 15, 2024 and annually thereafter to the Environmental Justice
6 Advisory Council, detailing all complaints alleging environmental justice
7 issues or Title VI violations and any agency action taken to resolve the
8 complaints. The Advisory Council shall provide any recommendations
9 concerning those reports within 60 days after receipt of the complaint
10 summaries. Agencies shall consider the recommendations of the Advisory
11 Council pursuant to subdivision 6006(c)(1)(E) of this title and substantively
12 respond in writing if an agency chooses not to implement any of the
13 recommendations, within 90 days after receipt of the recommendations.

14 * * *

15 (f) The Agency of Natural Resources, in consultation with the Interagency
16 Environmental Justice Committee and the Environmental Justice Advisory
17 Council, shall issue guidance on how the covered agencies shall determine
18 which investments provide environmental benefits to environmental justice
19 focus populations on or before September 15, ~~2023~~ 2025. A draft version of
20 the guidance shall be released for a 40-day public comment period before
21 being finalized.

1 (g)(1) On or before February 15, ~~2024~~ 2026, the covered agencies shall, in
2 accordance with the guidance document developed by the Agency of Natural
3 Resources pursuant to subsection (f) of this section, review the past three years
4 and generate baseline spending reports that include:

5 * * *

6 (h) On or before July 1, ~~2024~~ 2026, it shall be the goal of the covered
7 agencies to direct investments proportionately in environmental justice focus
8 populations.

9 (i)(1) Beginning on January 15, ~~2026~~ 2028, and annually thereafter, the
10 covered agencies shall either integrate the following information into existing
11 annual spending reports or issue annual spending reports that include:

12 * * *

13 (j) Beginning on January 15, ~~2025~~ 2027, the covered agencies shall each
14 issue and publicly post an annual report summarizing all actions taken to
15 incorporate environmental justice into its policies or determinations,
16 rulemaking, permit proceedings, or project review.

17 Sec. 40. 3 V.S.A. § 6005 is amended to read:

18 § 6005. RULEMAKING

19 (a) On or before July 1, ~~2025~~ 2027, the Agency of Natural Resources, in
20 consultation with the Environmental Justice Advisory Council and the
21 Interagency Environmental Justice Committee, shall adopt rules to:

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(b) On or before July 1, ~~2026~~ 2028 and as appropriate thereafter, the covered agencies, in consultation with the Environmental Justice Advisory Council, shall adopt or amend policies and procedures, plans, guidance, and rules, where applicable, to implement this chapter.

* * *

Sec. 41. 3 V.S.A. § 6006 is amended to read:

§ 6006. ENVIRONMENTAL JUSTICE ADVISORY COUNCIL AND
INTERAGENCY ENVIRONMENTAL JUSTICE COMMITTEE

* * *

(b) Meetings. The Advisory Council and Interagency Committee shall each meet not more than ~~eight~~ 12 times per year, with at least four meetings occurring jointly. Meetings may be held in person, remotely, or in a hybrid format to facilitate maximum participation and shall be recorded and publicly posted on the Secretary’s website.

(c) Duties.

* * *

(2) The Interagency Committee shall:

(A) consult with the Agency of Natural Resources in the development of the guidance document required by subsection 6004(g) of this

1 title on how to determine which investments provide environmental benefits to
2 environmental justice focus populations; and

3 (B) on or before July 1, ~~2023~~ 2025, develop, in consultation with the
4 Agency of Natural Resources and the Environmental Justice Advisory Council,
5 a set of core principles to guide and coordinate the development of the State
6 agency community engagement plans required under subsection 6004(d) of
7 this title.

8 (3) The Advisory Council and the Interagency Committee shall jointly:

9 (A) consider and recommend to the General Assembly, on or before
10 December 1, ~~2023~~ 2025, amendments to the terminology, thresholds, and
11 criteria of the definition of environmental justice focus populations, including
12 whether to include populations more likely to be at higher risk for poor health
13 outcomes in response to environmental burdens; and

14 * * *

15 Sec. 42. 3 V.S.A. § 6007 is amended to read:

16 § 6007. ENVIRONMENTAL JUSTICE MAPPING TOOL

17 * * *

18 (c) On or before January 1, ~~2025~~ 2027, the mapping tool shall be available
19 for use by the public as well as by the State government.

20 Sec. 43. 2022 Acts and Resolves No. 154, Sec. 3 is amended to read:

21 Sec. 3. SPENDING REPORT

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(c) In addition, this chapter shall be used to further the following specific goals:

(1) To plan development so as to maintain the historic settlement pattern of compact village and urban centers separated by rural countryside.

(A) Intensive residential development should be encouraged primarily in ~~areas related to community centers~~ downtown centers, village centers, planned growth areas, and village areas as described in section 4348a of this title, and strip development along highways should be ~~discouraged~~ avoided. These areas should be planned so as to accommodate a substantial majority of housing needed to reach the housing targets developed for each region pursuant to subdivision 4348a(a)(9) of this title.

(B) Economic growth should be encouraged in locally and regionally designated growth areas, employed to revitalize existing village and urban centers, or both, ~~and should be encouraged in growth centers designated under chapter 76A of this title.~~

(C) Public investments, including the construction or expansion of infrastructure, should reinforce the ~~general character and~~ planned growth patterns of the area.

(D) Development should be undertaken in accordance with smart growth principles as defined in subdivision 2791(13) of this title.

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(5) To identify, protect, and preserve important natural and historic features of the Vermont landscape, including:

(A) significant natural and fragile areas;

(B) outstanding water resources, including lakes, rivers, aquifers, shorelands, and wetlands;

(C) significant scenic roads, waterways, and views;

(D) important historic structures, sites, or districts, archaeological sites, and archaeologically sensitive areas.

(6) To maintain and improve the quality of air, water, wildlife, forests, and other land resources.

(A) Vermont’s air, water, wildlife, mineral, and land resources should be planned for use and development according to the principles set forth in 10 V.S.A. § 6086(a).

(B) Vermont’s water quality should be maintained and improved according to the policies and actions developed in the basin plans established by the Secretary of Natural Resources under 10 V.S.A. § 1253.

(C) Vermont’s forestlands should be managed so as to maintain and improve forest blocks and habitat connectors.

* * *

1 (B) develop a regional data base that is compatible with, useful to,
2 and shared with the geographic information system established under 3 V.S.A.
3 § 20;

4 (C) conduct capacity studies;

5 (D) identify areas of regional significance. Such areas may be, but
6 are not limited to, historic sites, earth resources, rare and irreplaceable natural
7 areas, recreation areas, and scenic areas;

8 (E) ~~use a land evaluation and site assessment system, that shall at a~~
9 ~~minimum use the criteria established by the Secretary of Agriculture, Food and~~
10 ~~Markets under 6 V.S.A. § 8, to identify viable agricultural lands~~ consider the
11 potential environmental benefits and environmental burdens, as defined in
12 3 V.S.A. §6002, of the proposed plan;

13 (F) consider the probable social and economic benefits and
14 consequences of the proposed plan; and

15 (G) prepare a report explaining how the regional plan is consistent
16 with the goals established in section 4302 of this title.

17 * * *

18 (11) Review proposed State capital expenditures prepared pursuant to 32
19 V.S.A. chapter 5 and the Transportation Program prepared pursuant to
20 19 V.S.A. chapter 1 for compatibility and consistency w with regional plans

1 and submit comments to the Secretaries of Transportation and Administration
2 and the legislative committees of jurisdiction.

3 * * *

4 (17) As part of its regional plan, define a substantial regional impact, as
5 the term may be used with respect to its region. This definition shall be given
6 ~~due consideration~~ substantial deference, where relevant, in State regulatory
7 proceedings.

8 * * *

9 Sec. 47. 24 V.S.A. § 4347 is amended to read:

10 § 4347. PURPOSES OF REGIONAL PLAN

11 A regional plan shall be made with the general purpose of guiding and
12 accomplishing a coordinated, efficient, equitable, and economic development
13 of the region ~~which~~ that will, in accordance with the present and future needs
14 and resources, best promote the health, safety, order, convenience, prosperity,
15 and welfare of ~~the~~ current and future inhabitants as well as efficiency and
16 economy in the process of development. This general purpose includes
17 recommending a distribution of population and of the uses of the land for
18 urbanization, trade, industry, habitation, recreation, agriculture, forestry, and
19 other uses as will tend to:

20 (1) create conditions favorable to transportation, health, safety, civic
21 activities, and educational and cultural opportunities;

1 (2) reduce the wastes of financial, energy, and human resources ~~which~~
2 that result from either excessive congestion or excessive scattering of
3 population;

4 (3) promote an efficient and economic utilization of drainage, energy,
5 sanitary, and other facilities and resources;

6 (4) promote the conservation of the supply of food, water, energy, and
7 minerals;

8 (5) promote the production of food and fiber resources and the
9 reasonable use of mineral, water, and renewable energy resources; ~~and~~

10 (6) promote the development of housing suitable to the needs of the
11 region and its communities; and

12 (7) help communities equitably build resilience to address the effects of
13 climate change through mitigation and adaptation consistent with the Vermont
14 Climate Action Plan adopted pursuant to 10 V.S.A. § 592 and 3 V.S.A. chapter
15 72.

16 Sec. 48. 24 V.S.A. § 4348 is amended to read:

17 § 4348. ADOPTION AND AMENDMENT OF REGIONAL PLAN

18 (a) A regional planning commission shall adopt a regional plan. Any plan
19 for a region, and any amendment ~~thereof~~, shall be prepared by the regional
20 planning commission. At the outset of the planning process and throughout
21 the process, regional planning commissions shall solicit the participation of

1 each of their member municipalities, local citizens, and organizations by
2 holding informal working sessions that suit the needs of local people. The
3 purpose of these working sessions is to allow for meaningful participation as
4 defined in 3 V.S.A. § 6002, provide consistent information about new statutory
5 requirements related to the regional plan, explain the reasons for new
6 requirements, and gather information to be used in the development of the
7 regional plan and future land use element.

8 (b) 60 days prior to holding the first public hearing on a regional plan, a
9 regional planning commission shall submit a draft regional plan to the Land
10 Use Review Board review and comments related to conformance of the draft
11 with sections 4302 and 4348a of this title and chapter 139 of this title. The
12 Board shall coordinate with other State agencies and respond within 60 days
13 unless more time is granted by the regional planning commission.

14 (c) The regional planning commission shall hold two or more public
15 hearings within the region after public notice on any proposed plan or
16 amendment. The minimum number of required public hearings may be
17 specified within the bylaws of the regional planning commission.

18 ~~(e)~~(d)(1) At least 30 days prior to the first hearing, a copy of the proposed
19 plan or amendment, a report documenting conformance with the goals
20 established in section 4302 of this chapter and the plan elements established in
21 section 4348a of this chapter, and a description of any changes to the Regional

1 Future Land Use Map with a request for general comments and for specific
2 comments with respect to the extent to which the plan or amendment is
3 consistent with the goals established in section 4302 of this title, shall be
4 delivered physically or electronically with proof of receipt or sent by certified
5 mail, return receipt requested, to each of the following:

6 ~~(1)~~(A) the chair of the legislative body or municipal manager, if any of
7 each municipality within the region;

8 ~~(2)~~(B) the executive director of each abutting regional planning
9 commission;

10 ~~(3)~~(C) the Department of Housing and Community Development within
11 the Agency of Commerce and Community Development and the Community
12 Investment Board for a formal review and comment;

13 ~~(4)~~(D) business, conservation, low-income advocacy, and other
14 community or interest groups or organizations that have requested notice in
15 writing prior to the date the hearing is warned; and

16 ~~(5)~~(E) the Agency of Natural Resources ~~and~~; the Agency of Agriculture,
17 Food and Markets; the Agency of Transportation; the Department of Public
18 Service; the Department of Public Safety's Division of Emergency
19 Management; and the Land Use Review Board.

20 (2) At least 30 days prior to the first hearing, the regional planning
21 commission shall provide each of its member municipalities with a written

1 description of map changes within the municipality, a municipality-wide map
2 showing old versus new areas with labels, and information about the new Tier
3 structure under 10 V.S.A. chapter 151, including how to obtain Tier 1A or 1B
4 status, and the process for updating designated area boundaries.

5 ~~(d)~~(e) Any of the foregoing bodies, or their representatives, may submit
6 comments on the proposed regional plan or amendment to the regional
7 planning commission; and may appear and be heard in any proceeding with
8 respect to the adoption of the proposed plan or amendment.

9 ~~(e)~~(f) The regional planning commission may make revisions to the
10 proposed plan or amendment at any time not less than 30 days prior to the final
11 public hearing held under this section. If the proposal is changed, a copy of the
12 proposed change shall be delivered physically ~~or~~; electronically with proof of
13 receipt; or by certified mail, return receipt requested, to the chair of the
14 legislative body of each municipality within the region; and to any individual
15 or organization requesting a copy; at least 30 days prior to the final hearing.

16 ~~(f)~~(g) A regional plan or amendment shall be adopted by not less than a
17 60 percent vote of the commissioners representing municipalities, in
18 accordance with the bylaws of the regional planning commission, ~~and~~
19 ~~immediately submitted to the legislative bodies of the municipalities that~~
20 ~~comprise the region. The plan or amendment shall be considered duly adopted~~
21 ~~and shall take effect 35 days after the date of adoption, unless, within 35 days~~

1 ~~of the date of adoption, the regional planning commission receives certification~~
2 ~~from the legislative bodies of a majority of the municipalities in the region~~
3 ~~vetoing the proposed plan or amendment. In case of such a veto, the plan or~~
4 ~~amendment shall be deemed rejected.~~

5 (h)(1) Within 15 days following adoption, a regional planning commission
6 shall submit its regionally adopted regional plan to the Land Use Review
7 Board for a determination of regional plan compliance with a report
8 documenting conformance with the goals established in section 4302 of this
9 chapter and the plan elements established in section 4348a of this chapter and a
10 description of any changes to the regional plan future land use map.

11 (2) The Land Use Review Board shall hold a public hearing within 60
12 days after receiving a plan and provide notice of it at least 15 days in advance
13 by direct mail or electronically with proof of receipt to the requesting regional
14 planning commission, posting on the website of the Land Use Review Board,
15 and publication in a newspaper of general circulation in the region affected.
16 The regional planning commission shall notify its municipalities and post on
17 its website the public hearing notice.

18 (3) The Land Use Review Board shall issue the determination in writing
19 within 15 days after the close of the hearing on the plan. If the determination
20 is affirmative, a copy of the determination shall be provided to the regional
21 planning commission and the Community Investment Board. If the

1 determination is negative, the Land Use Review Board shall state the reasons
2 for denial in writing and, if appropriate, suggest acceptable modifications.
3 Submissions for a new determination that follow a negative determination shall
4 receive a new determination within 45 days.

5 (4) The Land Use Review Board’s affirmative determination shall be
6 based upon finding the regional plan meets the following requirements:

7 (A) Consistency with the State planning goals as described in section
8 4302 of this chapter with consistency determined in the manner described
9 under subdivision 4302(f)(1) of this chapter.

10 (B) Consistency with the purposes of the regional plan established in
11 section 4347 of chapter.

12 (C) Consistency with the regional plan elements as described in
13 section 4348a of this chapter, except that the requirements of section 4352 of
14 this chapter related to enhanced energy planning shall be the under the sole
15 authority of the Department of Public Service.

16 (D) Compatibility with adjacent regional planning areas in the
17 manner described under subdivision 4302(f)(2) of this chapter.

18 (i) Objections of interested parties.

19 (1) An interested party who has participated in the regional plan
20 adoption process may object to the approval of the plan or approval of the
21 future land use maps by the Land Use Review Board within 15 days following

1 plan adoption by the regional planning commission. Participation is defined as
2 providing written or oral comments stating objections for consideration at a
3 public hearing held by the regional planning commission. Objections shall be
4 submitted using a form provided by the Land Use Review Board.

5 (2) As used in this section, an “interested party” means any one of the
6 following:

7 (A) Any 20 persons by signed petition who own property or reside
8 within the region. The petition must designate one person to serve as the
9 representative of the petitioners regarding all matters related to the objection.
10 The designated representative shall have participated in the regional plan
11 adoption process.

12 (B) A party entitled to notice under subsection (d) of this section.

13 (3) Any objection under this section shall be limited to the question of
14 whether the regional plan is consistent with the regional plan elements and
15 future land use areas as described in section 4348a of this title. The
16 requirements of section 4352 of this title related to enhanced energy planning
17 shall be under the sole authority of the Department of Public Service and shall
18 not be reviewed by the Land Use Review Board.

19 (4) The Land Use Review Board shall hear any objections of regional
20 plan adoption concurrently with regional plan review under subsection (h) of
21 this section and 10 V.S.A. § 6033. The Land Use Review Board decision of

1 approval of a regional plan shall expressly evaluate any objections and state
2 the reasons for their decisions in writing. If applicable, the decision to uphold
3 an objection shall suggest modifications to the regional plan.

4 (j) Minor amendments to regional plan future land use map. A regional
5 planning commission may submit a request for a minor amendment to
6 boundaries of a future land use area for consideration by the Land Use Review
7 Board with a letter of support from the municipality. The request may only be
8 submitted after an affirmative vote of the municipal legislative body and the
9 regional planning commission board. The Land Use Review Board, after
10 consultation with the Community Investment Board and the regional planning
11 commissions, shall provide guidance about what constitutes a minor
12 amendment. Minor amendments may include any change to a future land use
13 area consisting of fewer than 10 acres. A minor amendment to a future land
14 use area shall not require an amendment to a regional plan and shall be
15 included in the next iteration of the regional plan. The Board may adopt rules
16 to implement this section.

17 (k) An affirmative determination of regional plan compliance issued
18 pursuant to this section shall remain in effect until the end of the period for
19 expiration or readoption of the plan to which it applies.

20 (l) Regional planning commissions shall be provided up to 18 months from
21 a negative determination by the Land Use Review Board to obtain an

1 affirmative determination of regional plan compliance. If a regional planning
2 commission is unable to obtain affirmative determination of regional plan
3 compliance, the plan shall be considered unapproved and member
4 municipalities shall lose any associated benefits related to designations, such as
5 Act 250 exemptions or eligibility for State infrastructure investments.

6 (m) Upon approval by the Land Use Review Board, the plan shall be
7 considered duly adopted, shall take effect, and is not appealable. The plan
8 shall be immediately submitted to the entities listed in subsection (d) of this
9 section.

10 ~~(g)~~(n) Regional plans may be reviewed from time to time and may be
11 amended in the light of new developments and changed conditions affecting
12 the region.

13 ~~(h)~~(o) In proceedings under 10 V.S.A. chapter 151, 10 V.S.A. chapter 159,
14 and 30 V.S.A. § 248, in which the provisions of a regional plan or a municipal
15 plan are relevant to the determination of any issue in those proceedings:

16 (1) the provisions of the regional plan shall be given effect to the extent
17 that they are not in conflict with the provisions of a duly adopted municipal
18 plan; and

19 (2) to the extent that such a conflict exists, the regional plan shall be
20 given effect if it is demonstrated that the project under consideration in the

1 proceedings would have a substantial regional impact as determined by the
2 definition in the regional plan.

3 (p) Regional planning commissions shall adopt a regional plan in
4 conformance with this title on or before December 31, 2026.

5 Sec. 49. 24 V.S.A. § 4348a is amended to read:

6 §4348a. ELEMENTS OF A REGIONAL PLAN

7 (a) A regional plan shall be consistent with the goals established in section
8 4302 of this title and shall include the following:

9 (1) A statement of basic policies of the region to guide the future growth
10 and development of land and of public services and facilities, and to protect the
11 environment.

12 (2) A ~~land-use~~ natural resources and working lands element, which shall
13 consist of a map or maps and ~~statement of present and prospective land uses~~
14 policies, based on ecosystem function, consistent with Vermont Conservation
15 Design, support compact centers surrounded by rural and working lands, and
16 that:

17 (A) Indicates those areas of significant natural resources, including
18 existing and proposed for forests, wetlands, vernal pools, rare and irreplaceable
19 natural areas, floodplains, river corridors, recreation, agriculture, ~~(using the~~
20 ~~agricultural lands identification process established in 6 V.S.A. § 8), residence,~~
21 ~~commerce, industry, public, and semi-public~~ semipublic uses, open spaces,

1 areas reserved for flood plain, forest blocks, habitat connectors, recreation
2 areas and recreational trails, and areas identified by the State, regional planning
3 commissions, or municipalities that require special consideration for aquifer
4 protection; for wetland protection; for the maintenance of forest blocks,
5 wildlife habitat, and habitat connectors; or for other conservation purposes.

6 ~~(B) Indicates those areas within the region that are likely candidates~~
7 ~~for designation under sections 2793 (downtown development districts), 2793a~~
8 ~~(village centers), 2793b (new town centers), and 2793c (growth centers) of this~~
9 ~~title.~~

10 ~~(C) Indicates locations proposed for developments with a potential~~
11 ~~for regional impact, as determined by the regional planning commission,~~
12 ~~including flood control projects, surface water supply projects, industrial parks,~~
13 ~~office parks, shopping centers and shopping malls, airports, tourist attractions,~~
14 ~~recreational facilities, private schools, public or private colleges, and~~
15 ~~residential developments or subdivisions.~~

16 ~~(D) Sets forth the present and prospective location, amount, intensity,~~
17 ~~and character of such land uses and the appropriate timing or sequence of land~~
18 ~~development activities in relation to the provision of necessary community~~
19 ~~facilities and services.~~

20 ~~(E) Indicates those areas that have the potential to sustain agriculture~~
21 ~~and recommendations for maintaining them ~~which~~ that may include transfer of~~

1 development rights, acquisition of development rights, or farmer assistance
2 programs.

3 ~~(F)~~(C) Indicates those areas that are important as forest blocks and
4 habitat connectors and plans for land development in those areas to minimize
5 forest fragmentation and promote the health, viability, and ecological function
6 of forests. A plan may include specific policies to encourage the active
7 management of those areas for wildlife habitat, water quality, timber
8 production, recreation, or other values or functions identified by the regional
9 planning commission.

10 (D) Encourages preservation of rare and irreplaceable natural areas,
11 scenic and historic features and resources.

12 (E) Encourages protection and improvement of the quality of waters
13 of the State to be used in the development and furtherance of the applicable
14 basin plans established by the Secretary of Natural Resources under 10 V.S.A.
15 § 1253.

16 (3) An energy element, ~~which may include~~ including an analysis of
17 resources, needs, scarcities, costs, and problems within the region across all
18 energy sectors, including electric, thermal, and transportation; a statement of
19 policy on the conservation and efficient use of energy and the development and
20 siting of renewable energy resources; a statement of policy on patterns and
21 densities of land use likely to result in conservation of energy; and an

1 identification of potential areas for the development and siting of renewable
2 energy resources and areas that are unsuitable for siting those resources or
3 particular categories or sizes of those resources.

4 (4) A transportation element, ~~which may consist~~ consisting of a
5 statement of present and prospective transportation and circulation facilities,
6 and a map showing existing and proposed highways, including limited access
7 highways, and streets by type and character of improvement, and where
8 pertinent, anticipated points of congestion, parking facilities, transit routes,
9 terminals, bicycle paths and trails, scenic roads, airports, railroads and port
10 facilities, and other similar facilities or uses, and recommendations to meet
11 future needs for such facilities, with indications of priorities of need, costs, and
12 method of financing.

13 (5) A utility and facility element, consisting of a map and statement of
14 present and prospective local and regional community facilities and public
15 utilities, whether publicly or privately owned, showing existing and proposed
16 educational, recreational and other public sites, buildings and facilities,
17 including public schools, State office buildings, hospitals, libraries, power
18 generating plants and transmission lines, wireless telecommunications facilities
19 and ancillary improvements, water supply, sewage disposal, refuse disposal,
20 storm drainage, and other similar facilities and activities, and recommendations
21 to meet future needs for those facilities, with indications of priority of need.

1 the Community Investment Program under section 5804 of this title. The
2 downtown or village centers are the traditional and historic central business
3 and civic centers within planned growth areas, village areas, or may stand
4 alone. Village centers are not required to have public water, wastewater,
5 zoning, or subdivision bylaws.

6 (B) Planned growth areas. These areas include the high-density
7 existing settlement and future growth areas with high concentrations of
8 population, housing, and employment in each region and town, as appropriate.
9 They include a mix of historic and non-historic commercial, residential, and
10 civic or cultural sites with active streetscapes, supported by land development
11 regulations; public water or wastewater, or both; and multimodal transportation
12 systems. These areas include new town centers, downtowns, village centers,
13 growth centers, and neighborhood development areas previously designated
14 under chapter 76A of this title. These areas should generally meet the smart
15 growth principles definition in chapter 139 of this title and the following
16 criteria:

17 (i) The municipality has a duly adopted and approved plan and a
18 planning process that is confirmed in accordance with section 4350 of this title
19 and has adopted bylaws and regulations in accordance with sections 4414,
20 4418, and 4442 of this title.

1 (ii) This area is served by public water or wastewater
2 infrastructure.

3 (iii) The area is generally within walking distance from the
4 municipality’s or an adjacent municipality’s downtown, village center, new
5 town center, or growth center.

6 (iv) The area excludes identified flood hazard and river corridor
7 areas, except those areas containing preexisting development in areas suitable
8 for infill development as defined in section 29-201 of the Vermont Flood
9 Hazard Area and River Corridor Rule.

10 (v) The municipal plan indicates that this area is intended for
11 higher-density residential and mixed-use development.

12 (vi) The area provides for housing that meets the needs of a
13 diversity of social and income groups in the community.

14 (vii) The area is served by planned or existing transportation
15 infrastructure that conforms with “complete streets” principles as described
16 under 19 V.S.A. chapter 24 and establishes pedestrian access directly to the
17 downtown, village center, or new town center. Planned transportation
18 infrastructure includes those investments included in the municipality’s capital
19 improvement program pursuant to section 4430 of this title.

20 (C) Village areas. These areas include the traditional settlement area
21 or a proposed new settlement area, typically composed of a cohesive mix of

1 residential, civic, religious, commercial, and mixed-use buildings, arranged
2 along a main street and intersecting streets that are within walking distance for
3 residents who live within and surrounding the core. These areas include
4 existing village center designations and similar areas statewide, but this area is
5 larger than the village center designation. Village areas shall meet the
6 following criteria:

7 (i) The municipality has a duly adopted and approved plan and a
8 planning process that is confirmed in accordance with section 4350 of this title.

9 (ii) The municipality has adopted bylaws and regulations in
10 accordance with sections 4414, 4418, and 4442 of this title.

11 (iii) Unless the municipality has adopted flood hazard and river
12 corridor bylaws, applicable to the entire municipality, that are consistent with
13 the standards established pursuant to 10 V.S.A. § 755b (flood hazard) and
14 10 V.S.A. § 1428(b) (river corridor), the area excludes identified flood hazard
15 and river corridors, except those areas containing preexisting development in
16 areas suitable for infill development as defined in 29-201 of the Vermont
17 Flood Hazard Area and River Corridor Rule.

18 (iv) The municipality has either municipal water or wastewater. If
19 no public wastewater is available, the area must have soils that are adequate for
20 wastewater disposal.

1 (v) The area has some opportunity for infill development or new
2 development areas where the village can grow and be flood resilient.

3 (D) Transition or infill area. These areas include areas of existing or
4 planned commercial, office, mixed-use development, or residential uses either
5 adjacent to a planned growth or village area or a new stand-alone transition or
6 infill area and served by, or planned for, public water or wastewater, or both.

7 The intent of this land use category is to transform these areas into higher-
8 density, mixed-use settlements, or residential neighborhoods through infill and
9 redevelopment or new development. New commercial linear strip
10 development is not allowed as to prevent it negatively impacting the economic
11 vitality of commercial areas in the adjacent or nearby planned growth or
12 village area. This area could also include adjacent greenfields safer from
13 flooding and planned for future growth.

14 (E) Resource-based recreation areas. These areas include large-scale
15 resource-based recreational facilities, often concentrated around ski resorts,
16 lakeshores, or concentrated trail networks, that may provide infrastructure,
17 jobs, or housing to support recreational activities.

18 (F) Enterprise areas. These areas include locations of high economic
19 activity and employment that are not adjacent to planned growth areas. These
20 include industrial parks, areas of natural resource extraction, or other
21 commercial uses that involve larger land areas. Enterprise areas typically have

1 ready access to water supply, sewage disposal, electricity, and freight
2 transportation networks.

3 (G) Hamlets. Small historic clusters of homes and may include a
4 school, place of worship, store, or other public buildings not planned for
5 significant growth; no public water supply or wastewater systems; and mostly
6 focused along one or two roads. These may be depicted as points on the future
7 land use map.

8 (H) Rural; general. These areas include areas that promote the
9 preservation of Vermont’s traditional working landscape and natural area
10 features. They allow for low-density residential and some limited commercial
11 development that is compatible with productive lands and natural areas. This
12 may also include an area that a municipality is planning to make more rural
13 than it is currently.

14 (I) Rural; agricultural and forestry. These areas include blocks of
15 forest or farmland that sustain resource industries, provide critical wildlife
16 habitat and movement, outdoor recreation, flood storage, aquifer recharge, and
17 scenic beauty, and contribute to economic well-being and quality of life.
18 Development in these areas should be carefully managed to promote the
19 working landscape and rural economy, and address regional goals, while
20 protecting the agricultural and forest resource value.

1 (J) Rural; conservation. These are areas of significant natural
2 resources, identified by regional planning commissions or municipalities based
3 upon existing Agency of Natural Resources mapping that require special
4 consideration for aquifer protection; for wetland protection; for the
5 maintenance of forest blocks, wildlife habitat, and habitat connectors; or for
6 other conservation purposes. The mapping of these areas and accompanying
7 policies are intended to help meet requirements of 10 V.S.A. chapter 89. Any
8 portion of this area that is approved by the LURB as having Tier 3 area status
9 shall be identified on the future land use map as an overlay upon approval.

10 (b) The various elements and statements shall be correlated with the land
11 use element and with each other. The maps called for by this section may be
12 incorporated on one or more maps; and may be referred to in each separate
13 statement called for by this section.

14 (c) The regional plan future land use map shall delineate areas within the
15 regional planning commission’s member municipalities that are eligible to
16 receive designation benefits as centers and neighborhoods when the future land
17 use map is approved by the Land Use Review Board per 10 V.S.A. § 6033.
18 The areas eligible for designation as centers shall be identified on the regional
19 plan future land use map as regional downtown centers and village centers.
20 The areas eligible for designation as neighborhoods shall be identified on the
21 regional plan future land use map as planned growth areas and village areas in

1 a manner consistent with this section and chapter 139 of this title. This
2 methodology shall include all approved designated downtowns, villages, new
3 town centers, neighborhood development areas, and growth centers existing on
4 December 31, 2025, unless the subject member municipality requests
5 otherwise.

6 (d) With the exception of preexisting, nonconforming designations
7 approved prior to the establishment of the program, the areas eligible for
8 designation benefits upon the Land Use Review Board’s approval of the
9 regional plan future land use map for designation as a center shall not include
10 development that is disconnected from a downtown or village center and that
11 lacks an existing or planned pedestrian connection to the center via a complete
12 street.

13 (e) The Vermont Association of Planning and Development Agencies shall
14 develop, maintain, and update standard methodology and process for the
15 mapping of areas eligible for Tier 1B status under 10 V.S.A. § 6033 and
16 designation under chapter 139 of this title. The methodology shall be issued
17 on or before December 31, 2024, in consultation with the Department of
18 Housing and Community Development and Land Use Review Board.

19 Sec. 50. REGIONAL PLANNING COMMISSION STUDY

20 (a) The Vermont Association of Planning and Development Agencies
21 (VAPDA) shall hire an independent contractor to study the strategic

1 opportunities for regional planning commissions to better serve municipalities
2 and the State. This study shall seek to ensure that the regional planning
3 commissions are statutorily enabled and strategically positioned to meet
4 ongoing and emerging State and municipal needs and shall review the
5 following: governance, funding, programs, service delivery, equity,
6 accountability, and staffing.

7 (b) A stakeholder group composed of the Vermont League of Cities and
8 Towns, Vermont Council on Rural Development, the Department of Housing
9 and Community Development, the Agency of Administration, the Office of
10 Racial Equity, legislators, and others will be invited to participate in the study
11 to provide their insights into governance structure, accountability and
12 performance standards.

13 (c) The study shall identify the gaps in statutory enabling language,
14 structure, and local engagement and make recommendations on how to
15 improve and ensure consistent and equitable statewide programming and local
16 input and engagement including methods to improve municipal participation;
17 the amount of regional planning grant funding provided to each regional
18 planning commission relative to statutory responsibilities, the number of
19 municipalities, and other demands; and how to make it easier for
20 municipalities to work together.

1 Sec. 52. 24 V.S.A. § 4412 is amended to read:

2 § 4412. REQUIRED PROVISIONS AND PROHIBITED EFFECTS

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

5 (1) Equal treatment of housing and required provisions for affordable
6 housing.

7 * * *

8 (D) Bylaws shall designate appropriate districts and reasonable
9 regulations for multiunit or multifamily dwellings. No bylaw shall have the
10 effect of excluding these multiunit or multifamily dwellings from the
11 municipality. In any district that allows year-round residential development,
12 duplexes shall be ~~an allowed~~ a permitted use with ~~the same~~ dimensional
13 standards as that are not more restrictive than is required for a single-unit
14 dwelling, including no additional land or lot area than would be required for a
15 single-unit dwelling. In any district that is served by municipal sewer and
16 water infrastructure that allows residential development, multiunit dwellings
17 with four or fewer units shall be a permitted use permitted on the same size lot
18 as single-unit dwelling, unless that district specifically requires multiunit
19 structures to have more than four dwelling units.

20 * * *

1 (12) In any area served by municipal sewer and water infrastructure that
2 allows residential development, bylaws shall establish lot and building
3 dimensional standards that allow five or more dwelling units per acre for each
4 allowed residential use, ~~and density~~. Any lot that is smaller than one acre but
5 granted a variance of not more than 10 percent shall be treated as one acre for
6 the purposes of this subsection. Density and minimum lot size standards for
7 multiunit dwellings shall not be more restrictive than those required for single-
8 family dwellings.

9 (13) In any area served by municipal sewer and water infrastructure that
10 allows residential development, bylaws shall permit any affordable housing
11 development, as defined in subdivision 4303(2) of this title, including mixed-
12 use development, to exceed density limitations for residential developments by
13 an additional 40 percent, rounded up to the nearest whole unit, which shall
14 include exceeding maximum height limitations by one floor, provided that the
15 structure complies with the Vermont Fire and Building Safety Code.

16 (14) No zoning or subdivision bylaw shall have the effect of prohibiting
17 unrelated occupants from residing in the same dwelling unit.

18 Sec. 53. 24 V.S.A. § 4413 is amended to read:

19 § 4413. LIMITATIONS ON MUNICIPAL BYLAWS

20 (a)(1) The following uses may be regulated only with respect to location,
21 size, height, building bulk, yards, courts, setbacks, density of buildings, off-

1 street parking, loading facilities, traffic, noise, lighting, landscaping, and
2 screening requirements, and only to the extent that regulations do not have the
3 effect of interfering with the intended functional use:

4 (A) State- or community-owned and -operated institutions and
5 facilities;

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

8 (C) churches and other places of worship, convents, and parish
9 houses;

10 (D) public and private hospitals;

11 (E) regional solid waste management facilities certified under
12 10 V.S.A. chapter 159;

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

15 (G) emergency shelters; and

16 (H) hotels and motels converted to permanently affordable housing
17 developments. Each permanently affordable housing unit converted pursuant
18 to this subdivision shall be equipped with facilities for sleeping, food
19 preparation, and sanitation and meet any other local municipal minimum
20 housing standards.

21 * * *

1 Sec. 54. 24 V.S.A. § 4428 is added to read:

2 § 4428. PARKING BYLAWS

3 (a) Parking regulation. Consistent with section 4414 of this title and with
4 this section, a municipality may regulate parking.

5 (b) Parking space size standards. For the purpose of residential parking, a
6 municipality shall define a standard parking space as not larger than nine feet
7 by 18 feet, however a municipality may allow a portion of parking spaces to be
8 smaller for compact cars or similar use. A municipality may require a larger
9 space wherever American with Disabilities Act-compliant spaces are required.

10 (c) Existing nonconforming parking. A municipality shall allow an
11 existing nonconforming parking space to count toward the parking requirement
12 of an existing residential building if new residential units are added to the
13 building.

14 (d) Adjacent lots. A municipality may allow a person with a valid legal
15 agreement for use of parking spaces in an adjacent or nearby lot to count
16 toward the parking requirement of a residential building.

17 Sec. 55. 2023 Acts and Resolves No. 47, Sec. 1 is amended to read:

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

19 § 4414. ZONING; PERMISSIBLE TYPES OF REGULATIONS

20 * * *

1 This act shall take effect on July 1, 2023, except that:

2 (1) Sec. 1 (24 V.S.A. § 4414) shall take effect on ~~December~~ July 1,
3 2024.

4 * * *

5 Sec. 57. 24 V.S.A. § 4429 is added to read:

6 § 4429. LOT COVERAGE BYLAWS

7 A municipality shall allow for a lot coverage bonus of 10 percent on lots
8 that allow access to new or subdivided lots without road frontage.

9 Sec. 58. 24 V.S.A. § 4464 is amended to read:

10 § 4464. HEARING AND NOTICE REQUIREMENTS; DECISIONS AND
11 CONDITIONS; ADMINISTRATIVE REVIEW; ROLE OF
12 ADVISORY COMMISSIONS IN DEVELOPMENT REVIEW

13 * * *

14 (b) Decisions.

15 (1) The appropriate municipal panel may recess the proceedings on any
16 application pending submission of additional information. The panel should
17 close the evidence promptly after all parties have submitted the requested
18 information. The panel shall adjourn the hearing and issue a decision within
19 ~~45~~ 180 days after the ~~adjournment of the hearing, and failure of the panel to~~
20 ~~issue a decision within this period shall be deemed approval and shall be~~
21 ~~effective on the 46th day~~ complete application was submitted unless both the

1 applicant and the panel agree to waive the deadline. Decisions shall be issued
2 in writing and shall include a statement of the factual bases on which the
3 appropriate municipal panel has made its conclusions and a statement of the
4 conclusions. The minutes of the meeting may suffice, provided the factual
5 bases and conclusions relating to the review standards are provided in
6 conformance with this subsection.

7 * * *

8 Sec. 59. 24 V.S.A. § 4465 is amended to read:

9 § 4465. APPEALS OF DECISIONS OF THE ADMINISTRATIVE OFFICER

10 * * *

11 (b) As used in this chapter, an “interested person” means any one of the
12 following:

13 * * *

14 (4) ~~Any 10 persons~~ A minimum of three percent, rounded up to the
15 nearest whole person, of the most recent U.S. Census Bureau population
16 estimate of the municipality that may or may not have participated in the
17 proceeding or any 25 persons, who may be any combination of voters,
18 residents, or real property owners within a municipality listed in subdivision
19 (2) of this subsection who, by signed petition to the appropriate municipal
20 panel of a municipality, the plan or a bylaw of which is at issue in any appeal
21 brought under this title, allege that any relief requested by a person under this

1 title, if granted, will not be in accord with the policies, purposes, or terms of
2 the plan or bylaw of that municipality. This petition to the appropriate
3 municipal panel must designate one person to serve as the representative of the
4 petitioners regarding all matters related to the appeal. For purposes of this
5 subdivision, an appeal shall not include the character of the area affected if the
6 project has a residential component that includes affordable housing.

7 * * *

8 Sec. 60. 24 V.S.A. § 4471 is amended to read:

9 § 4471. APPEAL TO ENVIRONMENTAL DIVISION

10 (a) Participation required. An interested person who has participated in a
11 municipal regulatory proceeding authorized under this title may appeal a
12 decision rendered in that proceeding by an appropriate municipal panel to the
13 Environmental Division, except, pursuant to subdivision 4464(b)(4) of this
14 title, that not every person of the three percent of the population needs to have
15 participated. Participation in a local regulatory proceeding shall consist of
16 offering, through oral or written testimony, evidence or a statement of concern
17 related to the subject of the proceeding. An appeal from a decision of the
18 appropriate municipal panel, or from a decision of the municipal legislative
19 body under subsection 4415(d) of this title, shall be taken in such manner as
20 the Supreme Court may by rule provide for appeals from State agencies
21 governed by 3 V.S.A. §§ 801–816, unless the decision is an appropriate

1 municipal panel decision ~~which~~ that the municipality has elected to be subject
2 to review on the record.

3 * * *

4 Sec. 61. 10 V.S.A. § 8504 is amended to read:

5 § 8504. APPEALS TO THE ENVIRONMENTAL DIVISION

6 * * *

7 (k) Limitations on appeals. Notwithstanding any other provision of this
8 section:

9 (1) there shall be no appeal from a District Commission decision when
10 the Commission has issued a permit and no hearing was requested or held, or
11 no motion to alter was filed following the issuance of an administrative
12 amendment;

13 (2) a municipal decision regarding whether a particular application
14 qualifies for a recorded hearing under 24 V.S.A. § 4471(b) shall not be subject
15 to appeal;

16 (3) if a District Commission issues a partial decision under subsection
17 6086(b) of this title, any appeal of that decision must be taken within 30 days
18 of the date of that decision; and

19 (4) it shall be the goal of the Environmental Division to hear a case
20 regarding appeals of an appropriate municipal panel under 24 V.S.A. chapter

1 117 within 60 days following the case being filed with the Division and issue a
2 decision within 90 days following the close of the hearing on the case.

3 * * *

4 Sec. 62. SUPERIOR COURT; POSITION; APPROPRIATION

5 (a) There is established one permanent judge in the Superior Court in fiscal
6 year 2025.

7 (b) In fiscal year 2025, \$168,000.00 General Fund is appropriated to the
8 Superior Court for the new judge created in subsection (a) of this section.

9 * * * Resilience Planning * * *

10 Sec. 63. 24 V.S.A. § 4306 is amended to read:

11 § 4306. MUNICIPAL AND REGIONAL PLANNING AND RESILIENCE
12 FUND

13 (a)(1) The Municipal and Regional Planning and Resilience Fund for the
14 purpose of assisting municipal and regional planning commissions to carry out
15 the intent of this chapter is hereby created in the State Treasury.

16 (2) The Fund shall be composed of 17 percent of the revenue from the
17 property transfer tax under 32 V.S.A. chapter 231 and any monies from time to
18 time appropriated to the Fund by the General Assembly or received from any
19 other source, private or public. All balances at the end of any fiscal year shall
20 be carried forward and remain in the Fund. Interest earned by the Fund shall
21 be deposited in the Fund.

1 (3) Of the revenues in the Fund, each year:

2 (A) 10 percent shall be disbursed to the Vermont Center for
3 Geographic Information;

4 (B) 70 percent shall be disbursed to the Secretary of Commerce and
5 Community Development for performance contracts with regional planning
6 commissions to provide regional planning services pursuant to section 4341a
7 of this title; and

8 (C) 20 percent shall be disbursed to municipalities.

9 (b)(1) Allocations for performance contract funding to regional planning
10 commissions shall be determined according to a formula to be adopted by rule
11 under 3 V.S.A. chapter 25 by the Department for the assistance of the regional
12 planning commissions. Disbursement of funding to regional planning
13 commissions shall be predicated upon meeting performance goals and targets
14 pursuant to the terms of the performance contract.

15 (2) Disbursement to municipalities shall be awarded annually on or
16 before December 31 through a competitive program administered by the
17 Department providing the opportunity for any eligible municipality or
18 municipalities to compete regardless of size, provided that to receive funds, a
19 municipality:

20 (A) shall be confirmed under section 4350 of this title; or

1 (B)(i) shall use the funds for the purpose of developing a municipal
2 plan to be submitted for approval by the regional planning commission, as
3 required for municipal confirmation under section 4350 of this title; and

4 (ii) shall have voted at an annual or special meeting to provide
5 local funds for municipal planning and resilience purposes and regional
6 planning purposes.

7 (3) Of the annual disbursement to municipalities, an amount not to
8 exceed 20 percent of the total may be disbursed to the Department to
9 administer a program providing direct technical consulting assistance under
10 retainer on a rolling basis to any eligible municipality to meet the requirements
11 for designated neighborhood development area under chapter 76A of this title,
12 provided that the municipality is eligible for funding under subdivision (2) of
13 this subsection and meets funding guidelines established by the Department to
14 ensure accessibility for lower capacity communities, municipal readiness, and
15 statewide coverage.

16 (4) Of the annual disbursement to municipalities, the Department may
17 allocate funding as bylaw modernization grants under section 4307 of this title.

18 (c) Funds allocated to municipalities shall be used for the purposes of:

19 (1) funding the regional planning commission in undertaking capacity
20 studies;

1 (2) carrying out the provisions of subchapters 5 through 10 of this
2 chapter;

3 (3) acquiring development rights, conservation easements, or title to
4 those lands, areas, and strictures identified in either regional or municipal plans
5 as requiring special consideration for provision of needed housing, aquifer
6 protection, flood protection, climate resilience, open space, farmland
7 preservation, or other conservation purposes; and

8 (4) reasonable and necessary costs of administering the Fund by the
9 Department of Housing and Community Development, not to exceed six
10 percent of the municipality allocation.

11 (d) Until July 1, 2027, the annual disbursement to municipalities shall:

12 (1) prioritize funding grants to municipalities that do not have zoning or
13 subdivision bylaws to create zoning or subdivision bylaws;

14 (2) allow a regional planning commission to submit an application for
15 disbursement on behalf of a municipality; and

16 (3) not require a municipality without zoning or subdivision bylaws to
17 contribute matching funds in order to receive a grant.

18 Sec. 64. 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 and Regional 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. 65. REPEALS

12 (a) 24 V.S.A. chapter 76A (Historic Downtown Development) is repealed
13 on July 1, 2034.

14 (b) 24 V.S.A. § 2792 (Vermont Downtown Development Board) is
15 repealed on July 1, 2024.

16 Sec. 66. 24 V.S.A. chapter 139 is added to read:

17 CHAPTER 139. STATE COMMUNITY INVESTMENT PROGRAM

18 § 5801. DEFINITIONS

19 As used in this chapter:

20 (1) “Community Investment Program” means the program established in
21 this chapter, as adapted from the former State designated areas program

1 formerly in chapter 76A of this title. Statutory references outside this chapter
2 referring to the former State-designated downtown, village centers, and new
3 town centers shall mean designated center, once established. Statutory
4 references outside this chapter referring to the former State-designated
5 neighborhood development areas and growth centers shall mean designated
6 neighborhood, once established. The program shall extend access to benefits
7 that sustain and revitalize existing buildings and maintain the basis of the
8 program’s primary focus on revitalizing historic downtowns, villages and
9 surrounding neighborhoods by promoting smart growth development patterns
10 and historic preservation practices vital to Vermont’s economy, cultural
11 landscape, equity of opportunity, and climate resilience.

12 (2) “Complete streets” or “complete street principles” has the same
13 meaning as in 19 V.S.A. chapter 24.

14 (3) “Department” means the Department of Housing and Community
15 Development.

16 (4) “Downtown center” or “village center” means areas on the regional
17 plan future land use maps that may be designated as a center consistent with
18 section 4348a of this title.

19 (5) “LURB” refers to the Land Use Review Board established pursuant
20 to 10 V.S.A. § 6021.

1 (6) “Infill” means the use of vacant land or property, the redevelopment
2 of existing buildings within a built-up area for further construction or land
3 development.

4 (7) “Local downtown organization” means either a nonprofit
5 corporation, or a board, council, or commission created by the legislative body
6 of the municipality, whose primary purpose is to administer and implement the
7 community reinvestment agreement and other matters regarding the
8 revitalization of the downtown.

9 (8) “Planned growth area” means an area on the regional plan future
10 land use maps required under section 4348a of this title, which may encompass
11 a downtown center or village center on the regional future land use map and
12 may be designated as a center or neighborhood, or both.

13 (9) “Regional plan future land use map” means the map prepared
14 pursuant to section 4348a of this title.

15 (10) “Sprawl repair” means the redevelopment of lands with buildings,
16 traffic and circulation, parking, or other land coverage in a pattern that is
17 consistent with smart growth principles.

18 (11) “State Board” means the Vermont Community Investment Board
19 established in section 5802 of this title.

20 (12) “State Designated Downtown and Village Center” or “center”
21 means a contiguous downtown or village a portion of which is listed or eligible

1 for listing in the national register of historic places area approved as part of the
2 LURB review of regional plan future land use maps, which may include an
3 approved preexisting designated designated downtown, village center, or
4 designated new town center established prior to the approval of the regional
5 plan future land use maps.

6 (13) “State designated neighborhood” or “neighborhood” means a
7 contiguous geographic area approved as part of the Land Use Review Board
8 review of regional plan future land use maps that is compact and adjacent and
9 contiguous to a center.

10 (14) “Vermont Downtown Program” means a program within the
11 Department that coordinates with Main Street America that helps support
12 community investment and economic vitality while preserving the historic
13 character of Vermont’s downtowns. The Vermont Downtown Program
14 provides downtowns with financial incentives, training, and technical
15 assistance supporting local efforts to restore historic buildings, improve
16 housing, design walkable communities, and encourage economic development
17 by incentivizing public and private investments.

18 (15) “Village area” means an area on the regional plan future land use
19 maps adopted pursuant to section 4348a of this title, which may encompass a
20 village center on the regional future land use map.

21 § 5802. VERMONT COMMUNITY INVESTMENT BOARD

1 (a) A Vermont Community Investment Board, also referred to as the “State
2 Board,” is created to administer the provisions of this chapter. The State Board
3 shall be composed of the following members or their designees:

4 (1) the Secretary of Commerce and Community Development;

5 (2) the Secretary of Transportation;

6 (3) the Secretary of Natural Resources;

7 (4) the Commissioner of Public Safety;

8 (5) the State Historic Preservation Officer;

9 (6) a member of the community designated by the Director of Racial
10 Equity;

11 (7) a person, appointed by the Governor from a list of three names
12 submitted by the Vermont Natural Resources Council and the Preservation
13 Trust of Vermont;

14 (8) a person, appointed by the Governor from a list of three names
15 submitted by the Vermont Association of Chamber of Commerce Executives;

16 (9) three public members representative of local government, one of
17 whom shall be designated by the Vermont League of Cities and Towns and
18 two of whom shall be appointed by the Governor;

19 (10) the Executive Director of the Vermont Bond Bank;

20 (11) the State Treasurer;

1 (12) a member of the Vermont Planners Association designated by the
2 Association;

3 (13) a representative of a regional development corporation designated
4 by the regional development corporations; and

5 (14) a representative of a regional planning commission designated by
6 the Vermont Association of Planning and Development Agencies.

7 (b) The State Board shall elect a chair and vice chair from among its
8 membership.

9 (c) The Department shall provide legal, staff, and administrative support to
10 the State Board; shall produce guidelines to direct municipalities seeking to
11 obtain designation under this chapter and for other purposes established by this
12 chapter; and shall pay per diem compensation for board members pursuant to
13 32 V.S.A. § 1010(b).

14 (d) The State Board shall meet at least quarterly.

15 (e) The State Board shall have authority to adopt rules of procedure to use
16 for appeal of its decisions and rules on handling conflicts of interest.

17 (f) In addition to any other duties confirmed by law, the State Board shall
18 have the following duties:

19 (1) to serve as the funding and benefits coordination body for the State
20 Community Investment Program;

1 (2) to review and comment on proposed regional plan future land use
2 maps prepared by the regional planning commission and presented to the
3 LURB for designated center and designated neighborhood recognition under
4 10 V.S.A. § 6033;

5 (3) to award tax credits under the 32 V.S.A. § 5930aa et seq.;

6 (4) to manage the Downtown Transportation and Related Capital
7 Improvement Fund Program established by section 5808 of this title; and

8 (5) to review and comment on LURB guidelines, rules, or procedures
9 for the regional plan future land use maps as they relate to the designations
10 under this chapter.

11 § 5803. DESIGNATION OF DOWNTOWN AND VILLAGE CENTERS

12 (a) Designation established. A regional planning commission may apply to
13 the LURB for approval and designation of all centers by submitting the
14 regional plan future land use map adopted by the regional planning
15 commission. The regional plan future land use map shall identify downtown
16 centers and village centers as the downtown and village areas eligible for
17 designation as centers. The Department and State Board shall provide
18 comments to the Land Use Review Board on areas eligible for center
19 designation as provided under this chapter.

20 (b) Inclusions. The areas mapped by the regional planning commissions as
21 a center shall allow for the designation of preexisting, designated downtowns,

1 village centers and new town centers in existence on or before December 31,
2 2025.

3 (c) Exclusions. With the exception for preexisting, nonconforming
4 designations approved prior to the establishment of the program under this
5 chapter or areas included in the municipal plan for the purposes of relocating a
6 municipality’s center for flood resiliency purposes, the areas eligible for
7 designation benefits upon the Land Use Review Board’s approval of the
8 regional plan future land use map for designation as a Center shall not include
9 development that is disconnected from a Center and that lacks a pedestrian
10 connection to the Center via a complete street.

11 (d) Approval. The LURB shall conduct its review pursuant to 10 V.S.A.
12 § 6033.

13 (e) Transition. All designated downtowns, village centers, or new town
14 centers existing as of December 31, 2025 will retain current benefits until
15 December 31, 2026 or until approval of the regional future land use maps by
16 the LURB, whichever comes first. All existing designations in effect
17 December 31, 2025 will expire December 31, 2026 if the regional plan does
18 not receive Land Use Review Board approval under this chapter. All benefits
19 for unexpired designated downtowns, village centers, and new town centers
20 that are removed under this chapter shall remain in effect until July 1, 2034.
21 Prior to June 30, 2026, no check-in or renewals shall be required for the

1 preexisting designations. New applications for downtowns, villages, and new
2 town centers may be approved by the State Board prior to the first public
3 hearing on the a regional future land use map or until December 31, 2025,
4 whichever comes first.

5 (f) Benefits Steps. A center may receive the benefits associated with the
6 steps in this section by meeting the established requirements. The Department
7 shall review applications from municipalities to advance from Step One to
8 Two and from Step Two to Three and issue written decisions. The Department
9 shall issue a written administrative decision within 30 days following an
10 application. If a municipal application is rejected by the Department, the
11 municipality may appeal the administrative decision to the State Board. To
12 maintain a downtown approved under chapter 76A after December 31, 2026,
13 the municipality shall apply for renewal following a regional planning
14 approval by the LURB and meet the program requirements. Step Three
15 designations that are not approved for renewal revert to Step Two. The
16 municipality may appeal the administrative decision of the Department to the
17 State Board. Appeals of administrative decisions shall be heard by the State
18 Board at the next meeting following a timely filing stating the reasons for the
19 appeal. The State Board’s decision is final. The Department shall issue
20 guidance to administer these steps.

21 (1) Step One.

1 (A) Requirements. Step One is established to create an accessible
2 designation for all villages throughout the State to become eligible for funding
3 and technical assistance to support site-based improvements and planning. All
4 downtown and village centers shall automatically reach Step One upon
5 approval of the regional plan future land use map by the Land Use Review
6 Board. Regional plan future land use maps supersede preexisting designated
7 areas that may already meet the Step One requirement.

8 (B) Benefits. A center that reaches Step One is eligible for the
9 following benefits:

10 (i) funding and technical assistance eligibility for site-based
11 projects, including the Better Places Grant Program under section 5810 of this
12 chapter, access to the Downtown and Village Center Tax Credit Program
13 described in 32 V.S.A. § 5930aa et seq., and other programs identified in the
14 Department’s guidance; and

15 (ii) funding priority for developing or amending the municipal
16 plan, visioning, and assessments.

17 (2) Step Two.

18 (A) Requirements. Step Two is established to create a mid-level
19 designation for villages throughout the State to increase planning and
20 implementation capacity for community-scale projects. A center reaches Step
21 Two if it:

1 (i) meets the requirements of Step One or if it has a designated
2 village center or new town center under chapter 76A of this title upon initial
3 approval of the regional plan future land use map and prior to December 31,
4 2026;

5 (ii) has a confirmed municipal planning process pursuant to 24
6 V.S.A. § 4350;

7 (iii) has a municipal plan with goals for investment in the center;
8 and

9 (iv) A portion of the center is listed or eligible for listing in the
10 National Register of Historic Places;

11 (B) Benefits. In addition to the benefits of Step One, a center that
12 reaches Step Two is eligible for the following benefits:

13 (i) funding priority for bylaws and special-purpose plans, capital
14 plans, and area improvement or reinvestment plans, including priority
15 consideration for the Better Connections Program and other applicable
16 programs identified by Department guidance;

17 (ii) funding priority for infrastructure project scoping, design,
18 engineering, and construction by the State Program and State Board;

19 (iii) the authority to create a special taxing district pursuant to
20 chapter 87 of this title for the purpose of financing both capital and operating
21 costs of a project within the boundaries of a center;

1 (iv) priority consideration for State and federal affordable housing
2 funding;

3 (v) authority for the municipal legislative body to establish speed
4 limits to less than 25 mph within the center under 23 V.S.A. § 1007(g);

5 (vi) State wastewater permit fees capped at \$50.00 for residential
6 development under 3 V.S.A. § 2822;

7 (vii) exemption from the land gains tax under 32 V.S.A.
8 § 10002(p); and

9 (viii) assistance and guidance from the Department for
10 establishing local historic preservation regulations.

11 (3) Step Three.

12 (A) Requirements. Step Three is established to create an advanced
13 designation for downtowns throughout the State to create mixed-use centers
14 and join the Vermont Downtown Program. A center reaches Step Three if the
15 Department finds that it meets the following requirements:

16 (i) Meets the requirements of Step Two, or if it has an existing
17 downtown designated under chapter 76A of this title in effect upon initial
18 approval of the regional future land use map and prior to December 31, 2026.

19 (ii) Is listed or eligible for listing in the National Register of
20 Historic Places.

21 (iii) Has a downtown improvement plan.

1 (iv) Has a downtown investment agreement.

2 (v) Has a capital program adopted under section 4430 of this title
3 that implements the Step Three requirements.

4 (vi) Has a local downtown organization with an organizational
5 structure necessary to sustain a comprehensive long-term downtown
6 revitalization effort, including a local downtown organization that will
7 collaborate with municipal departments, local businesses, and local nonprofit
8 organizations. The local downtown organization shall work to:

9 (I) enhance the physical appearance and livability of the area
10 by implementing local policies that promote the use and rehabilitation of
11 historic and existing buildings, by developing pedestrian-oriented design
12 requirements, by encouraging new development and infill that satisfy such
13 design requirements, and by supporting long-term planning that is consistent
14 with the goals set forth in section 4302 of this title;

15 (II) build consensus and cooperation among the many groups
16 and individuals who have a role in the planning, development, and
17 revitalization process;

18 (III) market the assets of the area to customers, potential
19 investors, new businesses, local citizens, and visitors;

20 (IV) strengthen, diversify, and increase the economic activity
21 within the downtown; and

1 (V) measure annually progress and achievements of the
2 revitalization efforts as required by Department guidelines.

3 (vii) Has available public water and wastewater service and
4 capacity.

5 (viii) Has permanent zoning and subdivision bylaws.

6 (ix) Has adopted historic preservation regulations for the district
7 with a demonstrated commitment to protect and enhance the historic character
8 of the downtown through the adoption of bylaws that adequately meet the
9 historic preservation requirements in subdivisions 4414(1)(E) and (F) of this
10 title, unless recognized by the program as a preexisting designated new town
11 center.

12 (x) Has adopted design or form-based regulations that adequately
13 regulate the physical form and scale of development with compact lot,
14 building, and unit density, building heights, and complete streets.

15 (B) Benefits. In addition to the benefits of Steps One and Two, a
16 municipality that reaches Step Three is eligible for the following benefits:

17 (i) Funding for the local downtown organization and technical
18 assistance from the Vermont Downtown Program for the center.

19 (ii) A reallocation of receipts related to the tax imposed on sales of
20 construction materials as provided in 32 V.S.A. § 9819.

1 (iii) Eligibility to receive National Main Street Accreditation from
2 Main Street America through the Vermont Downtown Program.

3 (iv) Signage options pursuant to 10 V.S.A. § 494(13) and (17).

4 (v) Housing appeal limitations as described in chapter 117 of this
5 title.

6 (vi) Highest priority for locating proposed State functions by the
7 Commissioner of Buildings and General Services or other State officials, in
8 consultation with the municipality, Department, State Board, the General
9 Assembly committees of jurisdiction for the Capital Budget, and the regional
10 planning commission. When a downtown location is not suitable, the
11 Commissioner shall issue written findings to the consulted parties
12 demonstrating how the suitability of the State function to a downtown location
13 is not feasible.

14 (vii) Funding for infrastructure project scoping, design, and
15 engineering, including participation in the Downtown Transportation and
16 Related Capital Improvement Fund Program established by section 5808 of
17 this title.

18 § 5804. DESIGNATED NEIGHBORHOOD

19 (a) Designation established.

20 (1) A regional planning commission may request approval from the
21 Land Use Review Board for designation of areas on the regional plan future

1 land use maps as a designated neighborhood under 10 V.S.A. § 6033. Areas
2 eligible for designation include planned growth areas and village areas
3 identified on the regional plan future land use map. This designation
4 recognizes that the vitality of downtowns and villages is supported by adjacent
5 and walkable neighborhoods and that the benefits structure must ensure that
6 investments for sprawl repair or infill development within a neighborhood is
7 secondary to a primary purpose to maintain the vitality, livability and
8 maximize the climate resilience and infill potential of centers.

9 (2) Approval of planned growth areas and village areas as designated
10 neighborhoods shall follow the same process as approval for designated
11 centers provided for in 10 V.S.A. § 6033 and consistent with sections 4348 and
12 4348a of this title.

13 (b) Transition. All designated growth center or neighborhood development
14 areas existing as of December 31, 2025 will retain current benefits until
15 December 31, 2026 or upon approval of the regional plan future land use maps,
16 whichever comes first. All existing neighborhood development area and
17 growth center designations in effect on December 31, 2025 will expire on
18 December 31, 2026 if the regional plan future land use map is not approved.
19 All benefits that are removed for unexpired neighborhood development areas
20 and growth centers under this chapter shall remain active with prior
21 designations existing as of December 31, 2025 until December 31, 2034. Prior

1 to December 31, 2026, no check- ins or renewal shall be required for the
2 existing designations. New applications for neighborhood development area
3 designations may be approved by the State Board prior to the first hearing for a
4 regional plan adoption or until December 31, 2025, whichever comes first.

5 (c) Requirements. A designated neighborhood shall meet the requirements
6 for planned growth area or village area as described in section 4348a of this
7 title.

8 (d) Benefits. A designated neighborhood is eligible for the following
9 benefits:

10 (1) funding priority for bylaws and special-purpose plans, capital plans,
11 and area improvement or reinvestment plans, including priority consideration
12 for the Better Connections Program and other applicable programs identified
13 by Department guidance;

14 (2) funding priority for Better Connections and other infrastructure
15 project scoping, design, engineering, and construction by the State Community
16 Investment Program and Board;

17 (3) eligibility for the Downtown and Village Center Tax Credit Program
18 described in 32 V.S.A. § 5930aa et seq.;

19 (4) priority consideration for State and federal affordable housing
20 funding;

21 (5) certain housing appeal limitations under chapter 117 of this title;

1 (6) authority for the municipal legislative body to lower speed limits to
2 less than 25 mph within the neighborhood;

3 (7) State wastewater application fee capped at \$50.00 for residential
4 development under 3 V.S.A. § 2822(j)(4)(D);

5 (8) exclusion from the land gains tax provided by 32 V.S.A. § 10002(p);
6 and

7 (9) the authority to create a special taxing district pursuant to chapter 87
8 of this title for the purpose of financing both capital and operating costs of a
9 project within the boundaries of a neighborhood.

10 § 5805. GRANTS AND GIFTS

11 The Department of Housing and Community Development may accept
12 funds, grants, gifts, or donations of up to \$10,000.00 from individuals,
13 corporations, foundations, governmental entities, or other sources, on behalf of
14 the Community Planning and Revitalization Division to support trainings,
15 conferences, special projects and initiatives.

16 § 5806. DESIGNATION DATA CENTER

17 The Department in coordination with the Land Use Review Board, shall
18 maintain an online municipal planning data center publishing approved
19 regional plan future land use maps adoptions and amendments and indicating
20 the status of each approved designation within the region, and associated steps
21 for centers.

1 § 5807. BETTER PLACES PROGRAM; CROWD GRANTING

2 (a)(1) There is created the Better Places Program within the Department of
3 Housing and Community Development, and the Better Places Fund, which the
4 Department shall manage pursuant to 32 V.S.A. chapter 7, subchapter 5. This
5 shall be the same Fund created under the prior section 2799 of this title.

6 (2) The purpose of the Program is to utilize crowdfunding to spark
7 community revitalization through collaborative grantmaking for projects that
8 create, activate, or revitalize public spaces.

9 (3) The Department may administer the Program in coordination with
10 and support from other State agencies and nonprofit and philanthropic partners.

11 (b) The Fund is composed of the following:

12 (1) State or federal funds appropriated by the General Assembly;

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

14 (3) any interest earned by the Fund.

15 (c) As used in this section, “public space” means an area or place that is
16 open and accessible to all persons with no charge for admission and includes
17 village greens, squares, parks, community centers, town halls, libraries, and
18 other publicly accessible buildings and connecting spaces such as sidewalks,
19 streets, alleys, and trails.

1 (d)(1) The Department of Housing and Community Development shall
2 establish an application process, eligibility criteria, and criteria for prioritizing
3 assistance for awarding grants through the Program.

4 (2) The Department may award a grant to a municipality, a nonprofit
5 organization, or a community group with a fiscal sponsor for a project that is
6 located in or serves an area designated under this chapter that will create a new
7 public space or revitalize or activate an existing public space.

8 (3) The Department may award a grant to not more than three projects
9 per calendar year within a municipality.

10 (4) The minimum amount of a grant award is \$5,000.00, and the
11 maximum amount of a grant award is \$40,000.00.

12 (5) The Department shall develop matching grant eligibility
13 requirements to ensure a broad base of community and financial support for
14 the project, subject to the following:

15 (A) A project shall include in-kind support and matching funds raised
16 through a crowdfunding approach that includes multiple donors.

17 (B) An applicant may not donate to its own crowdfunding campaign.

18 (C) A donor may not contribute more than \$10,000.00 or 35 percent
19 of the campaign goal, whichever is less.

20 (D) An applicant shall provide matching funds raised through
21 crowdfunding of not less than 33 percent of the grant award. The Department

1 may require a higher percent of matching funds for certain project areas to
2 ensure equitable distribution of resources across Vermont.

3 (e) The Department of Housing and Community Development, with the
4 assistance of a fiscal agent, shall distribute funds under this section in a manner
5 that provides funding for projects of various sizes in as many geographical
6 areas of the State as possible.

7 (f) The Department of Housing and Community Development may use up
8 to 15 percent of any appropriation to the Fund from the General Fund to assist
9 with crowdfunding, administration, training, and technological needs of the
10 Program.

11 Sec. 67. MUNICIPAL TECHNICAL ASSISTANCE REPORT

12 (a) On or before December 31, 2025, the Commissioner of Housing and
13 Community Development shall develop recommendations for providing
14 coordinated State agency technical assistance to municipalities participating in
15 the programs under 24 V.S.A. chapter 139 to the Senate Committee on Natural
16 Resources and Energy and the House Committee on Environment and Energy.

17 (b) The recommendations shall address effective procedures for inter-
18 agency coordination to support municipal community investment,
19 revitalization, and development including coordination for:

20 (1) general project advising;

21 (2) physical improvement planning design;

1 producing building not used solely as a single-family residence. Churches and
2 other buildings owned by a religious organization may be qualified buildings,
3 but in no event shall tax credits be used for religious worship.

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

5 (A) to install or improve platform lifts suitable for transporting
6 personal mobility devices, limited use or limited application elevators,
7 elevators, sprinkler systems, and capital improvements in a qualified building,
8 and the installations or improvements are required to bring the building into
9 compliance with the statutory requirements and rules regarding fire prevention,
10 life safety, and electrical, plumbing, and accessibility codes as determined by
11 the Department of Public Safety;

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

14 (C) to redevelop a contaminated property in a designated ~~downtown,~~
15 ~~village center, or neighborhood development area~~ center or neighborhood
16 under a plan approved by the Secretary of Natural Resources pursuant to
17 10 V.S.A. § 6615a.

18 * * *

19 (5) “Qualified façade improvement project” means the rehabilitation of
20 the façade of a qualified building that contributes to the integrity of the
21 designated ~~downtown, designated village center, or neighborhood development~~

1 ~~area~~ center or neighborhood. Façade improvements to qualified buildings
2 listed, or eligible for listing, in the State or National Register of Historic Places
3 must be consistent with the Secretary of the Interior Standards, as determined
4 by the Vermont Division for Historic Preservation.

5 * * *

6 (9) “State Board” means the Vermont ~~Downtown Development~~
7 Community Investment Board established pursuant to 24 V.S.A. chapter ~~76A~~
8 139.

9 Sec. 69. 32 V.S.A. § 5930aa(6) is amended to read:

10 (6) “Qualified Flood Mitigation Project” means any combination of
11 structural and nonstructural changes to a qualified building ~~located within the~~
12 ~~flood hazard area as mapped by the Federal Emergency Management Agency~~
13 that reduces or eliminates flood damage to the building or its contents. This
14 may include relocation of HVAC, electrical, plumbing, and other building
15 systems, and equipment above the flood level; repairs or reinforcement of
16 foundation walls, including flood gates; or elevation of an entire eligible
17 building above the flood level. Further eligible projects may be defined via
18 program guidance. The project shall comply with the municipality’s adopted
19 flood hazard bylaw, if applicable, and a certificate of completion shall be
20 submitted by a registered engineer, architect, qualified contractor, or qualified
21 local official to ~~the State Board~~ program staff. Improvements to qualified

1 buildings listed, or eligible for listing, in the State or National Register of
2 Historic Places shall be consistent with Secretary of the Interior’s Standards for
3 Rehabilitation, as determined by the Vermont Division for Historic
4 Preservation.

5 Sec. 70. 32 V.S.A. § 5930bb is amended to read:

6 § 5930bb. ELIGIBILITY AND ADMINISTRATION

7 (a) Qualified applicants may apply to the State Board to obtain the tax
8 credits provided by this subchapter for a qualified project at any time before
9 the completion of the qualified project.

10 (b) To qualify for any of the tax credits under this subchapter, expenditures
11 for the qualified project must exceed \$5,000.00.

12 (c) Application shall be made in accordance with the guidelines set by the
13 State Board.

14 ~~(d) Notwithstanding any other provision of this subchapter, qualified~~
15 ~~applicants may apply to the State Board at any time prior to June 30, 2013, to~~
16 ~~obtain a tax credit not otherwise available under subsections 5930cc(a)–(c) of~~
17 ~~this title of 10 percent of qualified expenditures resulting from damage caused~~
18 ~~by a federally declared disaster in Vermont in 2011. The credit shall only be~~
19 ~~claimed against the taxpayer’s State individual income tax under section 5822~~
20 ~~of this title. To the extent that any allocated tax credit exceeds the taxpayer’s~~
21 ~~tax liability for the first tax year in which the qualified project is completed,~~

1 ~~the taxpayer shall receive a refund equal to the unused portion of the tax credit.~~
2 ~~If within two years after the date of the credit allocation no claim for a tax~~
3 ~~credit or refund has been filed, the tax credit allocation shall be rescinded and~~
4 ~~recaptured pursuant to subdivision 5930cc(6) of this title. The total amount of~~
5 ~~tax credits available under this subsection shall not be more than \$500,000.00~~
6 ~~and shall not be subject to the limitations contained in subdivision 5930cc(2)~~
7 ~~of this subchapter.~~

8 (e) Beginning on July 1, 2025, under this subchapter no new tax credit may
9 be allocated by the State Board to a qualified building located in a
10 neighborhood development area unless specific funds have been appropriated
11 for that purpose.

12 Sec. 71. 32 V.S.A. § 5930cc is amended to read:

13 § 5930cc. DOWNTOWN AND VILLAGE CENTER PROGRAM TAX

14 CREDITS

15 * * *

16 (c) Code improvement tax credit. The qualified applicant of a qualified
17 code improvement project shall be entitled, upon the approval of the State
18 Board, to claim against the taxpayer's State individual income tax, State
19 corporate income tax, or bank franchise or insurance premiums tax liability a
20 credit of 50 percent of qualified expenditures up to a maximum tax credit of
21 \$12,000.00 for installation or improvement of a platform lift, a maximum

1 credit of \$60,000.00 for the installation or improvement of a limited use or
2 limited application elevator, a maximum tax credit of \$75,000.00 for
3 installation or improvement of an elevator, a maximum tax credit of
4 \$50,000.00 for installation or improvement of a sprinkler system, and a
5 maximum tax credit of ~~\$50,000.00~~ \$100,000.00 for the combined costs of all
6 other qualified code improvements.

7 (d) Flood Mitigation Tax Credit. The qualified applicant of a qualified
8 flood mitigation project shall be entitled, upon the approval of the State Board,
9 to claim against the taxpayer's State individual income tax, State corporate
10 income tax, or bank franchise or insurance premiums tax liability a credit of
11 50 percent of qualified expenditures up to a maximum tax credit of ~~\$75,000.00~~
12 \$100,000.00.

13 Second: By striking out Sec. 114, effective dates, in its entirety and
14 inserting in lieu thereof a new Sec. 114 to read as follows:

15 Sec. 114. EFFECTIVE DATES

16 This act shall take effect on passage, except that:

17 (1) Secs. 12 (10 V.S.A. § 6001), 13 (10 V.S.A. § 6086(a)(8)), and 20 (10
18 V.S.A. § 6001) shall take effect on December 31, 2026;

19 (2) Sec. 18 (10 V.S.A. § 6001(3)(A)(xii)) shall take effect on July 1,
20 2026;

1 (3) Sec. 68 (32 V.S.A. § 5930aa) shall take effect on January 1, 2027;

2 and

3 (4) Sec. 83 (grand list contents, 32 V.S.A. § 4152(a)) shall take effect on
4 July 1, 2037.

5 and that after passage the title of the bill be amended to read: “An act
6 relating to land use planning, development, and housing”