

1 H.687

2 An act relating to community resilience and biodiversity protection through
3 land use

4 The Senate proposes to the House to amend the bill by striking out all after
5 the enacting clause and inserting in lieu thereof the following:

6 * * * Act 250 * * *

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

8 § 6000. PURPOSE; CONSTRUCTION

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

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

15 § 6021. BOARD; VACANCY; REMOVAL

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

18 (1) The Board shall consist of five members appointed by the Governor,
19 after review and approval by the Land Use Review Board Nominating
20 Committee in accordance with subdivision (2) of this subsection and
21 confirmed with the advice and consent of the Senate, so that one appointment

1 expires in each year. The Chair and the other four members shall be full-time
2 positions. In making these appointments, the Governor and the Senate shall
3 give consideration to candidates who have experience, expertise, or skills
4 relating to ~~the environment or land use~~ one or more of the following areas:
5 environmental science; land use law, policy, planning, and development; and
6 community planning. All candidates shall have a commitment to
7 environmental justice.

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

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

18 (2) ~~The Governor shall appoint up to five persons, with preference given~~
19 ~~to former Environmental Board, Land Use Review Board, or District~~
20 ~~Commission members, with the advice and consent of the Senate, to serve as~~
21 ~~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 hear appeals of fee refund requests
18 under section 6083a of this title.

19 (i) The Chair, subject to the direction of the Board, shall have general
20 charge of the offices and employees of the Board and the offices and
21 employees of the District Commissions.

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

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

8 * * *

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

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

13 § 6022. PERSONNEL

14 (a) Regular personnel. The Board may appoint legal counsel, scientists,
15 engineers, experts, investigators, temporary employees, and administrative
16 personnel as it finds necessary in carrying out its duties, ~~unless the Governor~~
17 ~~shall otherwise provide~~ in providing personnel to assist the District
18 Commissions and in investigating matters within its jurisdiction.

19 (b) Executive Director. The Board shall appoint an Executive Director.

20 The Director shall be a full-time State employee, shall be exempt from the

1 State classified system, and shall serve at the pleasure of the Board. The

2 Director shall be responsible for:

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

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

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

9 Sec. 7. 10 V.S.A. § 6084 is amended to read:

10 § 6084. NOTICE OF APPLICATION; HEARINGS; COMMENCEMENT OF
11 REVIEW

12 (a) ~~On or before the date of~~ Upon the filing of an application with the
13 District Commission, the ~~applicant~~ District Commission shall send, by
14 electronic means, notice ~~and a copy~~ of the ~~initial~~ application to the owner of
15 the land if the applicant is not the owner; the municipality in which the land is
16 located; the municipal and regional planning commissions for the municipality
17 in which the land is located; the Vermont Agency of Natural Resources; and
18 any adjacent Vermont municipality and municipal and regional planning
19 commission if the land is located on a municipal or regional boundary. The
20 ~~applicant shall furnish to the~~ District Commission ~~the names of those furnished~~
21 ~~notice by affidavit, and shall post~~ send by electronic means a copy of the notice

1 ~~in~~ to the town clerk's office of the town or towns in which the project lies. The
2 town clerk shall post the notice in the town office. The applicant shall also
3 provide a list of adjoining landowners to the District Commission. Upon
4 request and for good cause, the District Commission may authorize the
5 applicant to provide a partial list of adjoining landowners in accordance with
6 Board rules.

7 * * *

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

13 * * *

14 (f) The applicant shall post a sign provided by the District Commission on
15 the subject property in a visible location 14 days prior to the hearing on the
16 application and until the permit is issued or denied. The District Commission
17 shall provide the sign that shall include a general description of the project, the
18 date and place of the hearing, the identification number of the application and
19 the internet address, and the contact information for the District Commission.
20 The design of the signs shall be consistent throughout the State and
21 prominently state "This Property has applied for an Act 250 Permit."

1 * * *

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

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

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

10 § 6083a. ACT 250 FEES

11 * * *

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

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

16 * * * Transition; Revision authority * * *

17 Sec. 10. LAND USE REVIEW BOARD POSITIONS;

18 APPROPRIATION

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

21 (1) one Staff Attorney; and

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

2 (b) In fiscal year 2025, \$56,250.00 is appropriated from the General Fund
3 to the Land Use Review Board for the attorney positions established in
4 subdivision (a)(1) of this section.

5 Sec. 11. LAND USE REVIEW BOARD APPOINTMENTS; REVISION

6 AUTHORITY

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

11 (b) As of July 1, 2025, all appropriations and employee positions of the
12 Natural Resources Board are transferred to the Land Use Review Board.

13 (c) In preparing the Vermont Statutes Annotated for publication in 2025,
14 the Office of Legislative Counsel shall replace all references to the “Natural
15 Resources Board” with the “Land Use Review Board” in Title 3, Title 10, Title
16 24, Title 29, Title 30, and Title 32.

17 Sec. 11a. ACT 250 APPEALS STUDY

18 (a) On or before January 15, 2026, the Land Use Review Board shall issue
19 a report evaluating whether to transfer appeals of permit decisions and
20 jurisdictional opinions issued pursuant to 10 V.S.A. chapter 151 to the Land
21 Use Review Board or whether they should remain at the Environmental

1 Division of the Superior Court. The Board shall convene a stakeholder group
2 that at a minimum shall be composed of a representative of environmental
3 interests, attorneys that practice environmental and development law in
4 Vermont, the Vermont League of Cities and Towns, the Vermont Association
5 of Planning and Development Agencies, the Vermont Chamber of Commerce,
6 the Land Access and Opportunity Board, the Office of Racial Equity, the
7 Vermont Association of Realtors, a representative of non-profit housing
8 development interests, a representative of for-profit housing development
9 interests, a representative of commercial development interests, an engineer
10 with experience in development, the Agency of Commerce and Community
11 Development, and the Agency of Natural Resources in preparing the report.
12 The Board shall provide notice of the stakeholder meetings on its website and
13 each meeting shall provide time for public comment.

14 (b) The report shall at minimum recommend:

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

19 (2) how to prioritize and expedite the adjudication of appeals related to
20 housing projects, including the use of hearing officers to expedite appeals and
21 the setting of timelines for processing of housing appeals;

1 (48) “Forest block” means a contiguous area of forest in any stage of
2 succession and not currently developed for nonforest use. A forest block may
3 include features including recreational trails, wetlands, or other natural features
4 that do not themselves possess tree cover and improvements constructed for
5 farming, logging, or forestry purposes.

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

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

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

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

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

17 (i) the economic, social, cultural, recreational, or other benefit to
18 the public from the development or subdivision will not outweigh the
19 economic, environmental, or recreational loss to the public from the
20 destruction or imperilment of the habitat or species; ~~or~~

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

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

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

14 Sec. 14. CRITERION 8(C) RULEMAKING

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

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

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

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

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

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

1 improvements constructed for farming, logging, or forestry purposes below the
2 elevation of 2,500 feet.

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

5 (4) Criteria to identify the circumstances when a forest block or habitat
6 connector is eligible for mitigation. As part of this, the criteria shall identify
7 the circumstances when the function, value, unique sensitivity, or location of
8 the forest block or habitat connector would not allow mitigation.

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

11 (A) appropriate ratios for compensation;

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

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

15 (b) The Board shall convene a working group of stakeholders to provide
16 input to the rule prior to pre-filing with the Interagency Committee on
17 Administrative Rules. The Board shall convene the working group on or
18 before July 1, 2025.

19 (c) The Board shall file a final proposed rule with the Secretary of State
20 and Legislative Committee on Administrative Rules on or before June 15,
21 2026.

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

2 § 127. RESOURCE MAPPING

3 (a) ~~On or before January 15, 2013, the~~ The Secretary of Natural Resources
4 shall complete and maintain resource mapping based on the Geographic
5 Information System (GIS) or other technology. The mapping shall identify
6 natural resources throughout the State, including forest blocks and habitat
7 connectors, that may be relevant to the consideration of energy projects and
8 projects subject to chapter 151 of this title. The Center for Geographic
9 Information shall be available to provide assistance to the Secretary in carrying
10 out the ~~GIS-based~~ resource mapping.

11 (b) The Secretary ~~of Natural Resources~~ shall consider the ~~GIS-based~~
12 resource maps developed under subsection (a) of this section when providing
13 evidence and recommendations to the Public Utility Commission under
14 30 V.S.A. § 248(b)(5) and when commenting on or providing
15 recommendations under chapter 151 of this title to District Commissions on
16 other projects.

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

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

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

10 * * *

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

12 (I) an agricultural, horticultural, viticultural, or dairy
13 commodity, or maple syrup;

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

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

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

17 (V) a product manufactured on one or more farms from

18 commodities wholly grown or raised on one or more farms.

19 * * *

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

2 § 6081. PERMITS REQUIRED; EXEMPTIONS

3 * * *

4 (t) No permit or permit amendment is required for the construction of
5 improvements for an accessory on-farm business for the storage or sale of
6 qualifying products or the other eligible enumerated products as defined in
7 24 V.S.A. § 4412(11)(A)(i)(I). No permit or permit amendment is required for
8 the construction of improvements for an accessory on-farm business for the
9 preparation or processing of qualifying products as defined in 24 V.S.A.
10 § 4412(11)(A)(i)(I), provided that more than 50 percent of the total annual
11 sales of the prepared or processed qualifying products come from products
12 produced on the farm where the business is located. This subsection shall not
13 apply to the construction of improvements related to hosting events or farm
14 stays as part of an accessory on-farm business as defined in 24 V.S.A.
15 § 4412(11)(A)(i)(II).

16 * * *

17 * * * Road Rule * * *

18 Sec. 19. 10 V.S.A. § 6001(3)(A)(xii) is added to read:

19 (xii) The construction of a road or roads and any associated
20 driveways to provide access to or within a tract of land owned or controlled by
21 a person. For the purposes of determining jurisdiction under this subdivision,

1 any new development or subdivision on a parcel of land that will be provided
2 access by the road and associated driveways is land involved in the
3 construction of the road.

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

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

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

14 (IV) This subdivision (xii) shall not apply to:

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

18 (bb) development within a Tier 1A area established in
19 accordance with section 6034 of this title or a Tier 1B area established in
20 accordance with section 6033 of this title

1 industrial purposes in a municipality that has adopted permanent zoning and
2 subdivision bylaws.

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

8 (iii) The construction of improvements for commercial or
9 industrial purposes on a tract or tracts of land, owned or controlled by a person,
10 involving more than one acre of land within a municipality that has adopted
11 permanent zoning and subdivision bylaws, if the municipality in which the
12 proposed project is located has elected by ordinance, adopted under 24 V.S.A.
13 chapter 59, to have this jurisdiction apply.

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

20 * * *

1 statewide significance, riparian areas, class A waters, natural communities;
2 recommend any additional critical natural resources that should be added to the
3 definition; and how to define the boundaries. Rules adopted by the Board shall
4 include:

5 (1) any necessary clarifications to how the Tier 3 definition is used in
6 10 V.S.A. chapter 151;

7 (2) any necessary changes to how 10 V.S.A. § 6001(3)(A)(xiii) should
8 be administered, and when jurisdiction should be triggered to protect the
9 functions and values of resources of critical natural resources;

10 (3) the process for how Tier 3 areas will be mapped or identified by the
11 Agency of Natural Resources and the Board; and

12 (4) other policies or programs that shall be developed to review
13 development impacts to Tier 3 areas if they are not included in 10 V.S.A.
14 § 6001(46).

15 (b) On or before January 1, 2025, the Board shall convene a working group
16 of stakeholders to provide input to the rule prior to prefilings with the
17 Interagency Committee on Administrative Rules. The working group shall
18 include representation from regional planning commissions; environmental
19 groups; science and ecological research organizations; woodland or forestry
20 organizations; the Vermont Housing and Conservation Board; the Vermont
21 Chamber of Commerce; the League of Cities of Towns; the Land Access and

1 Opportunity Board; the State Natural Resources Conservation Council; and
2 other stakeholders, such as the Vermont Ski Areas Association, the
3 Department of Taxes, Division of Property Valuation and Review, the
4 Department of Forests, Parks and Recreation, the Department of
5 Environmental Conservation, the Department of Fish and Wildlife, the
6 Vermont Woodlands Association, and the Professional Logging Contractors of
7 the Northeast.

8 (c) The Board shall file a final proposed rule with the Secretary of State
9 and Legislative Committee on Administrative Rules on or before February 1,
10 2026.

11 (d) During the rule development, the stakeholder group established under
12 subsection (b) of this section shall solicit participation from representatives of
13 municipalities and landowners that host Tier 3 critical resource areas on their
14 properties to determine the responsibilities and education needed to
15 understand, manage, and interact with the resources.

16 * * * Tier 1 Areas * * *

17 Sec. 23. 10 V.S.A. § 6001(3)(A)(xi) is amended to read:

18 (xi) ~~Notwithstanding any other provision of law to the contrary, until~~
19 ~~July 1, 2026, the construction of housing projects such as cooperatives,~~
20 ~~econdominiums, dwellings, or mobile homes, with 25 or more units, constructed~~
21 ~~or maintained on a tract or tracts of land, located entirely within a designated~~

1 ~~downtown development district, a designated neighborhood development area,~~
2 ~~a designated village center with permanent zoning and subdivision bylaws, or a~~
3 ~~designated growth center, owned or controlled by a person, within a radius of~~
4 ~~five miles of any point on any involved land and within any continuous period~~
5 ~~of five years. For purposes of this subsection, the construction of four units or~~
6 ~~fewer of housing in an existing structure shall only count as one unit towards~~
7 ~~the total number of units. [Repealed.]~~

8 Sec. 24. 10 V.S.A. § 6001(3)(D)(viii)(III) is amended to read:

9 (III) Notwithstanding any other provision of law to the contrary, until
10 July 1, ~~2026~~2028, the construction of a priority housing project located entirely
11 within a designated downtown development district, designated neighborhood
12 development area, or a designated growth center or within one-half mile
13 around such designated center. For purposes of this subdivision (III), in order
14 for a parcel to qualify for the exemption, at least 51 percent of the parcel shall
15 be located within one-half mile of the designated center boundary. If the one-
16 half mile around the designated center extends into an adjacent municipality,
17 the legislative body of the adjacent municipal may inform the Board that it
18 does not want the exemption to extend into that area.

19 Sec. 25. REPEALS

20 (a) 2023 Acts and Resolves No. 47, Sec. 16a is repealed.

21 (b) 2023 Acts and Resolves No. 47, Sec. 19c is repealed.

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

2 (y) ~~Not~~ Until December 31, 2030, no permit or permit amendment is
3 required for a retail electric distribution utility's rebuilding of existing
4 electrical distribution lines and related facilities to improve reliability and
5 service to existing customers, through overhead or underground lines in an
6 existing corridor, road, or State or town road right-of-way. Nothing in this
7 section shall be interpreted to exempt projects under this subsection from other
8 required permits or the conditions on lands subject to existing permits required
9 by this section.

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

11 § 6033. REGIONAL PLAN FUTURE LAND USE MAP REVIEW

12 (a) The Board shall review requests from regional planning commissions to
13 approve or disapprove portions of future land use maps for the purposes of
14 changing jurisdictional thresholds under this chapter by identifying areas on
15 future land use maps for Tier 1B area status and to approve designations
16 pursuant to 24 V.S.A. chapter 139. The Board may produce guidelines for
17 regional planning commissions seeking Tier 1B area status. If requested by the
18 regional planning commission, the Board shall complete this review
19 concurrently with regional plan approval. A request for Tier 1B area status
20 made by a regional planning commission separate from regional plan approval
21 shall follow the process set forth in 24 V.S.A. § 4348.

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

5 (c) To obtain a Tier 1B area status under this section, the regional planning
6 commission shall demonstrate to the Board that the municipalities with Tier 1B
7 areas meet the requirements for village areas included in 24 V.S.A.
8 § 4348a(a)(12)(C). A municipality may have multiple noncontiguous areas
9 receive Tier 1B area status.

10 (d) A municipality that is eligible for Tier 1B status may formally request
11 of the Board that they be excluded from Tier 1B area status if the municipality
12 has elected by ordinance adopted under 24 V.S.A. chapter 59. If a
13 municipality seeks to be excluded from Tier 1B, it shall lose any center or
14 neighborhood designations and be ineligible for future designation until it
15 seeks Tier 1B status.

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

17 § 6034. TIER 1A AREA STATUS

18 (a) Application and approval.

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

1 meets the requirements of subsection (b) of this section. A municipality may
2 apply for multiple noncontiguous areas to be receive Tier 1A area status.
3 Applications may be submitted at different times.

4 (2) The Board shall issue an affirmative determination on finding that
5 the municipality meets the requirements of subsection (b) of this section within
6 45 days after the application is received.

7 (b) Tier 1A area status requirements.

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

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

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

18 (C) The municipality has adopted permanent zoning and subdivision
19 bylaws that do not include broad exemptions that exclude significant private or
20 public land development from requiring a municipal land use permit.

1 (D) The municipality has permanent land development regulations
2 for the Tier 1A area that further the smart growth principles of 24 V.S.A.
3 chapters 76A, adequately regulate the physical form and scale of development,
4 provide reasonable provision for a portion of the areas with sewer and water to
5 allow at least four stories, and conform to the guidelines established by the
6 Board.

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

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

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

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

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

1 (1) A preapplication meeting shall be held with the Board staff,
2 municipal staff, and staff of the relevant regional planning commission (RPC)
3 to review the requirements of subsection (b) of this section. The meeting shall
4 be held in person or electronically.

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

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

11 (A) Notice.

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

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

1 (iii) The notice shall also be posted by the municipality in or near
2 the municipal clerk's office and in at least two other designated public places
3 in the municipality, on the websites of the municipality and the regional
4 planning commission, and on any relevant e-mail lists or social media that the
5 municipality uses.

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

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

12 (I) the chair of the legislative body of each adjoining
13 municipality;

14 (II) the executive director of each abutting regional planning
15 commission;

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

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

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

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

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

14 (d) Review of status.

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

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

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

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

1 Sec. 31. 10 V.S.A. § 6081 is amended to read:

2 § 6081. PERMITS REQUIRED; EXEMPTIONS

3 * * *

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

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

14 (3) Upon receiving notice and a copy of the permit issued by an
15 appropriate municipal panel pursuant to 24 V.S.A. § 4460(g), a previously
16 issued permit for a development or subdivision located in a Tier 1A area shall
17 remain attached to the property. However, neither the Board nor the Agency
18 of Natural Resources shall enforce the permit or assert amendment jurisdiction
19 on the tract or tracts of land unless the designation is revoked or the
20 municipality has not taken any reasonable action to enforce the conditions of
21 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, 2028, no permit or permit amendment is required for the
5 construction of improvements for one accessory dwelling unit constructed
6 within or appurtenant to a single-family dwelling. Units constructed pursuant
7 to this subsection shall not count towards the total units constructed in other
8 projects.

9 (cc) Until July 1, 2028, no permit amendment is required for the
10 construction of improvements for converting a structure used for a commercial
11 purpose to 29 or fewer housing units.

12 (dd) Interim housing exemptions.

13 (1) Notwithstanding any other provision of law to the contrary, until
14 July 1, 2028, no permit or permit amendment is required for the construction of
15 housing projects such as cooperatives, condominiums, dwellings, or mobile
16 homes, with 75 or units fewer, constructed or maintained on a tract or tracts of
17 land, located entirely within a designated new town center, a designated
18 growth center, or a designated neighborhood development area. Housing units
19 constructed pursuant to this subdivision shall not count towards the total units
20 constructed in other areas. This exemption shall not apply to areas within
21 mapped river corridors and floodplains.

1 (2)(A) Notwithstanding any other provision of law to the contrary, until
2 July 1, 2028, no permit or permit amendment is required for the construction of
3 housing projects such as cooperatives, condominiums, dwellings, or mobile
4 homes, with 50 or fewer units, constructed or maintained on a tract or tracts of
5 land of 10 acres or less, located entirely within:

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

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

11 (B) Housing units constructed pursuant to this subdivision shall not
12 count towards the total units constructed in other areas. This exemption shall
13 not apply to areas within mapped river corridors and floodplains. For purposes
14 of this subdivision (B), in order for a parcel to qualify for the exemption, at
15 least 51 percent of the parcel shall be located within one-quarter mile of the
16 designated village center boundary or the center line of the transit route. If the
17 one-quarter mile extends into an adjacent municipality, the legislative body of
18 the adjacent municipal may inform the Board that it does not want the
19 exemption to extend into that area.

20 (3) Notwithstanding any other provision of law to the contrary, until
21 July 1, 2028, no permit or permit amendment is required for the construction of

1 housing projects such as cooperatives, condominiums, dwellings, or mobile
2 homes, constructed or maintained on a tract or tracts of land, located entirely
3 within a designated downtown development district. Housing units
4 constructed pursuant to this subdivision shall not count towards the total units
5 constructed in other areas. This exemption shall not apply to areas within
6 mapped river corridors and floodplains.

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

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

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

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

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

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

2 § 4460. APPROPRIATE MUNICIPAL PANELS

3 * * *

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

5 (A) was previously permitted pursuant to 10 V.S.A. chapter 151;

6 (B) is located in a Tier 1A area pursuant to 10 V.S.A. § 6034; and

7 (C) has applied for a permit or permit amendment required by zoning
8 regulations or bylaws adopted pursuant to this subchapter.

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

14 (A) the construction phase of the project that has already been
15 constructed;

16 (B) compliance with another State permit that has independent
17 jurisdiction;

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

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

1 (E) a physical or use condition that is no longer in effect or
2 applicable or that will no longer be in effect or applicable once the new project
3 is approved.

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

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

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

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

18 (h) Within a Tier 1A area, the appropriate municipal panel shall enforce
19 any existing permits issued under 10 V.S.A. chapter 151 that has not had its
20 permit conditions transferred to a municipal permit pursuant to subsection (g)
21 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,
13 local government officials, housing advocacy organizations, financial
14 institutions, and community members to identify regulatory policies that
15 incentivize mixed-income, mixed-use development and support affordable
16 housing production as a percentage of new housing units in communities
17 throughout the State, including examining the impact of inclusionary zoning;
18 and

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

1 (b) On or before December 15, 2024, the Department of Housing and
2 Community Development shall submit a report to the Senate Committees on
3 Economic Development, Housing and General Affairs and on Natural
4 Resources and Energy and the House Committees on General and Housing and
5 on Environment and Energy with its findings and recommendations.

6 Sec. 37a. TRANSPORTATION SUPPORT STUDY

7 (a) On or before December 15, 2025, the Agency of Transportation, after
8 consultation with the Department of Housing and Community Development,
9 the Vermont League of Cities and Towns, the Vermont Association of
10 Planning and Development Agencies, and the Natural Resources Board, shall
11 review the revenue received by the State, both current and projected, for transit
12 support through Act 250 and the revenue and benefits to developers, to the
13 State, and to the community received through transportation impact fees, and
14 shall suggest processes to preserve these revenues, requirements, and benefits.

15 (b) The Agency shall consider including transportation demand
16 management and subsidy requirements in development review authority for
17 municipalities, the authority or ability of the Agency of Transportation to
18 enforce transportation impact fees as part of the municipal process, and any
19 other proposals.

1 describe how the agency plans to provide meaningful participation in
2 compliance with Title VI of the Civil Rights Act of 1964.

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

13 * * *

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

1

* * *

2

(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.

6

* * *

7

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

8

§ 6006. ENVIRONMENTAL JUSTICE ADVISORY COUNCIL AND

9

INTERAGENCY ENVIRONMENTAL JUSTICE COMMITTEE

10

* * *

11

(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.

16

(c) Duties.

17

* * *

18

(2) The Interagency Committee shall:

19

(A) consult with the Agency of Natural Resources in the

20

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.

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

2 Sec. 3. SPENDING REPORT

3 On or before December 15, ~~2025~~ 2027, the Agency of Natural Resources
4 shall submit a report to the General Assembly describing whether the baseline
5 spending reports completed pursuant to 3 V.S.A. § 6004(g) of this section
6 indicate if any municipalities or portions of municipalities are routinely
7 underserved with respect to environmental benefits, taking into consideration
8 whether those areas receive, averaged across three years, a significantly lower
9 percentage of environmental benefits from State investments as compared to
10 other municipalities or portions of municipalities in the State. This report shall
11 include a recommendation as to whether a statutory definition of “underserved
12 community” and any other revisions to this chapter are necessary to best carry
13 out the Environmental Justice State Policy.

14 * * * Amicus briefs * * *

15 Sec. 44. 10 V.S.A. § 8504(q) is added to read:

16 (q) Amicus curiae. Notwithstanding the hearing of an appeal as de novo,
17 any judge presiding over appeals from chapter 151 of this title and Agency
18 permits pursuant to subsection (a) of this section may allow participation in
19 such appeals by amicus curiae following the Rules of Appellate Procedure
20 Rule 29.

1 cost-effective care and supervision for relatives, elders, or persons who have a
2 disability should be allowed.

3 * * *

4 (14) To encourage flood resilient communities.

5 (A) New development in identified flood hazard, ~~fluvial erosion~~, and
6 river corridor protection areas should be avoided. If new development is to be
7 built in such areas, it should not exacerbate flooding and fluvial erosion.

8 (B) The protection and restoration of floodplains and upland forested
9 areas that attenuate and moderate flooding and fluvial erosion should be
10 encouraged.

11 (C) Flood emergency preparedness and response planning should be
12 encouraged.

13 (15) To equitably distribute environmental benefits and burdens as
14 described in 3 V.S.A. chapter 72.

15 * * *

16 Sec. 46. 24 V.S.A. § 4345a is amended to read:

17 § 4345a. DUTIES OF REGIONAL PLANNING COMMISSIONS

18 A regional planning commission created under this chapter shall:

19 * * *

20 (5) Prepare a regional plan and amendments that are consistent with
21 the goals established in section 4302 of this title, and compatible with

1 approved municipal and adjoining regional plans. When preparing a regional
2 plan, the regional planning commission shall:

3 (A) ~~develop~~ Develop and carry out a process that will encourage and
4 enable widespread citizen involvement; and meaningful participation, as
5 defined in 3 V.S.A. § 6002.

6 (B) ~~develop~~ Develop a regional data base that is compatible with,
7 useful to, and shared with the geographic information system established under
8 3 V.S.A. § 20;

9 (C) ~~conduct~~ Conduct capacity studies;

10 (D) ~~identify~~ Identify areas of regional significance. Such areas may
11 be, but are not limited to, historic sites, earth resources, rare and irreplaceable
12 natural areas, recreation areas, and scenic areas;

13 (E) ~~use a land evaluation and site assessment system, that shall at a~~
14 ~~minimum use the criteria established by the Secretary of Agriculture, Food and~~
15 ~~Markets under 6 V.S.A. § 8, to identify viable agricultural lands; Consider the~~
16 potential environmental benefits and environmental burdens, as defined in
17 3 V.S.A. §6002, of the proposed plan.

18 (F) ~~consider~~ Consider the probable social and economic benefits and
19 consequences of the proposed plan; ~~and.~~

20 (G) ~~prepare~~ Prepare a report explaining how the regional plan is
21 consistent with the goals established in section 4302 of this title.

1

* * *

2

(11) Review proposed State capital expenditures prepared pursuant to

3

32 V.S.A. chapter 5 and the Transportation Program prepared pursuant to

4

19 V.S.A. chapter 1 for compatibility and consistency with regional plans and

5

submit comments to the Secretaries of Transportation and Administration and

6

the legislative committees of jurisdiction.

7

* * *

8

(17) As part of its regional plan, define a substantial regional impact, as

9

the term may be used with respect to its region. This definition shall be given

10

~~due consideration~~ substantial deference, where relevant, in State regulatory

11

proceedings.

12

* * *

13

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

14

§ 4347. PURPOSES OF REGIONAL PLAN

15

A regional plan shall be made with the general purpose of guiding and

16

accomplishing a coordinated, efficient, equitable, and economic development

17

of the region ~~which~~ that will, in accordance with the present and future needs

18

and resources, best promote the health, safety, order, convenience, prosperity,

19

and welfare of ~~the~~ current and future inhabitants as well as efficiency and

20

economy in the process of development. This general purpose includes

21

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

1 urbanization, trade, industry, habitation, recreation, agriculture, forestry, and
2 other uses as will tend to:

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

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

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

10 (4) promote the conservation of the supply of food, water, energy, and
11 minerals;

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

14 (6) promote the development of housing suitable to the needs of the
15 region and its communities; ~~and~~

16 (7) help communities equitably build resilience to address the effects of
17 climate change through mitigation and adaptation consistent with the Vermont
18 Climate Action Plan adopted pursuant to 10 V.S.A. § 592 and 3 V.S.A. chapter
19 72.

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

2 § 4348. ADOPTION AND AMENDMENT OF REGIONAL PLAN

3 (a) A regional planning commission shall adopt a regional plan. Any plan
4 for a region, and any amendment ~~thereof~~, shall be prepared by the regional
5 planning commission. At the outset of the planning process and throughout
6 the process, regional planning commissions shall solicit the participation of
7 each of their member municipalities, local citizens, and organizations by
8 holding informal working sessions that suit the needs of local people. The
9 purpose of these working sessions is to allow for meaningful participation as
10 defined in 3 V.S.A. § 6002, provide consistent information about new statutory
11 requirements related to the regional plan, explain the reasons for new
12 requirements, and gather information to be used in the development of the
13 regional plan and future land use element.

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

20 (c) The regional planning commission shall hold two or more public
21 hearings within the region after public notice on any proposed plan or

1 amendment. The minimum number of required public hearings may be
2 specified within the bylaws of the regional planning commission.

3 ~~(e)~~(d)(1) At least 30 days prior to the first hearing, a copy of the proposed
4 plan or amendment, a report documenting conformance with the goals
5 established in section 4302 of this chapter and the plan elements established in
6 section 4348a of this chapter, and a description of any changes to the Regional
7 Future Land Use Map with a request for general comments and for specific
8 comments with respect to the extent to which the plan or amendment is
9 consistent with the goals established in section 4302 of this title; shall be
10 delivered physically or electronically with proof of receipt or sent by certified
11 mail, return receipt requested, to each of the following:

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

14 ~~(2)~~(B) the executive director of each abutting regional planning
15 commission;

16 ~~(3)~~(C) the Department of Housing and Community Development within
17 the Agency of Commerce and Community Development and the Community
18 Investment Board for a formal review and comment;

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

1 ~~(5)~~(E) the Agency of Natural Resources ~~and~~; the Agency of Agriculture,
2 Food and Markets; the Agency of Transportation; the Department of Public
3 Service; the Department of Public Safety’s Division of Emergency
4 Management; and the Land Use Review Board.

5 (2) At least 30 days prior to the first hearing, the regional planning
6 commission shall provide each of its member municipalities with a written
7 description of map changes within the municipality, a municipality-wide map
8 showing old versus new areas with labels, and information about the new Tier
9 structure under 10 V.S.A. chapter 151, including how to obtain Tier 1A or 1B
10 status, and the process for updating designated area boundaries.

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

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

1 ~~(f)(g)~~ A regional plan or amendment shall be adopted by not less than a
2 60 percent vote of the commissioners representing municipalities, in
3 accordance with the bylaws of the regional planning commission, ~~and~~
4 ~~immediately submitted to the legislative bodies of the municipalities that~~
5 ~~comprise the region. The plan or amendment shall be considered duly adopted~~
6 ~~and shall take effect 35 days after the date of adoption, unless, within 35 days~~
7 ~~of the date of adoption, the regional planning commission receives certification~~
8 ~~from the legislative bodies of a majority of the municipalities in the region~~
9 ~~vetoing the proposed plan or amendment. In case of such a veto, the plan or~~
10 ~~amendment shall be deemed rejected.~~

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

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

1 The regional planning commission shall notify its municipalities and post on
2 its website the public hearing notice.

3 (3) The Land Use Review Board shall issue the determination in writing
4 within 15 days after the close of the hearing on the plan. If the determination
5 is affirmative, a copy of the determination shall be provided to the regional
6 planning commission and the Community Investment Board. If the
7 determination is negative, the Land Use Review Board shall state the reasons
8 for denial in writing and, if appropriate, suggest acceptable modifications.
9 Submissions for a new determination that follow a negative determination shall
10 receive a new determination within 45 days.

11 (4) The Land Use Review Board's affirmative determination shall be
12 based upon finding the regional plan meets the following requirements:

13 (A) Consistency with the State planning goals as described in section
14 4302 of this chapter with consistency determined in the manner described
15 under subdivision 4302(f)(1) of this chapter.

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

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

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

3 (i) Objections of interested parties.

4 (1) An interested party who has participated in the regional plan
5 adoption process may object to the approval of the plan or approval of the
6 future land use maps by the Land Use Review Board within 15 days following
7 plan adoption by the regional planning commission. Participation is defined as
8 providing written or oral comments stating objections for consideration at a
9 public hearing held by the regional planning commission. Objections shall be
10 submitted using a form provided by the Land Use Review Board.

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

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

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

19 (3) Any objection under this section shall be limited to the question of
20 whether the regional plan is consistent with the regional plan elements and
21 future land use areas as described in section 4348a of this title. The

1 requirements of section 4352 of this title related to enhanced energy planning
2 shall be under the sole authority of the Department of Public Service and shall
3 not be reviewed by the Land Use Review Board.

4 (4) The Land Use Review Board shall hear any objections of regional
5 plan adoption concurrently with regional plan review under subsection (h) of
6 this section and 10 V.S.A. § 6033. The Land Use Review Board decision of
7 approval of a regional plan shall expressly evaluate any objections and state
8 the reasons for their decisions in writing. If applicable, the decision to uphold
9 an objection shall suggest modifications to the regional plan.

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

1 included in the next iteration of the regional plan. The Board may adopt rules
2 to implement this section.

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

6 (l) Regional planning commissions shall be provided up to 18 months from
7 a negative determination by the Land Use Review Board to obtain an
8 affirmative determination of regional plan compliance. If a regional planning
9 commission is unable to obtain affirmative determination of regional plan
10 compliance, the plan shall be considered unapproved and member
11 municipalities shall lose any associated benefits related to designations, such as
12 Act 250 exemptions or eligibility for State infrastructure investments.

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

17 (g)(n) Regional plans may be reviewed from time to time and may be
18 amended in the light of new developments and changed conditions affecting
19 the region.

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

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

7 (2) to the extent that such a conflict exists, the regional plan shall be
8 given effect if it is demonstrated that the project under consideration in the
9 proceedings would have a substantial regional impact as determined by the
10 definition in the regional plan.

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

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

14 §4348a. ELEMENTS OF A REGIONAL PLAN

15 (a) A regional plan shall be consistent with the goals established in section
16 4302 of this title and shall include the following:

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

20 (2) A ~~land-use~~ natural resources and working lands element, which shall
21 consist of a map or maps and ~~statement of present and prospective land uses~~

1 policies, based on ecosystem function, consistent with Vermont Conservation
2 Design, support compact centers surrounded by rural and working lands, and
3 that:

4 (A) Indicates those areas of significant natural resources, including
5 existing and proposed for forests, wetlands, vernal pools, rare and irreplaceable
6 natural areas, floodplains, river corridors, recreation, agriculture, (using the
7 agricultural lands identification process established in 6 V.S.A. § 8), residence,
8 commerce, industry, public, and ~~semi-public~~ semipublic uses, open spaces,
9 areas reserved for flood plain, forest blocks, habitat connectors, recreation
10 areas and recreational trails, and areas identified by the State, regional planning
11 commissions, or municipalities that require special consideration for aquifer
12 protection; for wetland protection; for the maintenance of forest blocks,
13 wildlife habitat, and habitat connectors; or for other conservation purposes.

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

18 ~~(C) Indicates locations proposed for developments with a potential~~
19 ~~for regional impact, as determined by the regional planning commission,~~
20 ~~including flood control projects, surface water supply projects, industrial parks,~~
21 ~~office parks, shopping centers and shopping malls, airports, tourist attractions,~~

1 recreational facilities, private schools, public or private colleges, and
2 residential developments or subdivisions.

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

7 ~~(E)~~ Indicates those areas that have the potential to sustain agriculture
8 and recommendations for maintaining them ~~which~~ that may include transfer of
9 development rights, acquisition of development rights, or farmer assistance
10 programs.

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

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

20 (E) Encourages protection and improvement of the quality of waters
21 of the State to be used in the development and furtherance of the applicable

1 basin plans established by the Secretary of Natural Resources under 10 V.S.A.
2 § 1253.

3 (3) An energy element, ~~which may include~~ including an analysis of
4 resources, needs, scarcities, costs, and problems within the region across all
5 energy sectors, including electric, thermal, and transportation; a statement of
6 policy on the conservation and efficient use of energy and the development and
7 siting of renewable energy resources; a statement of policy on patterns and
8 densities of land use likely to result in conservation of energy; and an
9 identification of potential areas for the development and siting of renewable
10 energy resources and areas that are unsuitable for siting those resources or
11 particular categories or sizes of those resources.

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

1 area boundaries for the land uses in subdivisions (A)–(J) of this subdivision
2 (12) as appropriate and any other special land use category the regional
3 planning commission deems necessary; descriptions of intended future land
4 uses; and policies intended to support the implementation of the future land use
5 element using the following land use categories:

6 (A) Downtown or village centers. These areas are the mixed-use
7 centers bringing together community economic activity and civic assets. They
8 include downtowns, villages, and new town centers previously designated
9 under chapter 76A and downtowns and village centers seeking benefits under
10 the Community Investment Program under section 5804 of this title. The
11 downtown or village centers are the traditional and historic central business
12 and civic centers within planned growth areas, village areas, or may stand
13 alone. Village centers are not required to have public water, wastewater,
14 zoning, or subdivision bylaws.

15 (B) Planned growth areas. These areas include the high-density
16 existing settlement and future growth areas with high concentrations of
17 population, housing, and employment in each region and town, as appropriate.
18 They include a mix of historic and nonhistoric commercial, residential, and
19 civic or cultural sites with active streetscapes, supported by land development
20 regulations; public water or wastewater, or both; and multimodal transportation
21 systems. These areas include new town centers, downtowns, village centers,

1 growth centers, and neighborhood development areas previously designated
2 under chapter 76A of this title. These areas should generally meet the smart
3 growth principles definition in chapter 139 of this title and the following
4 criteria:

5 (i) The municipality has a duly adopted and approved plan and a
6 planning process that is confirmed in accordance with section 4350 of this title
7 and has adopted bylaws and regulations in accordance with sections 4414,
8 4418, and 4442 of this title.

9 (ii) This area is served by public water or wastewater
10 infrastructure.

11 (iii) The area is generally within walking distance from the
12 municipality's or an adjacent municipality's downtown, village center, new
13 town center, or growth center.

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

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

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

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

7 (C) Village areas. These areas include the traditional settlement area
8 or a proposed new settlement area, typically composed of a cohesive mix of
9 residential, civic, religious, commercial, and mixed-use buildings, arranged
10 along a main street and intersecting streets that are within walking distance for
11 residents who live within and surrounding the core. These areas include
12 existing village center designations and similar areas statewide, but this area is
13 larger than the village center designation. Village areas shall meet the
14 following criteria:

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

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

19 (iii) Unless the municipality has adopted flood hazard and river
20 corridor bylaws, applicable to the entire municipality, that are consistent with
21 the standards established pursuant to 10 V.S.A. § 755b (flood hazard) and

1 10 V.S.A. § 1428(b) (river corridor), the area excludes identified flood hazard
2 and river corridors, except those areas containing preexisting development in
3 areas suitable for infill development as defined in 29-201 of the Vermont
4 Flood Hazard Area and River Corridor Rule.

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

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

10 (D) Transition or infill area. These areas include areas of existing or
11 planned commercial, office, mixed-use development, or residential uses either
12 adjacent to a planned growth or village area or a new stand-alone transition or
13 infill area and served by, or planned for, public water or wastewater, or both.
14 The intent of this land use category is to transform these areas into higher-
15 density, mixed-use settlements, or residential neighborhoods through infill and
16 redevelopment or new development. New commercial linear strip
17 development is not allowed as to prevent it negatively impacting the economic
18 vitality of commercial areas in the adjacent or nearby planned growth or
19 village area. This area could also include adjacent greenfields safer from
20 flooding and planned for future growth.

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

5 (F) Enterprise areas. These areas include locations of high economic
6 activity and employment that are not adjacent to planned growth areas. These
7 include industrial parks, areas of natural resource extraction, or other
8 commercial uses that involve larger land areas. Enterprise areas typically have
9 ready access to water supply, sewage disposal, electricity, and freight
10 transportation networks.

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

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

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

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

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

1 (c) The regional plan future land use map shall delineate areas within the
2 regional planning commission’s member municipalities that are eligible to
3 receive designation benefits as centers and neighborhoods when the future land
4 use map is approved by the Land Use Review Board per 10 V.S.A. § 6033.
5 The areas eligible for designation as centers shall be identified on the regional
6 plan future land use map as regional downtown centers and village centers.
7 The areas eligible for designation as neighborhoods shall be identified on the
8 regional plan future land use map as planned growth areas and village areas in
9 a manner consistent with this section and chapter 139 of this title. This
10 methodology shall include all approved designated downtowns, villages, new
11 town centers, neighborhood development areas, and growth centers existing on
12 December 31, 2025, unless the subject member municipality requests
13 otherwise.

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

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

7 Sec. 50. REGIONAL PLANNING COMMISSION STUDY

8 (a) The Vermont Association of Planning and Development Agencies
9 (VAPDA) shall hire an independent contractor to study the strategic
10 opportunities for regional planning commissions to better serve municipalities
11 and the State. This study shall seek to ensure that the regional planning
12 commissions are statutorily enabled and strategically positioned to meet
13 ongoing and emerging State and municipal needs and shall review the
14 following: governance, funding, programs, service delivery, equity,
15 accountability, and staffing.

16 (b) A stakeholder group composed of the Vermont League of Cities and
17 Towns, Vermont Council on Rural Development, the Department of Housing
18 and Community Development, the Agency of Administration, the Office of
19 Racial Equity, legislators, and others will be invited to participate in the study
20 to provide their insights into governance structure, accountability, and
21 performance standards.

1 dwelling, including no additional land or lot area than would be required for a
2 single-unit dwelling. In any district that is served by municipal sewer and
3 water infrastructure that allows residential development, multiunit dwellings
4 with four or fewer units shall be a permitted use on the same size lot as single-
5 unit dwelling, unless that district specifically requires multiunit structures to
6 have more than four dwelling units.

7 * * *

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

16 (13) In any area served by municipal sewer and water infrastructure that
17 allows residential development, bylaws shall permit any affordable housing
18 development, as defined in subdivision 4303(2) of this title, including mixed-
19 use development, to exceed density limitations for residential developments by
20 an additional 40 percent, rounded up to the nearest whole unit, which shall

1 include exceeding maximum height limitations by one floor, provided that the
2 structure complies with the Vermont Fire and Building Safety Code.

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

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

6 § 4413. LIMITATIONS ON MUNICIPAL BYLAWS

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

12 (A) State- or community-owned and -operated institutions and
13 facilities;

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

16 (C) churches and other places of worship, convents, and parish
17 houses;

18 (D) public and private hospitals;

19 (E) regional solid waste management facilities certified under
20 10 V.S.A. chapter 159;

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

3 (G) emergency shelters; and

4 (H) hotels and motels converted to permanently affordable housing
5 developments.

6 * * *

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

8 § 4428. PARKING BYLAWS

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

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

16 (c) Existing nonconforming parking. A municipality shall allow an
17 existing nonconforming parking space to count toward the parking requirement
18 of an existing residential building if new residential units are added to the
19 building.

1 take into account the existence or availability of employer “transit pass” and
2 rideshare programs, public transit routes, and public parking spaces in the
3 vicinity of the development.

4 * * *

5 Sec. 56. 2023 Acts and Resolves No. 81, Sec. 10 is amended to read:

6 Sec. 10. 2023 Acts and Resolves No. 47, Sec. 47 is amended to read:

7 Sec. 47. EFFECTIVE DATES

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

9 (1) Sec. 1 (24 V.S.A. § 4414) shall take effect on ~~December~~ July 1,
10 2024.

11 * * *

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

13 § 4429. LOT COVERAGE BYLAWS

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

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

17 § 4464. HEARING AND NOTICE REQUIREMENTS; DECISIONS AND
18 CONDITIONS; ADMINISTRATIVE REVIEW; ROLE OF
19 ADVISORY COMMISSIONS IN DEVELOPMENT REVIEW

20 * * *

21 (b) Decisions.

1 no motion to alter was filed following the issuance of an administrative
2 amendment;

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

6 (3) if a District Commission issues a partial decision under subsection
7 6086(b) of this title, any appeal of that decision must be taken within 30 days
8 ~~of~~ following the date of that decision; and

9 (4) it shall be the goal of the Environmental Division to issue a decision
10 on a case regarding an appeal of an appropriate municipal panel decision under
11 24 V.S.A. chapter 117 within 90 days following the close of the hearing.

12 * * *

13 * * * Resilience Planning * * *

14 Sec. 62. 24 V.S.A. § 4306 is amended to read:

15 § 4306. MUNICIPAL AND REGIONAL PLANNING AND RESILIENCE

16 FUND

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

20 (2) The Fund shall be composed of 17 percent of the revenue from the
21 property transfer tax under 32 V.S.A. chapter 231 and any monies from time to

1 time appropriated to the Fund by the General Assembly or received from any
2 other source, private or public. All balances at the end of any fiscal year shall
3 be carried forward and remain in the Fund. Interest earned by the Fund shall
4 be deposited in the Fund.

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

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

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

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

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

19 (2) Disbursement to municipalities shall be awarded annually on or
20 before December 31 through a competitive program administered by the
21 Department providing the opportunity for any eligible municipality or

1 municipalities to compete regardless of size, provided that to receive funds, a
2 municipality:

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

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

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

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

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

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

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

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

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

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

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

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

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

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

20 Sec. 63. [Deleted.]

21 Sec. 64. [Deleted.]

1 * * * Designated Areas Update * * *

2 Sec. 65. REPEALS

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

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

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

8 CHAPTER 139. STATE COMMUNITY INVESTMENT PROGRAM

9 § 5801. DEFINITIONS

10 As used in this chapter:

11 (1) “Community Investment Program” means the program established in
12 this chapter, as adapted from the former State designated areas program
13 formerly in chapter 76A of this title. Statutory references outside this chapter
14 referring to the former State-designated downtown, village centers, and new
15 town centers shall mean designated center, once established. Statutory
16 references outside this chapter referring to the former State-designated
17 neighborhood development areas and growth centers shall mean designated
18 neighborhood, once established. The program shall extend access to benefits
19 that sustain and revitalize existing buildings and maintain the basis of the
20 program’s primary focus on revitalizing historic downtowns, villages and
21 surrounding neighborhoods by promoting smart growth development patterns

1 and historic preservation practices vital to Vermont’s economy, cultural
2 landscape, equity of opportunity, and climate resilience.

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

5 (3) “Department” means the Department of Housing and Community
6 Development.

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

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

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

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

20 (8) “Planned growth area” means an area on the regional plan future
21 land use maps required under section 4348a of this title, which may encompass

1 a downtown center or village center on the regional future land use map and
2 may be designated as a center or neighborhood, or both.

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

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

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

10 (12) “State Designated Downtown and Village Center” or “center”
11 means a contiguous downtown or village a portion of which is listed or eligible
12 for listing in the national register of historic places area approved as part of the
13 LURB review of regional plan future land use maps, which may include an
14 approved preexisting designated designated downtown, village center, or
15 designated new town center established prior to the approval of the regional
16 plan future land use maps.

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

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

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

12 § 5802. VERMONT COMMUNITY INVESTMENT BOARD

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

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

17 (2) the Secretary of Transportation;

18 (3) the Secretary of Natural Resources;

19 (4) the Commissioner of Public Safety;

20 (5) the State Historic Preservation Officer;

1 (6) a member of the community designated by the Director of Racial

2 Equity;

3 (7) a person, appointed by the Governor from a list of three names

4 submitted by the Vermont Natural Resources Council and the Preservation

5 Trust of Vermont;

6 (8) a person, appointed by the Governor from a list of three names

7 submitted by the Vermont Association of Chamber of Commerce Executives;

8 (9) three public members representative of local government, one of

9 whom shall be designated by the Vermont League of Cities and Towns and

10 two of whom shall be appointed by the Governor;

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

12 (11) the State Treasurer;

13 (12) a member of the Vermont Planners Association designated by the

14 Association;

15 (13) a representative of a regional development corporation designated

16 by the regional development corporations; and

17 (14) a representative of a regional planning commission designated by

18 the Vermont Association of Planning and Development Agencies.

19 (b) The State Board shall elect a chair and vice chair from among its

20 membership.

1 (c) The Department shall provide legal, staff, and administrative support to
2 the State Board; shall produce guidelines to direct municipalities seeking to
3 obtain designation under this chapter and for other purposes established by this
4 chapter; and shall pay per diem compensation for board members pursuant to
5 32 V.S.A. § 1010(b).

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

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

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

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

13 (2) to review and comment on proposed regional plan future land use
14 maps prepared by the regional planning commission and presented to the
15 LURB for designated center and designated neighborhood recognition under
16 10 V.S.A. § 6033;

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

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

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

4 § 5803. DESIGNATION OF DOWNTOWN AND VILLAGE CENTERS

5 (a) Designation established. A regional planning commission may apply to
6 the LURB for approval and designation of all centers by submitting the
7 regional plan future land use map adopted by the regional planning
8 commission. The regional plan future land use map shall identify downtown
9 centers and village centers as the downtown and village areas eligible for
10 designation as centers. The Department and State Board shall provide
11 comments to the LURB on areas eligible for center designation as provided
12 under this chapter.

13 (b) Inclusions. The areas mapped by the regional planning commissions as
14 a center shall allow for the designation of preexisting, designated downtowns,
15 village centers and new town centers in existence on or before December 31,
16 2025.

17 (c) Exclusions. With the exception for preexisting, nonconforming
18 designations approved prior to the establishment of the program under this
19 chapter or areas included in the municipal plan for the purposes of relocating a
20 municipality's center for flood resiliency purposes, the areas eligible for
21 designation benefits upon the LURB's approval of the regional plan future land

1 use map for designation as a Center shall not include development that is
2 disconnected from a Center and that lacks a pedestrian connection to the
3 Center via a complete street.

4 (d) Approval. The LURB shall conduct its review pursuant to 10 V.S.A.
5 § 6033.

6 (e) Transition. All designated downtowns, village centers, or new town
7 centers existing as of December 31, 2025 will retain current benefits until
8 December 31, 2026 or until approval of the regional future land use maps by
9 the LURB, whichever comes first. All existing designations in effect
10 December 31, 2025 will expire December 31, 2026 if the regional plan does
11 not receive LURB approval under this chapter. All benefits for unexpired
12 designated downtowns, village centers, and new town centers that are removed
13 under this chapter shall remain in effect until July 1, 2034. Prior to June 30,
14 2026, no check-in or renewals shall be required for the preexisting
15 designations. New applications for downtowns, villages, and new town centers
16 may be approved by the State Board prior to the first public hearing on a
17 regional future land use map or until December 31, 2025, whichever comes
18 first.

19 (f) Benefits Steps. A center may receive the benefits associated with the
20 steps in this section by meeting the established requirements. The Department
21 shall review applications from municipalities to advance from Step One to

1 Two and from Step Two to Three and issue written decisions. The Department
2 shall issue a written administrative decision within 30 days following an
3 application. If a municipal application is rejected by the Department, the
4 municipality may appeal the administrative decision to the State Board. To
5 maintain a downtown approved under chapter 76A after December 31, 2026,
6 the municipality shall apply for renewal following a regional planning
7 approval by the LURB and meet the program requirements. Step Three
8 designations that are not approved for renewal revert to Step Two. The
9 municipality may appeal the administrative decision of the Department to the
10 State Board. Appeals of administrative decisions shall be heard by the State
11 Board at the next meeting following a timely filing stating the reasons for the
12 appeal. The State Board's decision is final. The Department shall issue
13 guidance to administer these steps.

14 (1) Step One.

15 (A) Requirements. Step One is established to create an accessible
16 designation for all villages throughout the State to become eligible for funding
17 and technical assistance to support site-based improvements and planning. All
18 downtown and village centers shall automatically reach Step One upon
19 approval of the regional plan future land use map by the LURB. Regional plan
20 future land use maps supersede preexisting designated areas that may already
21 meet the Step One requirement.

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

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

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

10 (2) Step Two.

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

15 (i) meets the requirements of Step One or if it has a designated
16 village center or new town center under chapter 76A of this title upon initial
17 approval of the regional plan future land use map and prior to December 31,
18 2026;

19 (ii) has a confirmed municipal planning process pursuant to
20 24 V.S.A. § 4350;

1 (iii) has a municipal plan with goals for investment in the center;

2 and

3 (iv) a portion of the center is listed or eligible for listing in the
4 National Register of Historic Places.

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

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

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

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

16 (iv) priority consideration for State and federal affordable housing
17 funding;

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

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

1 (vii) exemption from the land gains tax under 32 V.S.A.
2 § 10002(p); and

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

5 (3) Step Three.

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

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

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

15 (iii) Has a downtown improvement plan.

16 (iv) Has a downtown investment agreement.

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

19 (vi) Has a local downtown organization with an organizational
20 structure necessary to sustain a comprehensive long-term downtown
21 revitalization effort, including a local downtown organization that will

1 collaborate with municipal departments, local businesses, and local nonprofit
2 organizations. The local downtown organization shall work to:

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

9 (II) build consensus and cooperation among the many groups
10 and individuals who have a role in the planning, development, and
11 revitalization process;

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

14 (IV) strengthen, diversify, and increase the economic activity
15 within the downtown; and

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

18 (vii) Has available public water and wastewater service and
19 capacity.

20 (viii) Has permanent zoning and subdivision bylaws.

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

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

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

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

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

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

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

19 (v) Housing appeal limitations as described in chapter 117 of this
20 title.

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

9 (vii) Funding for infrastructure project scoping, design, and
10 engineering, including participation in the Downtown Transportation and
11 Related Capital Improvement Fund Program established by section 5808 of
12 this title.

13 § 5804. DESIGNATED NEIGHBORHOOD

14 (a) Designation established.

15 (1) A regional planning commission may request approval from the
16 LURB for designation of areas on the regional plan future land use maps as a
17 designated neighborhood under 10 V.S.A. § 6033. Areas eligible for
18 designation include planned growth areas and village areas identified on the
19 regional plan future land use map. This designation recognizes that the vitality
20 of downtowns and villages is supported by adjacent and walkable
21 neighborhoods and that the benefits structure must ensure that investments for

1 sprawl repair or infill development within a neighborhood is secondary to a
2 primary purpose to maintain the vitality and livability and maximize the
3 climate resilience and infill potential of centers.

4 (2) Approval of planned growth areas and village areas as designated
5 neighborhoods shall follow the same process as approval for designated
6 centers provided for in 10 V.S.A. § 6033 and consistent with sections 4348 and
7 4348a of this title.

8 (b) Transition. All designated growth center or neighborhood development
9 areas existing as of December 31, 2025 will retain current benefits until
10 December 31, 2026 or upon approval of the regional plan future land use maps,
11 whichever comes first. All existing neighborhood development area and
12 growth center designations in effect on December 31, 2025 will expire on
13 December 31, 2026 if the regional plan future land use map is not approved.
14 All benefits that are removed for unexpired neighborhood development areas
15 and growth centers under this chapter shall remain active with prior
16 designations existing as of December 31, 2025 until December 31, 2034. Prior
17 to December 31, 2026, no check- ins or renewal shall be required for the
18 existing designations. New applications for neighborhood development area
19 designations may be approved by the State Board prior to the first hearing for a
20 regional plan adoption or until December 31, 2025, whichever comes first.

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

4 (d) Benefits. A designated neighborhood is eligible for the following
5 benefits:

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

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

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

15 (4) priority consideration for State and federal affordable housing
16 funding;

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

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

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

1 (8) exclusion from the land gains tax provided by 32 V.S.A. § 10002(p);
2 and
3 (9) the authority to create a special taxing district pursuant to chapter 87
4 of this title for the purpose of financing both capital and operating costs of a
5 project within the boundaries of a neighborhood.

6 § 5805. GRANTS AND GIFTS

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

12 § 5806. DESIGNATION DATA CENTER

13 The Department, in coordination with the LURB, shall maintain an online
14 municipal planning data center publishing approved regional plan future land
15 use maps adoptions and amendments and indicating the status of each
16 approved designation within the region, and associated steps for centers.

17 § 5807. BETTER PLACES PROGRAM; CROWD GRANTING

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

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

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

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

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

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

9 (3) any interest earned by the Fund.

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

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

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

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

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

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

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

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

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

13 (D) An applicant shall provide matching funds raised through
14 crowdfunding of not less than 33 percent of the grant award. The Department
15 may require a higher percent of matching funds for certain project areas to
16 ensure equitable distribution of resources across Vermont.

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

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

5 Sec. 67. MUNICIPAL TECHNICAL ASSISTANCE REPORT

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

11 (b) The recommendations shall address effective procedures for
12 interagency coordination to support municipal community investment,
13 revitalization, and development including coordination for:

- 14 (1) general project advising;
15 (2) physical improvement planning design;
16 (3) policy making; and
17 (4) project management.

18 (c) The recommendations shall support the implementation of State agency
19 plans and the following strategic priorities for municipal and community
20 investment, revitalization, and development assistance:

- 21 (1) housing development growth;

1 elevators, sprinkler systems, and capital improvements in a qualified building,
2 and the installations or improvements are required to bring the building into
3 compliance with the statutory requirements and rules regarding fire prevention,
4 life safety, and electrical, plumbing, and accessibility codes as determined by
5 the Department of Public Safety;

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

8 (C) to redevelop a contaminated property in a designated ~~downtown,~~
9 ~~village center, or neighborhood development area~~ center or neighborhood
10 under a plan approved by the Secretary of Natural Resources pursuant to
11 10 V.S.A. § 6615a.

12 * * *

13 (5) “Qualified façade improvement project” means the rehabilitation of
14 the façade of a qualified building that contributes to the integrity of the
15 designated ~~downtown, designated village center, or neighborhood development~~
16 ~~area~~ center or neighborhood. Façade improvements to qualified buildings
17 listed, or eligible for listing, in the State or National Register of Historic Places
18 must be consistent with the Secretary of the Interior Standards, as determined
19 by the Vermont Division for Historic Preservation.

20 * * *

1 (9) “State Board” means the Vermont ~~Downtown Development~~
2 Community Investment Board established pursuant to 24 V.S.A. chapter ~~76A~~
3 139.

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

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

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

2 § 5930bb. ELIGIBILITY AND ADMINISTRATION

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

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

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

10 ~~(d) Notwithstanding any other provision of this subchapter, qualified~~
11 ~~applicants may apply to the State Board at any time prior to June 30, 2013, to~~
12 ~~obtain a tax credit not otherwise available under subsections 5930cc(a)-(c) of~~
13 ~~this title of 10 percent of qualified expenditures resulting from damage caused~~
14 ~~by a federally declared disaster in Vermont in 2011. The credit shall only be~~
15 ~~claimed against the taxpayer's State individual income tax under section 5822~~
16 ~~of this title. To the extent that any allocated tax credit exceeds the taxpayer's~~
17 ~~tax liability for the first tax year in which the qualified project is completed,~~
18 ~~the taxpayer shall receive a refund equal to the unused portion of the tax credit.~~
19 ~~If within two years after the date of the credit allocation no claim for a tax~~
20 ~~credit or refund has been filed, the tax credit allocation shall be rescinded and~~
21 ~~recaptured pursuant to subdivision 5930cc(6) of this title. The total amount of~~

1 ~~tax credits available under this subsection shall not be more than \$500,000.00~~
2 ~~and shall not be subject to the limitations contained in subdivision 5930cc(2)~~
3 ~~of this subchapter.~~

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

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

9 § 5930cc. DOWNTOWN AND VILLAGE CENTER PROGRAM TAX

10 CREDITS

11 * * *

12 (c) Code improvement tax credit. The qualified applicant of a qualified
13 code improvement project shall be entitled, upon the approval of the State
14 Board, to claim against the taxpayer's State individual income tax, State
15 corporate income tax, or bank franchise or insurance premiums tax liability a
16 credit of 50 percent of qualified expenditures up to a maximum tax credit of
17 \$12,000.00 for installation or improvement of a platform lift, a maximum
18 credit of \$60,000.00 for the installation or improvement of a limited use or
19 limited application elevator, a maximum tax credit of \$75,000.00 for
20 installation or improvement of an elevator, a maximum tax credit of
21 \$50,000.00 for installation or improvement of a sprinkler system, and a

1 maximum tax credit of ~~\$50,000.00~~ \$100,000.00 for the combined costs of all
2 other qualified code improvements.

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

9 Sec. 72. [Deleted.]

10 Sec. 73. 32 V.S.A. § 9602 is amended to read:

11 § 9602. TAX ON TRANSFER OF TITLE TO PROPERTY

12 A tax is hereby imposed upon the transfer by deed of title to property
13 located in this State, or a transfer or acquisition of a controlling interest in any
14 person with title to property in this State. The amount of the tax equals one
15 and one-quarter percent of the value of the property transferred, or \$1.00,
16 whichever is greater, except as follows:

17 (1) With respect to the transfer of property to be used for the principal
18 residence of the transferee, the tax shall be imposed at the rate of five-tenths of
19 one percent of the first \$100,000.00 in value of the property transferred and at
20 the rate of one and one-quarter percent of the value of the property transferred
21 in excess of \$100,000.00; except that no tax shall be imposed on the first

1 ~~\$110,000.00~~ \$150,000.00 in value of the property transferred if the purchaser
2 obtains a purchase money mortgage funded in part with a homeland grant
3 through the Vermont Housing and Conservation Trust Fund or that the
4 Vermont Housing and Finance Agency or U.S. Department of Agriculture and
5 Rural Development has committed to make or purchase; and tax at the rate of
6 one and one-quarter percent shall be imposed on the value of that property in
7 excess of ~~\$110,000.00~~ \$150,000.00.

8 * * *

9 (4) Tax shall be imposed at the rate of two and one-half percent of the
10 value of the property transferred with respect to transfers of:

11 (A) residential property that is fit for habitation on a year-round
12 basis;

13 (B) will not be used as the principal residence of the transferee; and

14 (C) for which the transferee will not be required to provide a
15 landlord certificate pursuant to section 6069 of this title..

16 Sec. 74. ALLOCATIONS; PROPERTY TRANSFER TAX

17 Notwithstanding 10 V.S.A. § 312, 24 V.S.A. § 4306(a), 32 V.S.A.
18 § 9610(c), or any other provision of law to the contrary, amounts in excess of
19 \$32,954,775.00 from the property transfer tax shall be transferred into the
20 General Fund. Of this amount:

1 10 V.S.A. § 621(22), the proceeds of which the Vermont Housing and
2 Conservation Board shall use to create affordable housing pursuant to
3 10 V.S.A. § 314.

4 (2) As long as the bonds, notes, and other obligations incurred pursuant
5 to subdivision (1) of this subsection remain outstanding, the rate of tax
6 imposed pursuant to section 9602 of this title shall not be reduced below a rate
7 estimated, at the time of any reduction, to generate annual revenues of at least
8 \$12,000,000.00.

9 (e) Prior to any distribution of property transfer tax revenue under
10 10 V.S.A. § 312, 24 V.S.A. § 4306(a), subdivision 435(b)(10) of this title, and
11 subsection (c) of this section, \$900,000.00 of the revenue received from the
12 property transfer tax shall be transferred to the Act 250 Permit Fund
13 established under 10 V.S.A. § 6029. Prior to a transfer under this subsection,
14 the Commissioner shall adjust the amount transferred according to the percent
15 change in the Bureau of Labor Statistics Consumer Price Index for All Urban
16 Consumers (CPI-U) by determining the increase or decrease, to the nearest
17 one-tenth of a percent, for the month ending on June 30 in the calendar year
18 one year prior to the first day of the fiscal year for which the transfer will be
19 made compared to the CPI-U for the month ending on June 30 in the calendar
20 year two years prior to the first day of the fiscal year for which the transfer will
21 be made.

1 Sec. 78. 10 V.S.A. § 6029 is amended to read:

2 § 6029. ACT 250 PERMIT FUND

3 There is hereby established a special fund to be known as the Act 250 Permit
4 Fund for the purposes of implementing the provisions of this chapter.

5 ~~Revenues to the fund~~ The Fund shall be composed of the revenue deposited
6 pursuant to 32 V.S.A. § 9610(e), those fees collected in accordance with
7 section 6083a of this title, gifts, appropriations, and copying and distribution
8 fees. The Board shall be responsible for the Fund and shall account for
9 revenues and expenditures of the Board. At the Commissioner's discretion, the
10 Commissioner of Finance and Management may anticipate amounts to be
11 collected and may issue warrants based thereon for the purposes of this section.
12 Disbursements from the Fund shall be made through the annual appropriations
13 process to the Board and to the Agency of Natural Resources to support those
14 programs within the Agency that directly or indirectly assist in the review of
15 Act 250 applications. This Fund shall be administered as provided in
16 32 V.S.A. chapter 7, subchapter 5.

17 Sec. 79. 32 V.S.A. § 3800(q) is added to read:

18 (q) The statutory purpose of the exemption under 32 V.S.A. chapter 125,
19 subchapter 3 for new construction or rehabilitation is to lower the cost of new
20 construction or rehabilitation of residential properties in flood-impacted
21 communities.

1 Sec. 80. 32 V.S.A. chapter 125, subchapter 3 is added to read:

2 Subchapter 3. New Construction or Rehabilitation in Flood-Impacted

3 Communities

4 § 3870. DEFINITIONS

5 As used in this subchapter:

6 (1) “Agency” means the Agency of Commerce and Community

7 Development as established under 3 V.S.A. § 2402.

8 (2) “Appraisal value” has the same meaning as in subdivision

9 3481(1)(A) of this title.

10 (3) “Exemption period” has the same meaning as in subsection 3871(d)
11 of this subchapter.

12 (4) “New construction” means the building of new dwellings.

13 (5) “Principal residence” means the dwelling occupied by a resident

14 individual as the individual’s domicile during the taxable year and for a

15 property owner, owned, or for a renter, rented under a rental agreement other

16 than a short-term rental as defined under 18 V.S.A. § 4301(a)(14).

17 (6)(A) “Qualifying improvement” means new construction or a physical

18 change to an existing dwelling or other structure beyond normal and ordinary

19 maintenance, painting, repairs, or replacements, provided the change:

1 (i) results in new or rehabilitated dwellings that are designed to be
2 occupied as principal residences and not as short-term rentals as defined under
3 18 V.S.A. § 4301(a)(14); and

4 (ii) occurred through new construction or rehabilitation, or both,
5 during the 12 months immediately preceding or immediately following
6 submission of an exemption application under this subchapter.

7 (B) “Qualifying improvement” does not mean new construction or a
8 physical change to any portion of a mixed-use building as defined under
9 10 V.S.A. § 6001(28) that is not used as a principal residence.

10 (7)(A) “Qualifying property” means a parcel with a structure that is:

11 (i) located within, or within one half of a mile of, a designated
12 downtown district, village center, or neighborhood development area
13 determined pursuant to 24 V.S.A. chapter 76A or a new market tax credit area
14 determined pursuant to 26 U.S.C. § 45D, or both;

15 (ii) composed of one or more dwellings designed to be occupied
16 as principal residences, provided:

17 (I) none of the dwellings shall be occupied as short-term rentals
18 as defined under 18 V.S.A. § 4301(a)(14) before the exemption period ends;

19 and

1 (II) a structure with more than one dwelling shall only qualify
2 if it meets the definition of mixed-income housing under 10 V.S.A.

3 § 6001(27);

4 (iii) undergoing, has undergone, or will undergo qualifying
5 improvements;

6 (iv) in compliance with all relevant permitting requirements; and

7 (v) located in an area that was declared a federal disaster between
8 July 1, 2023 and October 15, 2023 that was eligible for Individual Assistance
9 from the Federal Emergency Management Agency or located in Addison or
10 Franklin county.

11 (B) “Qualifying property” may have a mixed use as defined under
12 10 V.S.A. § 6001(28).

13 (C) “Qualifying property” includes property located outside a tax
14 increment financing district established under 24 V.S.A. chapter 53, subchapter
15 5. By vote of the legislative body, a municipality with a tax increment
16 financing district, or a municipality applying for a tax increment financing
17 district, may elect to deem properties within a tax increment financing district
18 as “qualifying property” under this subdivision (C), provided, notwithstanding
19 24 V.S.A. § 1896, an increase in the appraisal value of a qualifying property
20 due to qualifying improvements shall be excluded from the total assessed

1 valuation used to determine the district’s tax increment under 24 V.S.A. § 1896
2 during the exemption period.

3 (i) For a municipality that elects to consider properties within an
4 existing tax increment financing district under this subdivision (C) as
5 “qualifying property,” the municipality shall submit a substantial change
6 request and file an alternate financial plan to the Vermont Economic Progress
7 Council, which shall detail the effect of this action for approval by the Council.

8 (ii) For a municipality that elects to consider properties within a
9 tax increment financing district under this subdivision (C) as “qualifying
10 property” at the time of creation of a new district, prior to implementation of
11 an exemption under this chapter, the municipality shall present a financial plan
12 to the Vermont Economic Progress Council, which shall detail the impact of
13 the action on approval by the Council.

14 (8) “Rehabilitation” means extensive repair, reconstruction, or
15 renovation of an existing dwelling or other structure, with or without
16 demolition, new construction, or enlargement, provided the repair,
17 reconstruction, or renovation:

18 (A) is for the purpose of eliminating substandard structural, housing,
19 or unsanitary conditions or stopping significant deterioration of the existing
20 structure; and

1 (B) equals or exceeds a total cost of 15 percent of the grand list value
2 prior to repair, reconstruction, or renovation or \$75,000.00, whichever is less.

3 (9) “Taxable value” means the value of qualifying property that is taxed
4 during the exemption period.

5 § 3871. EXEMPTION

6 (a) Value increase exemption. An increase in the appraisal value of a
7 qualifying property due to qualifying improvements shall be exempted from
8 property taxation pursuant to this subchapter by fixing and maintaining the
9 taxable value of the qualifying property at the property’s grand list value in the
10 year immediately preceding any qualifying improvements. A decrease in
11 appraisal value of a qualifying property due to damage or destruction from fire
12 or act of nature may reduce the qualifying property’s taxable value below the
13 value fixed under this subsection.

14 (b) State education property tax exemption. The appraisal value of
15 qualifying improvements to qualifying property shall be exempt from the State
16 education property tax imposed under chapter 135 of this title as provided
17 under this subchapter. The appraisal value exempt under this subsection shall
18 not be exempt from municipal property taxation unless the qualifying property
19 is located in a municipality that has voted to approve an exemption under
20 subsection (c) of this section.

1 (c) Municipal property tax exemption. If the legislative body of a
2 municipality by a majority vote recommends, the voters of a municipality may,
3 at an annual or special meeting warned for that purpose, adopt by a majority
4 vote of those present and voting an exemption from municipal property tax for
5 the value of qualifying improvements to qualifying property exempt from State
6 property taxation under subsection (b) of this section. The municipal
7 exemption shall remain in effect until rescinded in the same manner the
8 exemption was adopted. Not later than 30 days after the adjournment of a
9 meeting at which a municipal exemption is adopted or rescinded under this
10 subsection, the town clerk shall report to the Director of Property Valuation
11 and Review and the Agency the date on which the exemption was adopted or
12 rescinded.

13 (d) Exemption period.

14 (1) An exemption under this subchapter shall start in the first property
15 tax year immediately following the year in which an application for exemption
16 under section 3872 of this title is approved and one of the following occurs:

17 (A) issuance of a certificate of occupancy by the municipal governing
18 body for the qualifying property; or

19 (B) the property owner's declaration of ownership of the qualifying
20 property as a homestead pursuant to section 5410 of this title.

1 (2) An exemption under this subchapter shall remain in effect for three
2 years, provided the property continues to comply with the requirements of this
3 subchapter. When the exemption period ends, the property shall be taxed at its
4 most recently appraised grand list value.

5 (3) The municipal exemption period for a qualifying property shall start
6 and end at the same time as the State exemption period; provided that, if a
7 municipality first votes to approve a municipal exemption after the State
8 exemption period has already started for a qualifying property, the municipal
9 exemption shall only apply after the vote and notice requirements have been
10 met under subsection (c) of this section and shall only continue until the State
11 exemption period ends.

12 § 3872. ADMINISTRATION AND CERTIFICATION

13 (a) To be eligible for exemption under this subchapter, a property owner
14 shall:

15 (1) submit an application to the Agency of Commerce and Community
16 Development in the form and manner determined by the Agency, including
17 certification by the property owner that the property and improvements qualify
18 for exemption at the time of application and annually thereafter until the
19 exemption period ends; and

20 (2) the certification shall include an attestation under the pains and
21 penalties of perjury that the property will be used in the manner provided under

1 this subchapter during the exemption period, including occupancy of dwellings
2 as principal residences and not as short-term rentals as defined under 18 V.S.A.
3 § 4301(a)(14), and that the property owner will either provide alternative
4 housing for tenants at the same rent or that the property has been unoccupied
5 either by a tenant's choice or for 60 days prior to the application. A
6 certification by the property owner granted under this subdivision shall:
7 (A) be coextensive with the exemption period;
8 (B) require notice to the Agency of the transfer or assignment of the
9 property prior to transfer, which shall include the transferee's or assignee's full
10 names, phone numbers, and e-mail and mailing addresses;
11 (C) require notice to any prospective transferees or assignees of the
12 property of the requirements of the exemption under this subchapter; and
13 (D) require a new certification to be signed by the transferees or
14 assignees of the property.
15 (b) The Agency shall establish and make available application forms and
16 procedures necessary to verify initial and ongoing eligibility for exemption
17 under this subchapter. Not later than 60 days after receipt of a completed
18 application, the Agency shall determine whether the property and any proposed
19 improvements qualify for exemption and shall issue a written decision
20 approving or denying the exemption. The Agency shall notify the property

1 owner, the municipality where the property is located, and the Commissioner
2 of Taxes of its decision.

3 (c) If the property owner fails to use the property according to the terms of
4 the certification, the Agency shall, after notifying the property owner,
5 determine whether to revoke the exemption. If the exemption is revoked, the
6 Agency shall notify the property owner, the municipality where the property is
7 located, and the Commissioner of Taxes. Upon notification of revocation, the
8 Commissioner shall assess to the property owner:

9 (1) all State and municipal property taxes as though no exemption had
10 been approved, including for any exemption period that had already begun;
11 and

12 (2) interest pursuant to section 3202 of this title on previously exempt
13 taxes.

14 (d) No new applications for exemption shall be approved pursuant to this
15 subchapter after December 31, 2027.

16 Sec. 81. 32 V.S.A. § 4152(a) is amended to read:

17 (a) When completed, the grand list of a town shall be in such form as the
18 Director prescribes and shall contain such information as the Director
19 prescribes, including:

20 * * *

1 Sec. 83. 32 V.S.A. § 4152(a) is amended to read:

2 (a) When completed, the grand list of a town shall be in such form as the
3 Director prescribes and shall contain such information as the Director
4 prescribes, including:

5 * * *

6 (6) For those parcels that are exempt, the insurance replacement value
7 reported to the local assessing officials by the owner under section 3802a of
8 this title or what the full listed value of the property would be absent the
9 exemption and the statutory authority for granting such exemption and, for
10 properties exempt pursuant to a vote, the year in which the exemption became
11 effective and the year in which the exemption ends; ~~provided that, for parcels~~
12 ~~exempt under chapter 125, subchapter 3 of this title, the insurance replacement~~
13 ~~value shall not be substituted for the full listed value of the property absent the~~
14 ~~exemption and the grand list shall indicate whether the exemption applies to~~
15 ~~the State property tax or both the State and municipal property taxes.~~

16 Sec. 84. [Deleted.]

17 Sec. 85. [Deleted.]

18 * * * Housing Programs * * *

19 Sec. 86. 10 V.S.A. § 699 is amended to read:

20 § 699. VERMONT RENTAL HOUSING IMPROVEMENT PROGRAM

21 (a) Creation of Program.

1 (1) The Department of Housing and Community Development shall
2 design and implement the Vermont Rental Housing Improvement Program,
3 through which the Department shall award funding to statewide or regional
4 nonprofit housing organizations, or both, to provide competitive grants and
5 forgivable loans to private landlords for the rehabilitation, including
6 weatherization and accessibility improvements, of eligible rental housing units.

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

10 (3) A landlord shall not offer a unit created through the Program as a
11 short-term rental, as defined in 18 V.S.A. § 4301, for the period a grant or loan
12 agreement is in effect.

13 (4) The Department may utilize a reasonable percentage, up to a cap of
14 five percent, of appropriations made to the Department for the Program to
15 administer the Program.

16 (5) The Department may cooperate with and subgrant funds to State
17 agencies and governmental subdivisions and public and private organizations
18 in order to carry out the purposes of this subsection.

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

21 (1) Non-code compliant.

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

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

6 (6) The identity of a recipient ~~and~~, the amount of a grant or forgivable
7 loan, the year in which the grant or forgivable loan was extended, and the year
8 in which any affordability covenant ends are public records that shall be
9 available for public copying and inspection and the Department shall publish
10 this information at least quarterly on its website.

11 (7) A project for rehabilitation or creation of an accessible unit may
12 apply funds to the creation of a parking spot for individuals with disabilities.

13 (e) Program requirements applicable to grants and five-year forgivable
14 loans. For a grant or five-year forgivable loan awarded through the Program,
15 the following requirements apply for a minimum period of five years:

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

18 (2)(A) Except as provided in subdivision (2)(B) of this subsection (e), a
19 landlord shall lease the unit to a household that is:

1 (i) exiting homelessness or, including any individual under 25
2 years of age who secures housing through a master lease held by a youth
3 service provider on behalf of individuals under 25 years of age;

4 (ii) actively working with an immigrant or refugee resettlement
5 program; or

6 (iii) composed of at least one individual with a disability who is
7 eligible to receive Medicaid-funded home and community based services.

8 (B) If, upon petition of the landlord, the Department or the housing
9 organization that issued the grant determines that a household ~~exiting~~
10 ~~homelessness~~ under subdivision (A) of this subdivision (2) is not available to
11 lease the unit, then the landlord shall lease the unit:

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

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

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

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

1 (4)(A) A landlord may convert a grant to a forgivable loan upon
2 approval of the Department and the housing organization that approved the
3 grant.

4 (B) A landlord who converts a grant to a forgivable loan shall receive
5 a ~~10 percent~~ prorated credit for loan forgiveness for each year in which the
6 landlord participates in the ~~grant program~~ Program.

7 (f) Requirements applicable to 10-year forgivable loans. For a 10-year
8 forgivable loan awarded through the Program, the following requirements
9 apply for a minimum period of 10 years:

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

12 (2)(A) Except as provided in subdivision (2)(B) of this subsection (f), a
13 landlord shall lease the unit to a household that is:

14 (i) exiting homelessness, including any individual under 25 years
15 of age who secures housing through a master lease held by a youth service
16 provider on behalf of individuals under 25 years of age;

17 (ii) actively working with an immigrant or refugee resettlement
18 program; or

19 (iii) composed of at least one individual with a disability who is
20 eligible to receive Medicaid-funded home and community based services.

1 Program for the purpose of distributing funds to eligible affordable housing
2 organizations to respond to timely and urgent resident needs and aid with
3 housing retention.

4 (b) For purposes of this section, an “eligible affordable housing
5 organization” is a Vermont-based nonprofit or public housing organization that
6 makes available at least 15 percent of its affordable housing portfolio to, or a
7 Vermont-based nonprofit that provides substantial services to, families and
8 individuals experiencing homelessness, including those who require service
9 support or rental assistance to secure and maintain their housing, consistent
10 with the goal of Executive Order No. 03-16 (Publicly Funded Housing for the
11 Homeless).

12 Sec. 89. 2023 Acts and Resolves No. 47, Sec. 36 is amended to read:

13 Sec. 36. MIDDLE-INCOME HOMEOWNERSHIP DEVELOPMENT
14 PROGRAM

15 * * *

16 (d) The total amount of subsidies for a project shall not exceed 35 percent
17 of eligible development costs, as determined by the Agency, ~~which the~~ at the
18 time of approval of the project, unless the Agency later determines that the
19 project will not result in affordable owner-occupied housing for income-
20 eligible homebuyers without additional subsidy, in which case the Agency
21 may, at its discretion, reasonably exceed this limitation and only to the extent

1 required to achieve affordable owner-occupied housing. The Agency may
2 shall allocate subsidies consistent with the following:

3 * * *

4 Sec. 90. APPROPRIATION; FIRST-GENERATION HOMEBUYER
5 PROGRAM

6 The sum of \$1,000,000.00 is appropriated from the General Fund to the
7 Department of Housing and Community Development in fiscal year 2025 for a
8 grant to the Vermont Housing Finance Agency for the First-Generation
9 Homebuyer Program established by 2022 Acts and Resolves No. 182, Sec. 2,
10 and amended from time to time.

11 Sec. 91. APPROPRIATION; LAND ACCESS AND OPPORTUNITY
12 BOARD

13 The sum of \$1,000,000.00 is appropriated from the General Fund to the
14 Vermont Housing and Conservation Board in fiscal year 2025 to administer
15 and support the Land Access and Opportunity Board.

16 * * * Accessibility Priority for Housing Authorities * * *

17 Sec. 92. 24 V.S.A. § 4010 is amended to read:

18 § 4010. DUTIES

19 (a) In the operation of or management of housing projects, an authority
20 shall at all times observe the following duties with respect to rentals and tenant
21 selection:

1

* * *

2

(6) When renting or leasing accessible dwelling accommodations, it

3

shall give priority to tenants with a disability. As used in this subdivision,

4

“accessible” means a dwelling that complies with the requirements for an

5

accessible unit set forth in section 1102 of the 2017 ICC Standard for

6

Accessible and Useable Buildings and Facilities or a similar standard adopted

7

by the Access Board by rule pursuant to 20 V.S.A. § 2901.

8

* * *

9

* * * Housing Accountability * * *

10

Sec. 93. VERMONT STATEWIDE AND REGIONAL HOUSING

11

TARGETS PROGRESS; REPORT

12

(a) Upon publication of the Statewide Housing Needs Assessment setting

13

out the statewide and regional housing targets required pursuant to 24 V.S.A.

14

§ 4348a, the Department of Housing and Community Development, in

15

coordination with regional planning commissions, shall develop metrics for

16

measuring progress toward the statewide and regional housing targets,

17

including:

18

(1) for any housing target, a timeline separating the target into discrete

19

steps with specific deadlines; and

20

(2) for any regional housing target:

1 (A) a rate measuring progress toward the total needed housing
2 investment published in the regional plan for a region subject to the regional
3 housing target by separate measure for each of price, quality, unit size or type,
4 and zoning district, as applicable; and

5 (B) steps taken to achieve any actions recommended to satisfy the
6 regional housing needs published in the regional plan for a region subject to
7 the regional housing target.

8 (b) The Department shall employ the metrics developed under subsection
9 (a) of this section to set annual goals for achieving the statewide and regional
10 housing targets required pursuant to 24 V.S.A. § 4348a.

11 (c) Within one year following publication of the Statewide Housing Needs
12 Assessment setting out the statewide and regional housing targets required
13 pursuant to 24 V.S.A. § 4348a and annually thereafter through 2030, the
14 Department shall publish a report on progress toward the statewide and
15 regional housing targets, including:

16 (1)(A) annual and cumulative progress toward the statewide and
17 regional housing targets based on the metrics developed pursuant to subsection
18 (a) of this section; and

19 (B) for any statewide or regional housing target the Department
20 determines may not practicably be measured by any of the metrics developed
21 pursuant to subsection (a) of this section, an explanation that the statewide or

1 regional housing target may not practicably be measured by the Department's
2 metrics and a description of the status of progress toward the statewide or
3 regional housing target;

4 (2) progress toward the annual goals for the year of publication set
5 pursuant to subsection (b) of this section;

6 (3) an overall assessment whether, in the Department's discretion,
7 annual progress toward the statewide and regional housing targets is
8 satisfactory based on the measures under subdivisions (1) and (2) of this
9 subsection and giving due consideration to the complete timeline for achieving
10 the statewide and regional housing targets; and

11 (4) if the Department determines pursuant to subdivision (3) of this
12 subsection that annual progress toward the statewide and regional housing
13 targets is not satisfactory, recommendations for accelerating progress. The
14 Department shall specifically consider whether the creation of a process that
15 permits developers to propose noncompliant housing developments under
16 certain conditions, like a builder's remedy, or a cause of action would be likely
17 to accelerate progress.

18 (d) The Department shall have broad discretion to determine any timeline
19 or annual goal under subsection (a) or (b) of this section, provided the
20 Department determines that any step in a timeline or annual goal, when
21 considered together with the other steps or annual goals, will reasonably lead

1 to achievement of the statewide or regional housing targets published in the
2 Statewide Housing Needs Assessment.

3 (e) If the statewide and regional housing targets are not published in the
4 Statewide Housing Needs Assessment published in 2024, the Department shall
5 develop and publish the required housing targets within six months following
6 publication of the Statewide Housing Needs Assessment. Any reference to the
7 statewide and regional housing targets published in the Statewide Housing
8 Needs Assessment in this section shall be deemed to refer to the housing
9 targets published under this subsection, and any reference to the date of
10 publication of the Statewide Housing Needs Assessment in this section shall be
11 deemed to refer to the date of publication of the housing targets published
12 under this subsection.

13 Sec. 94. [Deleted.]

14 Sec. 95. [Deleted.]

15 Sec. 96. [Deleted.]

16 Sec. 97. [Deleted.]

17 * * * Rental Data Collection and Protection * * *

18 Sec. 98. 32 V.S.A. § 6069 is amended to read:

19 § 6069. LANDLORD CERTIFICATE

20 (a) On or before January 31 of each year, the owner of land rented as a
21 portion of a homestead in the prior calendar year shall furnish a certificate of

1 rent to the Department of Taxes and to each claimant who owned a portion of
2 the homestead and rented that land as a portion of a homestead in the prior
3 calendar year. The certificate shall indicate the proportion of total property tax
4 on that parcel that was assessed for municipal property tax and for statewide
5 property tax.

6 (b) The owner of each rental property shall, on or before January 31 of each
7 year, furnish a certificate of rent to the Department of Taxes.

8 (c) A certificate under this section shall be in a form prescribed by the
9 Commissioner and shall include the following:

10 (1) the name of the renter;

11 (2) the address and any property tax parcel identification number of the
12 homestead, ~~the information required under subsection (f) of this section;~~

13 (3) the name of the owner or landlord of the rental unit;

14 (4) the phone number, e-mail address, and mailing address of the
15 landlord, as available;

16 (5) the location of the rental unit;

17 (6) the type of rental unit;

18 (7) the number of rental units in the building;

19 (8) the gross monthly rent per unit;

20 (9) the year in which the rental unit was built;

21 (10) the ADA accessibility of the rental unit; and

1 (11) any additional information that the Commissioner determines is
2 appropriate.

3 (d) An owner who knowingly fails to furnish a certificate to the
4 Department as required by this section shall be liable to the Commissioner for
5 a penalty of \$200.00 for each failure to act. Penalties under this subsection
6 shall be assessed and collected in the manner provided in chapter 151 of this
7 title for the assessment and collection of the income tax.

8 (e) [Repealed.]

9 (f) ~~Annually on or before October 31, the Department shall prepare and~~
10 ~~make available to a member of the public upon request a database in the form~~
11 ~~of a sortable spreadsheet that contains the following information for each rental~~
12 ~~unit for which the Department received a certificate pursuant to this section:~~

13 ~~(1) name of owner or landlord;~~

14 ~~(2) mailing address of landlord;~~

15 ~~(3) location of rental unit;~~

16 ~~(4) type of rental unit;~~

17 ~~(5) number of units in building; and~~

18 ~~(6) School Property Account Number.~~ Annually on or before December
19 15, the Department shall submit a report on the aggregated data collected under
20 this section to the Senate Committee on Economic Development, Housing and
21 General Affairs and the House Committee on General and Housing.

1 Sec. 99. 32 V.S.A. § 3102 is amended to read:

2 § 3102. CONFIDENTIALITY OF TAX RECORDS

3 (a) No present or former officer, employee, or agent of the Department of
4 Taxes shall disclose any return or return information to any person who is not
5 an officer, employee, or agent of the Department of Taxes except in
6 accordance with the provisions of this section. A person who violates this
7 section shall be fined not more than \$1,000.00 or imprisoned for not more than
8 one year, or both; and if the offender is an officer or employee of this State, the
9 offender shall, in addition, be dismissed from office and be incapable of
10 holding any public office for a period of five years thereafter.

11 (b) The following definitions shall apply for purposes of this chapter:

12 * * *

13 (3) "Return information" includes a person's name, address, date of
14 birth, Social Security or federal identification number or any other identifying
15 number; information as to whether or not a return was filed or required to be
16 filed; the nature, source, or amount of a person's income, payments, receipts,
17 deductions, exemptions, credits, assets, liabilities, net worth, tax liabilities, tax
18 payments, deficiencies, or over-assessments; and any other data, from any
19 source, furnished to or prepared or collected by the Department of Taxes with
20 respect to any person.

21 * * *

1 (e) The Commissioner may, in the Commissioner's discretion and subject
2 to such conditions and requirements as the Commissioner may provide,
3 including any confidentiality requirements of the Internal Revenue Service,
4 disclose a return or return information:

5 * * *

6 (22) To the Agency of Natural Resources and the Department of Public
7 Service, provided that the disclosure relates to the sales and use tax for aviation
8 jet fuel and natural gas under chapter 233 of this title or to the fuel tax under 33
9 V.S.A. chapter 25 and is subject to any confidentiality requirements of the
10 Internal Revenue Service and the disclosure exemption provisions of 1 V.S.A.
11 § 317.

12 (23) To the Division of Vermont Emergency Management at the
13 Department of Public Safety for the purposes of emergency management and
14 communication, and to the Department of Housing and Community
15 Development and any organization then under contract with the Department of
16 Housing and Community Development to carry out a statewide housing needs
17 assessment for the purpose of the statewide housing needs assessment,
18 provided that the disclosure relates to the information collected on the landlord
19 certificate pursuant to subsection 6069(c) of this title.

1 (c) A short-term rental operator shall:

2 (1) physically post the guidance under subsection (a) of this section in a
3 conspicuous place in any short-term rental offered for rent in this State; and

4 (2) provide the guidance under subsection (a) of this section as part of
5 any offering or listing of a short-term rental in this State.

6 * * * Flood Risk Disclosure * * *

7 Sec. 102. 27 V.S.A. § 380 is added to read:

8 § 380. DISCLOSURE OF INFORMATION; CONVEYANCE OF REAL
9 ESTATE

10 (a) Prior to or as part of a contract for the conveyance of real property, the
11 seller shall provide notice to the buyer whether the property is subject to any
12 requirement under federal law to obtain and maintain flood insurance on the
13 property. This notice shall be provided in a clear and conspicuous manner in a
14 separate written document and attached as an addendum to the contract.

15 (b) The failure of the seller to provide the buyer with the information
16 required under subsection (a) of this section is grounds for the buyer to
17 terminate the contract prior to transfer of title or occupancy, whichever occurs
18 earlier.

19 (c) A buyer of real estate who fails to receive the information required to be
20 disclosed by a seller under subsection (a) of this section may bring an action to
21 recover from the seller the amount of the buyer's damages and reasonable

1 attorney's fees. The buyer may also seek punitive damages when the seller
2 knowingly failed to provide the required information.

3 (d) A seller shall not be liable for damages under this section for any error,
4 inaccuracy, or omission of any information required to be disclosed to the
5 buyer under subsection (a) of this section when the error, inaccuracy, or
6 omission was based on information provided by a public body or a by another
7 person with a professional license or special knowledge who provided a
8 written report that the seller reasonably believed to be correct and that was
9 provided by the seller to the buyer.

10 (e) Noncompliance with the requirements of this section shall not affect the
11 marketability of title of a real property.

12 Sec. 103. 9 V.S.A. § 4466 is added to read:

13 § 4466. REQUIRED DISCLOSURE

14 A landlord shall disclose in advance of entering a rental agreement with a
15 tenant whether any portion of the premises offered for rent is located in a
16 Federal Emergency Management Agency mapped flood hazard area. This
17 notice shall be provided in a separate written document given to the tenant at
18 or before execution of the lease.

19 Sec. 104. 10 V.S.A. § 6236(e) is amended to read:

20 (e) All mobile home lot leases shall contain the following:

21 * * *

1 The sum of \$1,000,000.00 is appropriated from the General Fund to the
2 Department of Housing and Community Development in fiscal year 2025 for
3 the following purposes:

4 (1) to improve mobile home park infrastructure under the Manufactured
5 Home Improvement and Repair Program established by 2022 Acts and
6 Resolves No. 182, Sec. 3, and amended from time to time; and

7 (2) to expand the Home Repair Awards program under the
8 Manufactured Home Improvement and Repair Program established by 2022
9 Acts and Resolves No. 182, Sec. 3, and amended from time to time.
10 Sec. 108. [Deleted.]

11 * * * Age-Restricted Housing * * *

12 Sec. 109. 10 V.S.A. § 325c is added to read:

13 § 325c. AGE-RESTRICTED HOUSING; RIGHT OF FIRST REFUSAL

14 (a) Definitions. As used in this section:

15 (1) “Age-restricted property” means a privately owned age-restricted
16 residential property that is not licensed pursuant to 33 V.S.A. chapter 71 or 8
17 V.S.A. chapter 151.

18 (2) “Eligible buyer” means a nonprofit housing provider.

19 (b) Right of first refusal; assignment to eligible buyer.

20 (1) The Vermont Housing and Conservation Board shall have a right of
21 first refusal for age-restricted properties as set out in this section. The Board

1 may assign this right to an eligible buyer.

2 (2) For any offer made under this section, the Board or its assignee shall
3 contractually commit to maintaining any affordability requirements in place for
4 the age-restricted property at the time of sale.

5 (c) Content of notice. An owner of age-restricted property shall give to the
6 Board notice by certified mail, return receipt requested, of the owner's
7 intention to sell the age-restricted property. The requirements of this section
8 shall not be construed to restrict the price at which the owner offers the age-
9 restricted housing for sale. The notice shall state all the following:

10 (1) that the owner intends to sell the age-restricted property;

11 (2) the price, terms, and conditions under which the owner offers the
12 age-restricted property for sale;

13 (3) that for 60 days following the notice, the owner shall not make a
14 final unconditional acceptance of an offer to purchase the age-restricted
15 property and that if within the 60 days the owner receives notice pursuant to
16 subsection (d) of this section that the Board or its assignee intends to consider
17 purchase of the age-restricted property, the owner shall not make a final
18 unconditional acceptance of an offer to purchase the age-restricted property for
19 an additional 120 days, starting from the 61st day following notice, except one
20 from the Board or its assignee.

21 (d) Intent to negotiate; timetable. The Board or its assignee shall have 60

1 days following notice under subsection (c) of this section in which to
2 determine whether the buyer intends to consider purchase of the age-restricted
3 property. During this 60-day period, the owner shall not accept a final
4 unconditional offer to purchase the age-restricted property.

5 (e) Response to notice; required action. If the owner receives no notice
6 from the Board or its assignee during the 60-day period or if the Board notifies
7 the owner that neither it nor its designee intends to consider purchase of the
8 age-restricted property, the owner has no further restrictions regarding sale of
9 the age-restricted property pursuant to this section. If, during the 60-day
10 period, the owner receives notice in writing that the Board or its assignee
11 intends to consider purchase of the age-restricted property, then the owner
12 shall do all the following:

13 (1) not accept a final unconditional offer to purchase from a party other
14 than the Board or its assignee giving notice under subsection (d) of this section
15 for 120 days following the 60-day period, a total of 180 days following the
16 notice under subsection (c);

17 (2) negotiate in good faith with the Board or its assignee giving notice
18 under subsection (d) of this section; and

19 (3) consider any offer to purchase from the Board or its assignee giving
20 notice under subsection (d) of this section.

21 (f) Exceptions. The provisions of this section do not apply when the sale,

1 transfer, or conveyance of the age-restricted property is any one or more of the
2 following:

3 (1) through a foreclosure sale;

4 (2) to a member of the owner's family or to a trust for the sole benefit of
5 members of the owner's family;

6 (3) among the partners who own the age-restricted property;

7 (4) incidental to financing the age-restricted property;

8 (5) between joint tenants or tenants in common;

9 (6) pursuant to eminent domain; or

10 (7) pursuant to a municipal tax sale.

11 (g) Requirement for new notice of intent to sell.

12 (1) Subject to subdivision (2) of this subsection, a notice of intent to sell
13 issued pursuant to subsection (b) of this section shall be valid:

14 (A) for a period of one year from the expiration of the 60-day period
15 following the date of the notice; or

16 (B) if the owner has entered into a binding purchase and sale
17 agreement with the Board or its assignee within one year from the expiration of
18 the 60-day period following the date of the notice, until the completion of the
19 sale of the age-restricted property under the agreement or the expiration of the
20 agreement, whichever is sooner.

21 (2) During the period in which a notice of intent to sell is valid, an

1 owner shall provide a new notice of intent to sell, consistent with the
2 requirements of subsection (b) of this section, prior to making an offer to sell
3 the age-restricted property or accepting an offer to purchase the age-restricted
4 property that is either more than five percent below the price for which the
5 age-restricted property was initially offered for sale or less than five percent
6 above the final written offer from the Board or its assignee.

7 (h) "Good faith." The Board or its assignee shall negotiate in good faith
8 with the owner for purchase of the age-restricted property.

9 Sec. 110. 9 V.S.A. § 4468a is added to read:

10 § 4468a. AGE-RESTRICTED HOUSING; RENT INCREASE; NOTICE

11 (a) Except as provided in subsection (c) of this section, an owner of
12 privately owned age-restricted residential property within the State that is not
13 licensed pursuant to 33 V.S.A. chapter 71 or 8 V.S.A. chapter 151 shall
14 provide written notification on a form provided by the Department of Housing
15 and Community Development to the Department and all the affected residents
16 of any rent increase at the property not later than 60 days before the effective
17 date of the proposed increase. The notice shall include all the following:

18 (1) the amount of the proposed rent increase;

19 (2) the effective date of the increase;

20 (3) a copy of the resident's rights pursuant to this section; and

21 (4) the percentage of increase from the current base rent.

1 land bank program in Vermont;

2 (4) alternative approaches to State and municipal land acquisition,
3 including residual value life estates and eminent domain, for purposes of
4 revitalization and emergency land management, including for placement of
5 trailers and other temporary housing;

6 (5) funding mechanisms and resources required to establish and operate
7 a land bank program; and

8 (6) the legal and regulatory framework required to govern a State land
9 bank program.

10 (b) On or before December 15, 2024, the Department of Housing and
11 Community Development and the Vermont League of Cities and Towns shall
12 submit a report to the Senate Committee on Economic Development, Housing
13 and General Affairs and the House Committee on General and Housing with
14 its findings and recommendations, including proposed draft legislation for the
15 establishment and operation of a land bank.

16 Sec. 112. RENT PAYMENT REPORTING REPORT

17 (a) To facilitate the development of a pilot program for housing providers
18 to report tenant rent payments for inclusion in consumer credit reports, the
19 Office of the State Treasurer shall study:

20 (1) any entities currently facilitating landlord credit reporting;

21 (2) the number of landlords in Vermont utilizing rent payment software,

1 related software expenses, and the need for or benefit of utilizing software for
2 positive pay reporting;

3 (3) the impacts on tenants from rent payment reporting programs,
4 including, if feasible, data gathered from the Champlain Housing Trust's
5 program;

6 (4) any logistical steps the State must take to facilitate the program and
7 any associated administrative costs; and

8 (5) any other issues the Treasurer deems appropriate for facilitating the
9 development of the pilot program.

10 (b) On or before December 15, 2024, the Treasurer shall submit a report to
11 the Senate Committee on Economic Development, Housing and General
12 Affairs with its findings and recommendations, which may be in the form of
13 proposed legislation.

14 Sec. 113. LANDLORD-TENANT LAW; STUDY COMMITTEE; REPORT

15 (a) Creation. There is created the Landlord-Tenant Law Study Committee
16 to review and consider modernizing the landlord-tenant laws and evictions
17 processes in Vermont.

18 (b) Membership. The Committee shall be composed of the following
19 members:

1 (1) two current members of the House of Representatives, not all from
2 the same political party and only one of whom may be a landlord, who shall be
3 appointed by the Speaker of the House;

4 (2) two current members of the Senate, not all from the same political
5 party and only one of whom may be a landlord, who shall be appointed by the
6 Committee on Committees;

7 (3) a representative of Vermont Legal Aid with experience defending
8 tenants in evictions actions;

9 (4) a representative of the Vermont Landlords Association;

10 (5) a representative of the Department of Housing and Community
11 Development;

12 (6) a representative of the Judiciary; and

13 (7) a person with lived experience of eviction, who shall be appointed
14 by the Champlain Valley Office of Economic Opportunity.

15 (c) Powers and duties. The Committee shall study issues with Vermont's
16 landlord-tenant laws and current evictions process, including the following
17 issues:

18 (1) whether Vermont's landlord-tenant laws require modernization;

19 (2) the impact of evictions policies on rental housing availability;

20 (3) whether current termination notice periods and evictions processing
21 timelines reflect the appropriate balance between landlord and tenant interests;

1 (4) practical obstacles to the removal of unlawful occupants; and

2 (5) whether existing bases for termination are properly utilized,

3 including specifically 9 V.S.A. § 4467(b)(2) (termination for criminal activity,
4 illegal drug activity, or acts of violence).

5 (d) Assistance. For purposes of scheduling meetings and preparing
6 recommended legislation, the Committee shall have the assistance of the
7 Office of Legislative Operations and the Office of Legislative Counsel.

8 (e) Report. On or before December 15, 2024, the Committee shall report to
9 the Senate Committee on Economic Development, Housing and General
10 Affairs with its findings and any recommendations for legislative action, which
11 may be in the form of proposed legislation.

12 (f) Meetings.

13 (1) The ranking member of the Senate shall call the first meeting of the
14 Committee to occur on or before August 31, 2024.

15 (2) The Committee shall select a chair from among its members at the
16 first meeting.

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

18 (4) The Committee shall cease to exist upon submission of its findings
19 and any recommendations for legislative action.

20 (g) Compensation and reimbursement.

21 (1) For attendance at meetings during adjournment of the General

1 Assembly, a legislative member of the Committee serving in the member's
2 capacity as a legislator shall be entitled to per diem compensation and
3 reimbursement of expenses pursuant to 2 V.S.A. § 23 for not more than
4 six meetings.

5 (2) Other members of the Committee shall be entitled to per diem
6 compensation and reimbursement of expenses as permitted under 32 V.S.A.
7 § 1010 for not more than six meetings

8 (3) Payments to members of the Committee authorized under this
9 subsection shall be made from monies appropriated to the General Assembly.

10 (h) Appropriation. The sum of \$10,500.00 is appropriated to the General
11 Assembly from the General Fund in fiscal year 2025 for per diem
12 compensation and reimbursement of expenses for members of the Committee.

13 Sec. 113a. LONG-TERM AFFORDABLE HOUSING; STUDY
14 COMMITTEE; REPORT

15 (a) Creation. There is created the Long-Term Affordable Housing Study
16 Committee for the purpose of creating a plan to develop, sustain, and preserve
17 affordable housing in response to Vermont's housing and homelessness crisis.
18 The Committee shall focus on creating permanently affordable housing;
19 reducing both sheltered and unsheltered homelessness; providing opportunities
20 for housing mobility, including homeownership; and ensuring services and

1 specialized housing options are available to Vermonters currently unable to
2 access safe or affordable housing.

3 (b) Membership. The Committee shall be composed of the following
4 members:

5 (1) two current members of the House of Representatives, not all from
6 the same political party, who shall be appointed by the Speaker of the House;

7 (2) two current members of the Senate, not all from the same political
8 party, who shall be appointed by the Committee on Committees;

9 (3) the Executive Director of the Vermont Housing and Conservation
10 Board or designee;

11 (4) the Executive Director of the Vermont Housing Finance Agency or
12 designee;

13 (5) the Commissioner of the Department of Housing and Community
14 Development or designee;

15 (6) the Commissioner of the Department for Children and Families or
16 designee; and

17 (7) three members appointed by the Housing and Homelessness Alliance
18 of Vermont.

19 (c) Powers and duties. The Committee shall collect data and information
20 on housing and homelessness, Vermonters' experience with housing in
21 Vermont, and successful housing models within and outside Vermont; provide

1 an analysis of Vermont’s affordable housing development needs; and make
2 recommendations on a long-term plan to create permanently affordable
3 housing, including:

4 (1) the number of affordable rental-, homeownership-, and other service-
5 supported housing units needed to fulfill the needs of Vermonters;

6 (2) the cost of building or rehabilitating the housing to meet Vermont’s
7 need for affordable housing broken down by program, with a schedule that
8 establishes affordable housing needs annually for the next 10 years;

9 (3) an evaluation of the subsidy need to make both rental and
10 homeownership housing affordable to people at different income levels; and

11 (4) an annual estimate of the number of people who would no longer
12 experience homelessness as a result of implementation of the recommendations
13 of the Committee.

14 (d) Assistance. The Committee shall have the administrative, technical,
15 and legal assistance of the Vermont Housing and Conservation Board.

16 (e) Report. On or before December 1, 2024, the Committee shall report to
17 the House Committees on General and Housing, on Appropriations, and on
18 Ways and Means and the Senate Committees on Economic Development,
19 Housing and General Affairs, on Appropriations, and on Finance with its
20 findings and any recommendations for legislative action, which may be in the
21 form of proposed legislation or revenue or appropriations recommendations.

1 (f) Meetings.

2 (1) The ranking member of the Senate shall call the first meeting of the
3 Committee to occur on or before August 31, 2024.

4 (2) The Committee shall select a chair from among its members at the
5 first meeting.

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

7 (4) The Committee shall cease to exist upon submission of its
8 recommendations for legislative action and any findings to the House
9 Committees on General and Housing, on Appropriations, and on Ways and
10 Means and the Senate Committees on Economic Development, Housing and
11 General Affairs, on Appropriations, and on Finance.

12 (g) Compensation and reimbursement.

13 (1) For attendance at meetings during adjournment of the General
14 Assembly, a legislative member of the Committee serving in the member's
15 capacity as a legislator shall be entitled to per diem compensation and
16 reimbursement of expenses pursuant to 2 V.S.A. § 23 for not more than 12
17 meetings.

18 (2) Other members of the Committee shall be entitled to per diem
19 compensation and reimbursement of expenses as permitted under 32 V.S.A.
20 § 1010 for not more than 12 meetings.

1 (3) Payments to members of the Committee authorized under this
2 subsection shall be made from monies appropriated to the General Assembly.

3 * * * Natural Resources Board Appropriation * * *

4 Sec. 113b. APPROPRIATION; NATURAL RESOURCES BOARD

5 The sum of \$400,000.00 is appropriated from the General Fund to the
6 Natural Resources Board in fiscal year 2025 for compensation of board
7 members.

8 * * * Effective Dates * * *

9 Sec. 114. EFFECTIVE DATES

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

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

13 (2) Sec. 19 (10 V.S.A. § 6001(3)(A)(xii)) shall take effect on July 1,
14 2026;

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

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

18 (5) Sec. 73 (property transfer tax) shall take effect on August 1, 2024.

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