

1 H.687

2 Senator Ram Hinsdale moves that the report of the Committee on **Natural**  
3 **Resources/Appropriations** be amended as follows:

4 First: By striking out Secs. 1- 71 and their reader assistance headings in  
5 their entirety 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.

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

15 § 6021. BOARD; VACANCY; REMOVAL

16 (a) A Natural Resources Board is created.

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

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

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

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

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

1           (A) ~~Alternates shall be appointed for terms of four years, with initial~~  
2 ~~appointments being staggered~~ The Natural Resources Board Nominating  
3 Committee shall advertise the position when a vacancy will occur on the  
4 Natural Resources 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. NATURAL RESOURCES BOARD NOMINATING COMMITTEE

3 (a) Creation. The Natural Resources Board Nominating Committee is  
4 created for the purpose of assessing the qualifications of applicants for  
5 appointment to the Natural Resources 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 Natural Resources  
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 and the text of those decisions.  
17 The published product shall be available at a reasonable rate to the general  
18 public and at a reduced rate to libraries and governmental bodies within the  
19 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 (f) The applicant shall post a sign provided by the District Commission on  
14 the subject property in a visible location 14 days prior to the hearing on the  
15 application and until the permit is issued or denied. The District Commission  
16 shall provide the sign that shall include a general description of the project, the  
17 date and place of the hearing, the identification number of the application and  
18 the internet address, and the contact information for the District Commission.  
19 The design of the signs shall be consistent throughout the State and  
20 prominently state “This Property has applied for an Act 250 Permit.”

21 \* \* \*

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

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

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

9 § 6083a. ACT 250 FEES

10 \* \* \*

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

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

15 Sec. 10. NATURAL RESOURCES BOARD POSITIONS;

16 APPROPRIATION

17 (a) The following new positions are created at the Natural Resources Board  
18 for the purposes of carrying out this act:

19 (1) two Staff Attorneys; and

20 (2) four full-time Natural Resources Board members.

1       (b) In fiscal year 2025, \$112,500.00 is appropriated from the General Fund  
2       to the Natural Resources Board for the attorney positions established in  
3       subdivision (a)(1) of this section.

4       Sec. 11. NATURAL RESOURCES BOARD APPOINTMENTS

5       The Governor shall appoint the members of Natural Resources Board on or  
6       before January 31, 2025, and the terms of any Natural Resources Board  
7       member not appointed consistent with the requirements of 10 V.S.A.  
8       § 6021(a)(1)(A) or (B) shall expire on that day.

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

10       On or before December 15, 2028, the Natural Resources Board shall study  
11       issues regarding the appeal of permits and jurisdictional opinions issued  
12       pursuant to 10 V.S.A. chapter 151. The Board shall look at the length of time  
13       appeals to the Environmental Division of the Superior Court and Supreme  
14       Court add to the amount of time it takes to receive a permit and the different  
15       aspects of a permit that can be appealed. The Board shall recommend changes  
16       to the appeal process that would reduce the time and increase efficiency. The  
17       report shall be submitted to the Senate Committees on Economic  
18       Development, Housing, and General Affairs and on Natural Resources and  
19       Energy and the House Committee on Environment and Energy.

20                                   \* \* \* Forest Blocks \* \* \*

21       Sec. 12. 10 V.S.A. § 6001 is amended to read:



1 § 6001. DEFINITIONS

2 As used in this chapter:

3 \* \* \*

4 (47) “Habitat connector” means land or water, or both, that links patches  
5 of habitat within a landscape, allowing the movement, migration, and dispersal  
6 of wildlife and plants and the functioning of ecological processes. A habitat  
7 connector may include features including recreational trails and improvements  
8 constructed for farming, logging, or forestry purposes.

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

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

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

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

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

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

5           (i) the economic, social, cultural, recreational, or other benefit to  
6 the public from the development or subdivision will not outweigh the  
7 economic, environmental, or recreational loss to the public from the  
8 destruction or imperilment of the habitat or species; ~~or~~

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

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

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

1       Sec. 14. CRITERION 8(C) RULEMAKING

2           (a) The Natural Resources Board (Board), in collaboration with the Agency  
3       of Natural Resources, shall adopt rules to implement the requirements for the  
4       administration of 10 V.S.A. § 6086(a)(8)(C). It is the intent of the General  
5       Assembly that these rules discourage fragmentation of the forest blocks and  
6       habitat connectors by encouraging clustering of development. Rules adopted  
7       by the Board shall include:

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

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

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

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

19           (3)(A) As used in this section “fragmentation” generally means dividing  
20       land that has naturally occurring vegetation and ecological processes into  
21       smaller areas as a result of land uses that remove vegetation and create

1 physical barriers that limit species’ movement and interrupt ecological  
2 processes between previously connected natural vegetation. However, the  
3 rules shall further define “fragmentation” for purposes of avoiding,  
4 minimizing, and mitigating undue adverse impacts on forest blocks and habitat  
5 connectors. “Fragmentation” does not include the division or conversion of a  
6 forest block or habitat connector by an unpaved recreational trail or by  
7 improvements constructed for farming, logging, or forestry purposes below the  
8 elevation of 2,500 feet.

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

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

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

17 (A) appropriate ratios for compensation;

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

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

1        (b) The Board shall convene a working group of stakeholders to provide  
2        input to the rule prior to prefilng with the Interagency Committee on  
3        Administrative Rules. The Board shall convene the working group on or  
4        before July 1, 2025.

5        (c) The Board shall file a final proposed rule with the Secretary of State  
6        and Legislative Committee on Administrative Rules on or before June 15,  
7        2026.

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

9        § 127. RESOURCE MAPPING

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

18        (b) The Secretary ~~of Natural Resources~~ shall consider the ~~GIS-based~~  
19        resource maps developed under subsection (a) of this section when providing  
20        evidence and recommendations to the Public Utility Commission under  
21        30 V.S.A. § 248(b)(5) and when commenting on or providing

1 recommendations under chapter 151 of this title to District Commissions on  
2 other projects.

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

8 \* \* \* Wood Products Manufacturers \* \* \*

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

10 § 6093. MITIGATION OF PRIMARY AGRICULTURAL SOILS

11 (a) Mitigation for loss of primary agricultural soils. Suitable mitigation for  
12 the conversion of primary agricultural soils necessary to satisfy subdivision  
13 6086(a)(9)(B)(iv) of this title shall depend on where the project tract is located.

14 \* \* \*

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

21 \* \* \*

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

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

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

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

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

15 \* \* \*

16 (iv) “Qualifying product” means a product that is ~~wholly~~  
17 principally:

18 (I) an agricultural, horticultural, viticultural, or dairy  
19 commodity, or maple syrup;

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

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

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

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

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

4 \* \* \*

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

6 § 6081. PERMITS REQUIRED; EXEMPTIONS

7 \* \* \*

8 (t) No permit or permit amendment is required for the construction of  
9 improvements for an accessory on-farm business for the storage or sale of  
10 qualifying products or the other eligible enumerated products as defined in  
11 24 V.S.A. § 4412(11)(A)(i)(I). No permit or permit amendment is required for  
12 the construction of improvements for an accessory on-farm business for the  
13 preparation or processing of qualifying products as defined in 24 V.S.A.  
14 § 4412(11)(A)(i)(I), provided that more than 50 percent of the total annual  
15 sales of the prepared or processed qualifying products come from products  
16 produced on the farm where the business is located. This subsection shall not  
17 apply to the construction of improvements related to hosting events or farm  
18 stays as part of an accessory on-farm business as defined in 24 V.S.A.  
19 § 4412(11)(A)(i)(II).

20 \* \* \*

21 \* \* \* Road Rule \* \* \*



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

2 (xii) The construction of a road or roads and any associated  
3 driveways to provide access to or within a tract of land owned or controlled by  
4 a person. For the purposes of determining jurisdiction under this subdivision,  
5 any new development or subdivision on a parcel of land that will be provided  
6 access by the road and associated driveways is land involved in the  
7 construction of the road.

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

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

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

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

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

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

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

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

10                    Sec. 19. RULEMAKING; ROAD CONSTRUCTION

11                    The Natural Resources Board may adopt rules after consulting with  
12                    stakeholders, providing additional specificity to the necessary elements of 10  
13                    V.S.A. § 6001(3)(A)(xii). It is the intent of the General Assembly that any  
14                    rules encourage the design of clustered subdivisions and development that does  
15                    not fragment Tier 2 areas or Tier 3 areas.

16                    \* \* \* Location-Based Jurisdiction \* \* \*

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

18                    § 6001. DEFINITIONS

19                    As used in this chapter:

20                    \* \* \*

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

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

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

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

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

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

3 \* \* \*

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

6 \* \* \*

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

10 \* \* \*

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

12 (46) “Tier 3” means an area consisting of critical natural resources  
13 defined by the rules of the Board. The Board’s rules shall at a minimum  
14 determine whether and how to protect river corridors, headwater streams,  
15 habitat connectors of statewide significance, riparian areas, class A waters,  
16 natural communities, and other critical natural resources.

17 Sec. 21. TIER 3 RULEMAKING

18 (a) The Natural Resources Board, in consultation with the Secretary of  
19 Natural Resources, shall adopt rules to implement the requirements for the  
20 administration of 10 V.S.A. § 6001(3)(A)(xiii) and 10 V.S.A. § 6001(46). It is  
21 the intent of the General Assembly that these rules identify critical natural

1 resources for protection. The Board shall review the definition of Tier 3 area,  
2 determine the critical natural resources that shall be included in Tier 3, giving  
3 due consideration to river corridors, headwater streams, habitat connectors of  
4 statewide significance, riparian areas, class A waters, natural communities,  
5 recommend any additional critical natural resources that should be added to the  
6 definition, and how to define the boundaries. Rules adopted by the Board shall  
7 include:

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

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

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

15 (4) other policies or programs that shall be developed to review  
16 development impacts to Tier 3 areas if they are not included in 10 V.S.A. §  
17 6001(46).

18 (b) On or before January 1, 2025, the Board shall convene a working group  
19 of stakeholders to provide input to the rule prior to prefiling with the  
20 Interagency Committee on Administrative Rules. The working group shall  
21 include representation from regional planning commissions, environmental

1 groups, science and ecological research organizations, woodland or forestry  
2 organizations, the Vermont Housing and Conservation Board, the Vermont  
3 Chamber of Commerce, the League of Cities of Towns, the Land Access and  
4 Opportunity Board, and other stakeholders, such as the Vermont Ski Areas  
5 Association, the Department of Taxes, Division of Property Valuation and  
6 Review, the Department of Forests, Parks and Recreation, the Department of  
7 Environmental Conservation, the Department of Fish and Wildlife, the  
8 Vermont Woodlands Association, and the Professional Logging Contractors of  
9 the Northeast.

10 (c) The Board shall file a final proposed rule with the Secretary of State  
11 and Legislative Committee on Administrative Rules on or before February 1,  
12 2026.

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

18 \* \* \* Tier 1 Areas \* \* \*

19 Sec. 22. 10 V.S.A. § 6001(3)(A)(xi) is amended to read:

20 ~~(xi) Notwithstanding any other provision of law to the contrary, until~~  
21 ~~July 1, 2026, the construction of housing projects such as cooperatives,~~

1 ~~econdominiums, dwellings, or mobile homes, with 25 or more units, constructed~~  
2 ~~or maintained on a tract or tracts of land, located entirely within a designated~~  
3 ~~downtown development district, a designated neighborhood development area,~~  
4 ~~a designated village center with permanent zoning and subdivision bylaws, or a~~  
5 ~~designated growth center, owned or controlled by a person, within a radius of~~  
6 ~~five miles of any point on any involved land and within any continuous period~~  
7 ~~of five years. For purposes of this subsection, the construction of four units or~~  
8 ~~fewer of housing in an existing structure shall only count as one unit towards~~  
9 ~~the total number of units.~~

10 Sec. 23. 10 V.S.A. § 6001(3)(D)(viii)(III) is amended to read:

11 (III) Notwithstanding any other provision of law to the contrary, until  
12 July 1, 2026 **2027**, the construction of a priority housing project located  
13 entirely within a designated downtown development district, designated  
14 neighborhood development area, or a designated growth center or within one-  
15 half mile around such designated center, provided it is within the same  
16 municipality as the designated center.

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

18 Sec. 16a. ACT 250 EXEMPTION REQUIREMENTS

19 In order to qualify for the exemptions established in 10 V.S.A. § 6001  
20 ~~(3)(A)(xi) and~~ (3)(D)(viii)(III), a person shall request a jurisdictional opinion  
21 under 10 V.S.A. § 6007 on or before June 30, 2026 2027. The jurisdictional

1 opinion shall require the project to substantially complete construction on or  
2 before June 30, 2029 in order to remain exempt.

3 Sec. 25. REPEAL

4 2023 Acts and Resolves No. 47, Sec. 19c is repealed.

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

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

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

15 § 6033. REGIONAL PLAN FUTURE LAND USE MAP REVIEW

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



1 regional planning commission, the Board shall complete this review  
2 concurrently with regional plan approval. A request for Tier 1B area status  
3 made by a regional planning commission separate from regional plan approval  
4 shall follow the process set forth in 24 V.S.A. § 4348.

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

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

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

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

21 § 6034. TIER 1A AREA STATUS

1        (a) Application and approval.

2            (1) Beginning on January 1, 2026, a municipality, by resolution of its  
3        legislative body, may apply to the Natural Resources Board for Tier 1A status  
4        for the area of the municipality that is suitable for dense development and  
5        meets the requirements of subsection (b) of this section. A municipality may  
6        apply for multiple noncontiguous areas to be receive Tier 1A area status.  
7        Applications may be submitted at different times.

8            (2) The Board shall issue an affirmative determination on finding that  
9        the municipality meets the requirements of subsection (b) of this section within  
10       45 days after the application is received.

11        (b) Tier 1A area status requirements.

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

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

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

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

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

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

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

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

20           (2) If any party entitled to notice under subdivision (c)(3)(A) of this  
21           section or any resident of the municipality raises concerns about the

1 municipality's compliance with the requirements, those concerns shall be  
2 addressed as part of the municipality's application.

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

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

8 (2) An application by the municipality shall include the information and  
9 analysis required by the Board's guidelines on how to meet the requirements of  
10 subsection (b) of this section.

11 (3) After receipt of a complete final application, the Natural Resources  
12 Board shall convene a public hearing in the municipality to consider whether  
13 to issue a determination of Tier 1A area status under this section.

14 (A) Notice.

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

17 (ii) The municipality shall publish notice of the meeting 30 days  
18 and 15 days in advance of the Board's meeting in a newspaper of general  
19 circulation in the municipality, and deliver physically or electronically, with  
20 proof of receipt or by certified mail, return receipt requested to the Agency of  
21 Natural Resources; the Division for Historic Preservation; the Agency of

1 Agriculture, Food and Markets; the Agency of Transportation; the regional  
2 planning commission; the regional development corporations; and the entities  
3 providing educational, police, and fire services to the municipality.

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

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

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

15 (I) the chair of the legislative body of each adjoining  
16 municipality;

17 (II) the executive director of each abutting regional planning  
18 commission;

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

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

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

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

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

17                  (d) Review of status.

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

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

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

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

4                     (B) terminate the status.

5       Sec. 29. TIER 1A AREA GUIDELINES

6           On or before January 1, 2026, the Natural Resources Board shall publish  
7           guidelines to direct municipalities seeking to obtain the Tier 1A area status.

8       Sec. 30. 24 V.S.A. § 4382 is amended to read:

9       § 4382. THE PLAN FOR A MUNICIPALITY

10           (a) A plan for a municipality shall be consistent with the goals established  
11           in section 4302 of this title and compatible with approved plans of other  
12           municipalities in the region and with the regional plan and shall include the  
13           following:

14   \* \* \*

15           (2) A land use plan, which shall consist of a map and statement of  
16           present and prospective land uses, that:

17   \* \* \*

18           (C) Identifies those areas, if any, proposed for designation under  
19           chapter 76A of this title and for status under 10 V.S.A. §§ 6033 and 6034,  
20           together with, for each area proposed for designation, an explanation of how  
21           the designation would further the plan's goals and the goals of section 4302 of

1 this title; and how the area meets the requirements for the type of designation  
2 to be sought.

3 \* \* \*

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

5 § 6081. PERMITS REQUIRED; EXEMPTIONS

6 \* \* \*

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

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

17 (3) Upon receiving notice and a copy of the permit issued by an  
18 appropriate municipal panel pursuant to 24 V.S.A. § 4460(f), a previously  
19 issued permit for a development or subdivision located in a Tier 1A area shall  
20 remain attached to the property. However, neither the Board nor the Agency  
21 of Natural Resources shall enforce the permit or assert amendment jurisdiction



1 on the tract or tracts of land unless the designation is revoked or the  
2 municipality has not taken any reasonable action to enforce the conditions of  
3 the permit.

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

7 (bb) No permit or permit amendment is required for the construction of  
8 improvements for an accessory dwelling unit as defined in 24 V.S.A. §§ 4303  
9 and 4412.

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

13 (dd) Interim housing exemptions. Notwithstanding any other provision of  
14 law to the contrary, until July 1, 2029, no permit or permit amendment is  
15 required for the construction of:

16 (1) housing projects such as cooperatives, condominiums, dwellings, or  
17 mobile homes, located entirely within a designated downtown development  
18 district a designated new town center, a designated growth center, or a  
19 designated neighborhood development area.

20 (2) a project located on a single tract or multiple contiguous tracts of  
21 land that consists exclusively of mixed income housing or mixed use, of up to

1 75 units or any combination thereof, and is located entirely within a designated  
2 village center.

3 (3) housing projects such as cooperatives, condominiums, dwellings, or  
4 mobile homes, with 50 or fewer units, constructed or maintained on a tract or  
5 tracts of land of 10 acres or less, located entirely within a designated village  
6 center.

7 (4) a project located on a single tract or multiple contiguous tracts of  
8 land that consists exclusively of mixed income housing or mixed use, of up to  
9 30 units or more units, constructed or maintained on a tract or tracts of land  
10 owned or controlled by a person, located within a municipality with permanent  
11 zoning and subdivision bylaws, and within any continuous period of two years.

12 (5) a housing project such as cooperatives, condominiums, dwellings, or  
13 mobile homes, with 50 or fewer units, constructed or maintained on a tract or  
14 tracts of land of 10 acres or less, located entirely within a designated village  
15 center with permanent zoning and subdivision bylaws or within one-quarter  
16 mile of its boundary provided it is located within the same municipality or  
17 located entirely within areas of municipalities that are within a census-  
18 designated urbanized area with over 50,000 residents and within one-quarter  
19 mile of a transit route. Housing units constructed pursuant to this subdivision  
20 shall not count towards the total units constructed in other areas. This

1 exemption shall not apply to areas within mapped river corridors and  
2 floodplains.

3 **Sec. 32. 10 V.S.A. § 6007(c) is amended to read:**

4 (c) With respect to the partition or division of land, or with respect to an  
5 activity that might or might not constitute development, any person may  
6 submit to the district coordinator an “Act 250 Disclosure Statement” and other  
7 information required by the rules of the Board and may request a jurisdictional  
8 opinion from the district coordinator concerning the applicability of this  
9 chapter. **Notwithstanding any provision of law to the contrary, if the activity**  
10 **that is the subject of the request is construction of improvements for a housing**  
11 **project, the request shall be made by either** a minimum of three percent,  
12 rounded up to the nearest whole person, of the most recent U.S. Census Bureau  
13 population estimate of the municipality **where the project is located** or any 25  
14 persons. If a requestor wishes a final determination to be rendered on the  
15 question, the district coordinator, at the expense of the requestor and in  
16 accordance with rules of the Board, shall publish notice of the issuance of the  
17 opinion in a local newspaper generally circulating in the area where the land  
18 that is the subject of the opinion is located and shall serve the opinion on all  
19 persons listed in subdivisions 6085(c)(1)(A) through (D) of this title. In  
20 addition, the requestor who is seeking a final determination shall consult with  
21 the district coordinator and obtain approval of a subdivision 6085(c)(1)(E) list

1 of persons who shall be notified by the district coordinator because they are  
2 adjoining property owners or other persons who would be likely to be able to  
3 demonstrate a particularized interest protected by this chapter that may be  
4 affected by an act or decision by a District Commission.

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

6 § 4460. APPROPRIATE MUNICIPAL PANELS

7 \* \* \*

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

12 Sec. 34. TIER 2 AREA REPORT

13 (a) On or before February 15, 2026, the Natural Resources Board, shall  
14 report recommendations to address Act 250 jurisdiction in Tier 2 areas. The  
15 recommendations shall:

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

18 (2) address how to apply location-based jurisdiction to Tier 2 areas  
19 while meetings the statewide planning goals, including how to address  
20 commercial development and which shall also include:

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

4           (B) review of the effectiveness of jurisdictional triggers for  
5           development of retail and service businesses outside village centers, and  
6           criterion 9(L), in addressing sprawl and strip development, and how to improve  
7           the effectiveness of criterion 9(L);

8           (C) review of whether and how Act 250 jurisdiction over commercial  
9           activities on farms should be revised, including accessory on-farm businesses;  
10          and

11          (D) how to define transit routes and what the jurisdictional trigger for  
12          them should be;

13          (3) recommend how to address permit conditions in existing Act 250  
14          permits in areas that become exempt from Act 250 jurisdiction.

15          (b) The report shall be submitted to the House Committees on Agriculture,  
16          Food Resiliency, and Forestry and on Environment and Energy and the Senate  
17          Committees on Agriculture and on Natural Resources and Energy.

18          Sec. 35. WOOD PRODUCTS MANUFACTURERS REPORT

19          (a) The Natural Resources Board, in consultation with the Department of  
20          Forests, Parks and Recreation, shall convene a stakeholder group to report on

1 how to address the Act 250 permitting process to better support wood products  
2 manufacturers and their role in the forest economy.

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

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

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

15 Sec. 36. LOCATION-BASED JURISDICTION REVIEW

16 On or before February 1, 2029, the Natural Resources Board shall review  
17 and report on the new Tier jurisdiction framework used to establish location-  
18 based jurisdiction for 10 V.S.A. chapter 151. The Board shall report on the  
19 outcomes and outline successes and any changes that are needed. The Board  
20 shall undertake an in-depth review of the Act 250 updates, including the duties  
21 and responsibilities of all the staff and the Board itself, specifically whether the

1 updates have reduced appeals and whether the updates have created more  
2 equity and cohesion amongst the District Commissions and district  
3 coordinators.

4 Sec. 37. AFFORDABLE HOUSING DEVELOPMENT REGULATORY  
5 INCENTIVES STUDY

6 (a) The Department of Housing and Community Development, the  
7 Vermont Housing and Conservation Board, the Land Access and Opportunity  
8 Board, and the Vermont Housing Finance Agency shall:

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

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

18 (b) On or before December 15, 2024, the Department of Housing and  
19 Community Development shall submit a report to the Senate Committees on  
20 Economic Development, Housing and General Affairs and on Natural

1 Resources and Energy and the House Committees on General and Housing and  
2 on Environment and Energy with its findings and recommendations.

3 Sec. 38. POSITION; DEPARTMENT OF FISH AND WILDLIFE

4 In fiscal year 2025, \$125,000.00 is appropriated from the General Fund to  
5 the Department of Fish and Wildlife, Wildlife Division for one new permanent  
6 classified Biologist position to assist the Department in supporting the  
7 implementation of this act.

8 \* \* \* Environmental Justice \* \* \*

9 Sec. 39. 3 V.S.A. § 6004 is amended to read:

10 § 6004. IMPLEMENTATION OF STATE POLICY

11 \* \* \*

12 (c) Each of the covered agencies shall create and adopt on or before July 1,  
13 ~~2025~~ 2027 a community engagement plan that describes how the agency will  
14 engage with environmental justice focus populations as it evaluates new and  
15 existing activities and programs. Community engagement plans shall align  
16 with the core principles developed by the Interagency Environmental Justice  
17 Committee pursuant to subdivision 6006(c)(2)(B) of this title and take into  
18 consideration the recommendations of the Environmental Justice Advisory  
19 Council pursuant to subdivision 6006(c)(1)(B) of this title. Each plan shall  
20 describe how the agency plans to provide meaningful participation in  
21 compliance with Title VI of the Civil Rights Act of 1964.



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

11 \* \* \*

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

19 (g)(1) On or before February 15, ~~2024~~ 2026, the covered agencies shall, in  
20 accordance with the guidance document developed by the Agency of Natural

1 Resources pursuant to subsection (f) of this section, review the past three years  
2 and generate baseline spending reports that include:

3 \* \* \*

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

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

10 \* \* \*

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

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

16 § 6005. RULEMAKING

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

20 \* \* \*

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

5 \* \* \*

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

7 § 6006. ENVIRONMENTAL JUSTICE ADVISORY COUNCIL AND  
8 INTERAGENCY ENVIRONMENTAL JUSTICE COMMITTEE

9 \* \* \*

10 (c) Duties.

11 \* \* \*

12 (2) The Interagency Committee shall:

13 (A) consult with the Agency of Natural Resources in the  
14 development of the guidance document required by subsection 6004(g) of this  
15 title on how to determine which investments provide environmental benefits to  
16 environmental justice focus populations; and

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

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

2 (A) consider and recommend to the General Assembly, on or before

3 December 1, ~~2023~~ 2025, amendments to the terminology, thresholds, and

4 criteria of the definition of environmental justice focus populations, including

5 whether to include populations more likely to be at higher risk for poor health

6 outcomes in response to environmental burdens; and

7 \* \* \*

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

9 § 6007. ENVIRONMENTAL JUSTICE MAPPING TOOL

10 \* \* \*

11 (c) On or before January 1, ~~2025~~ 2027, the mapping tool shall be available

12 for use by the public as well as by the State government.

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

14 Sec. 3. SPENDING REPORT

15 On or before December 15, ~~2025~~ 2027, the Agency of Natural Resources

16 shall submit a report to the General Assembly describing whether the baseline

17 spending reports completed pursuant to 3 V.S.A. § 6004(g) of this section

18 indicate if any municipalities or portions of municipalities are routinely

19 underserved with respect to environmental benefits, taking into consideration

20 whether those areas receive, averaged across three years, a significantly lower

21 percentage of environmental benefits from State investments as compared to

1 other municipalities or portions of municipalities in the State. This report shall  
2 include a recommendation as to whether a statutory definition of “underserved  
3 community” and any other revisions to this chapter are necessary to best carry  
4 out the Environmental Justice State Policy.

5 **\*\*\* Indirect Discharges in Class A Waters \*\*\***

6 Sec. 44. 10 V.S.A. § 1259(d) is amended to read:

7 (d) No person shall cause a discharge of wastes into ~~Class A waters~~ a Class  
8 A water classified as Class A before July 1, 2024, except for on-site disposal of  
9 sewage from systems with a capacity of 1,000 gallons per day (gpd), or less,  
10 that are either exempt from or comply with the ~~environmental protection rules~~  
11 permitting requirements of chapter 64 of this title, or existing systems, which  
12 shall require a permit according to the provisions of subsection 1263(f) of this  
13 title.

14 **\*\*\* Future Land Use Maps \*\*\***

15 Sec. 45. 24 V.S.A. § 4302 is amended to read:

16 §4302. PURPOSE; GOALS

17 \*\*\*

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

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

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

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

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

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

17 \* \* \*

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

20 (A) significant natural and fragile areas;

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

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

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

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

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

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

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

16 \* \* \*

17 (11) To ensure the availability of safe and affordable housing for all  
18 Vermonters.

19 (A) Housing should be encouraged to meet the needs of a diversity of  
20 social and income groups in each Vermont community, particularly for those

1 citizens of low and moderate income, and consistent with housing targets  
2 provided for in subdivision 4348a(a)(9) of this title.

3 (B) New and rehabilitated housing should be safe, sanitary, located  
4 conveniently to employment and commercial centers, and coordinated with the  
5 provision of necessary public facilities and utilities.

6 (C) Sites for ~~multi-family~~ multifamily and manufactured housing  
7 should be readily available in locations similar to those generally used for  
8 single-family ~~conventional~~ dwellings.

9 (D) Accessory ~~apartments~~ dwelling units within or attached to single-  
10 family residences ~~which~~ that provide affordable housing in close proximity to  
11 cost-effective care and supervision for relatives, elders, or persons who have a  
12 disability should be allowed.

13 \* \* \*

14 (14) To encourage flood resilient communities.

15 (A) New development in identified flood hazard, ~~fluvial erosion~~, and  
16 river corridor protection areas should be avoided. If new development is to be  
17 built in such areas, it should not exaLURBate flooding and fluvial erosion.

18 (B) The protection and restoration of floodplains and upland forested  
19 areas that attenuate and moderate flooding and fluvial erosion should be  
20 encouraged.



1 (C) Flood emergency preparedness and response planning should be  
2 encouraged.

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

5 \* \* \*

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

7 § 4345a. DUTIES OF REGIONAL PLANNING COMMISSIONS

8 A regional planning commission created under this chapter shall:

9 \* \* \*

10 (5) Prepare a regional plan and amendments that are consistent with  
11 the goals established in section 4302 of this title, and compatible with  
12 approved municipal and adjoining regional plans. When preparing a regional  
13 plan, the regional planning commission shall:

14 (A) develop and carry out a process that will encourage and enable  
15 widespread citizen involvement and meaningful participation, as defined in  
16 3 V.S.A. § 6002;

17 (B) develop a regional data base that is compatible with, useful to,  
18 and shared with the geographic information system established under 3 V.S.A.  
19 § 20;

20 (C) conduct capacity studies;

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

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

9 (F) consider the probable social and economic benefits and  
10 consequences of the proposed plan; and

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

13 \* \* \*

14 (11) Review proposed State capital expenditures prepared pursuant to 32  
15 V.S.A. chapter 5 and the Transportation Program prepared pursuant to  
16 19 V.S.A. chapter 1 for compatibility and consistency w with regional plans  
17 and submit comments to the Secretaries of Transportation and Administration  
18 and the legislative committees of jurisdiction.

19 \* \* \*

20 (17) As part of its regional plan, define a substantial regional impact, as  
21 the term may be used with respect to its region. This definition shall be given

1 ~~due consideration~~ substantial deference, where relevant, in State regulatory  
2 proceedings.

3 \* \* \*

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

5 § 4347. PURPOSES OF REGIONAL PLAN

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

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

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

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

1 (4) promote the conservation of the supply of food, water, energy, and  
2 minerals;

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

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

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

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

12 § 4348. ADOPTION AND AMENDMENT OF REGIONAL PLAN

13 (a) A regional planning commission shall adopt a regional plan. Any plan  
14 for a region, and any amendment ~~thereof~~, shall be prepared by the regional  
15 planning commission. At the outset of the planning process and throughout  
16 the process, regional planning commissions shall solicit the participation of  
17 each of their member municipalities, local citizens, and organizations by  
18 holding informal working sessions that suit the needs of local people. The  
19 purpose of these working sessions is to allow for meaningful participation as  
20 defined in 3 V.S.A. § 6002, provide consistent information about new statutory  
21 requirements related to the regional plan, explain the reasons for new

1 requirements, and gather information to be used in the development of the  
2 regional plan and future land use element.

3 (b) 60 days prior to holding the first public hearing on a regional plan, a  
4 regional planning commission shall submit a draft regional plan to the Natural  
5 Resources Board review and comments related to conformance of the draft  
6 with sections 4302 and 4348a of this title and chapter 139 of this title. The  
7 Board shall coordinate with other State agencies and respond within 60 days  
8 unless more time is granted by the regional planning commission.

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

13 ~~(e)~~(d)(1) At least 30 days prior to the first hearing, a copy of the proposed  
14 plan or amendment, a report documenting conformance with the goals  
15 established in section 4302 of this chapter and the plan elements established in  
16 section 4348a of this chapter, and a description of any changes to the Regional  
17 Future Land Use Map with a request for general comments and for specific  
18 comments with respect to the extent to which the plan or amendment is  
19 consistent with the goals established in section 4302 of this title, shall be  
20 delivered physically or electronically with proof of receipt or sent by certified  
21 mail, return receipt requested, to each of the following:

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

3           ~~(2)~~(B) the executive director of each abutting regional planning  
4 commission;

5           ~~(3)~~(C) the Department of Housing and Community Development within  
6 the Agency of Commerce and Community Development and the Community  
7 Investment Board for a formal review and comment;

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

11           ~~(5)~~(E) the Agency of Natural Resources ~~and~~; the Agency of Agriculture,  
12 Food and Markets; the Agency of Transportation; the Department of Public  
13 Service; the Department of Public Safety’s Division of Emergency  
14 Management; and the Natural Resources Board.

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

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

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

12      ~~(f)~~(g) A regional plan or amendment shall be adopted by not less than a  
13      60 percent vote of the commissioners representing municipalities, in  
14      accordance with the bylaws of the regional planning commission, ~~and~~  
15      ~~immediately submitted to the legislative bodies of the municipalities that~~  
16      ~~comprise the region. The plan or amendment shall be considered duly adopted~~  
17      ~~and shall take effect 35 days after the date of adoption, unless, within 35 days~~  
18      ~~of the date of adoption, the regional planning commission receives certification~~  
19      ~~from the legislative bodies of a majority of the municipalities in the region~~  
20      ~~vetoing the proposed plan or amendment. In case of such a veto, the plan or~~  
21      ~~amendment shall be deemed rejected.~~

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

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

14           (3) The Natural Resources Board shall issue the determination in writing  
15       within 15 days after the close of the hearing on the plan. If the determination  
16       is affirmative, a copy of the determination shall be provided to the regional  
17       planning commission and the Community Investment Board. If the  
18       determination is negative, the Natural Resources Board shall state the reasons  
19       for denial in writing and, if appropriate, suggest acceptable modifications.  
20       Submissions for a new determination that follow a negative determination shall  
21       receive a new determination within 45 days.



1           (4) The Natural Resources Board’s affirmative determination shall be  
2           based upon finding the regional plan meets the following requirements:

3                   (A) Consistency with the State planning goals as described in section  
4                   4302 of this chapter with consistency determined in the manner described  
5                   under subdivision 4302(f)(1) of this chapter.

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

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

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

14                  (i) Objections of interested parties.

15                   (1) An interested party who has participated in the regional plan  
16                   adoption process may object to the approval of the plan or approval of the  
17                   future land use maps by the Natural Resources Board within 15 days following  
18                   plan adoption by the regional planning commission. Participation is defined as  
19                   providing written or oral comments stating objections for consideration at a  
20                   public hearing held by the regional planning commission. Objections shall be  
21                   submitted using a form provided by the Natural Resources Board.

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

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

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

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

15           (4) The Natural Resources Board shall hear any objections of regional  
16 plan adoption concurrently with regional plan review under subsection (h) of  
17 this section and 10 V.S.A. § 6033. The Natural Resources Board decision of  
18 approval of a regional plan shall expressly evaluate any objections and state  
19 the reasons for their decisions in writing. If applicable, the decision to uphold  
20 an objection shall suggest modifications to the regional plan.

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

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

17       (l) Regional planning commissions shall be provided up to 18 months from  
18       a negative determination by the Natural Resources Board to obtain an  
19       affirmative determination of regional plan compliance. If a regional planning  
20       commission is unable to obtain affirmative determination of regional plan  
21       compliance, the plan shall be considered unapproved and member

1 municipalities shall lose any associated benefits related to designations, such as  
2 Act 250 exemptions or State infrastructure investments.

3 (m) Upon approval by the Natural Resources Board, the plan shall be  
4 considered duly adopted, shall take effect, and is not appealable. The plan  
5 shall be immediately submitted to the entities listed in subsection (d) of this  
6 section.

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

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

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

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

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

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

2 §4348a. ELEMENTS OF A REGIONAL PLAN

3 (a) A regional plan shall be consistent with the goals established in section  
4 4302 of this title and shall include the following:

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

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

13 (A) Indicates those areas of significant natural resources, including  
14 existing and proposed for forests, wetlands, vernal pools, rare and irreplaceable  
15 natural areas, floodplains, river corridors, recreation, agriculture, ~~( using the~~  
16 agricultural lands identification process established in 6 V.S.A. § 8), residence,  
17 commerce, industry, public, and ~~semi-public~~ semipublic uses, open spaces,  
18 areas reserved for flood plain, forest blocks, habitat connectors, recreation  
19 areas and recreational trails, and areas identified by the State, regional planning  
20 commissions, or municipalities that require special consideration for aquifer

1 protection; for wetland protection; for the maintenance of forest blocks,  
2 wildlife habitat, and habitat connectors; or for other conservation purposes.

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

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

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

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

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

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

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

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

1 energy resources and areas that are unsuitable for siting those resources or  
2 particular categories or sizes of those resources.

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

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

21 (6) ~~A statement of policies on the:~~



1 ~~(A) preservation of rare and irreplaceable natural areas, scenic and~~  
2 ~~historic features and resources; and~~

3 ~~(B) protection and improvement of the quality of waters of the State~~  
4 ~~to be used in the development and furtherance of the applicable basin plans~~  
5 ~~established by the Secretary of Natural Resources under 10 V.S.A. § 1253.~~

6 [Repealed.]

7 \* \* \*

8 (12) A future land use element, based upon the elements in this section,  
9 that sets forth the present and prospective location, amount, intensity, and  
10 character of such land uses in relation to the provision of necessary community  
11 facilities and services and that consists of a map delineating future land use  
12 area boundaries for the land uses in subdivisions (A)–(J) of this subdivision  
13 (12) as appropriate and any other special land use category the regional  
14 planning commission deems necessary; descriptions of intended future land  
15 uses; and policies intended to support the implementation of the future land use  
16 element using the following land use categories:

17 (A) Downtown or village centers. These areas are the mixed-use  
18 centers bringing together community economic activity and civic assets. They  
19 include downtowns, villages, and new town centers previously designated  
20 under chapter 76A and downtowns and village centers seeking benefits under  
21 the Community Investment Program under section 5804 of this title. The

1 downtown or village centers are the traditional and historic central business  
2 and civic centers within planned growth areas, village areas, or may stand  
3 alone. Village centers are not required to have public water, wastewater,  
4 zoning, or subdivision bylaws.

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

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

20 (ii) This area is served by public water or wastewater  
21 infrastructure.

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

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

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

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

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

18                  (C) Village areas. These areas include the traditional settlement area  
19                  or a proposed new settlement area, typically composed of a cohesive mix of  
20                  residential, civic, religious, commercial, and mixed-use buildings, arranged  
21                  along a main street and intersecting streets that are within walking distance for

1 residents who live within and surrounding the core. These areas include  
2 existing village center designations and similar areas statewide, but this area is  
3 larger than the village center designation. Village areas shall meet the  
4 following 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 (ii) The municipality has adopted bylaws and regulations in  
8 accordance with sections 4414, 4418, and 4442 of this title.

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

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

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

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

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

16           (F) Enterprise areas. These areas include locations of high economic  
17           activity and employment that are not adjacent to planned growth areas. These  
18           include industrial parks, areas of natural resource extraction, or other  
19           commercial uses that involve larger land areas. Enterprise areas typically have  
20           ready access to water supply, sewage disposal, electricity, and freight  
21           transportation networks.

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

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

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

19           (J) Rural; conservation. These are areas of significant natural  
20           resources, identified by regional planning commissions or municipalities based  
21           upon existing Agency of Natural Resources mapping that require special

1 consideration for aquifer protection; for wetland protection; for the  
2 maintenance of forest blocks, wildlife habitat, and habitat connectors; or for  
3 other conservation purposes. The mapping of these areas and accompanying  
4 policies are intended to help meet requirements of 10 V.S.A. chapter 89. Any  
5 portion of this area that is approved by the LURB as having Tier 3 area status  
6 shall be identified on the future land use map as an overlay upon approval.

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

11 (c) The regional plan future land use map shall delineate areas within the  
12 regional planning commission’s member municipalities that are eligible to  
13 receive designation benefits as centers and neighborhoods when the future land  
14 use map is approved by the Natural Resources Board per 10 V.S.A. § 6033.

15 The areas eligible for designation as centers shall be identified on the regional  
16 plan future land use map as regional downtown centers and village centers.

17 The areas eligible for designation as neighborhoods shall be identified on the  
18 regional plan future land use map as planned growth areas and village areas in  
19 a manner consistent with this section and chapter 139 of this title. This

20 methodology shall include all approved designated downtowns, villages, new  
21 town centers, neighborhood development areas, and growth centers existing on

1 December 31, 2025, unless the subject member municipality requests  
2 otherwise.

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

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

16 Sec. 50. REGIONAL PLANNING COMMISSION STUDY

17 (a) The Vermont Association of Planning and Development Agencies  
18 (VAPDA) shall hire an independent contractor to study the strategic  
19 opportunities for regional planning commissions to better serve municipalities  
20 and the State. This study shall seek to ensure that the regional planning  
21 commissions are statutorily enabled and strategically positioned to meet



1 ongoing and emerging State and municipal needs and shall review the  
2 following: governance, funding, programs, service delivery, equity,  
3 accountability, and staffing.

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

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

18 (d) On or before December 31, 2024, the study report shall be submitted to  
19 the House Committees on Environment and Energy, on Commerce and  
20 Economic Development, and on Government Operations and Military Affairs

1 and the Senate Committees on Economic Development, Housing and General  
2 Affairs, on Natural Resources and Energy, and on Government Operations.

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

4 Sec. 51. 24 V.S.A. § 4382 is amended to read:

5 § 4382. THE PLAN FOR A MUNICIPALITY

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

10 \* \* \*

11 (10) A housing element that shall include a recommended program for  
12 public and private actions to address housing needs and targets as identified by  
13 the regional planning commission pursuant to subdivision 4348a(a)(9) of this  
14 title. The program ~~should~~ shall use data on year-round and seasonal dwellings  
15 and include specific actions to address the housing needs of persons with low  
16 income and persons with moderate income and account for permitted  
17 residential development as described in section 4412 of this title.

18 \* \* \*

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

20 § 4412. REQUIRED PROVISIONS AND PROHIBITED EFFECTS



1 dimensional standards that allow five or more dwelling units per acre for each  
2 allowed residential use, ~~and density~~. Any lot that is smaller than one acre but  
3 granted a variance of not more than 10 percent shall be treated as one acre for  
4 the purposes of this subsection. Density and minimum lot size standards for  
5 multiunit dwellings shall not be more restrictive than those required for single-  
6 family dwellings.

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

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

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

17 § 4413. LIMITATIONS ON MUNICIPAL BYLAWS

18 (a)(1) The following uses may be regulated only with respect to location,  
19 size, height, building bulk, yards, courts, setbacks, density of buildings, off-  
20 street parking, loading facilities, traffic, noise, lighting, landscaping, and

1 screening requirements, and only to the extent that regulations do not have the  
2 effect of interfering with the intended functional use:

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

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

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

9 (D) public and private hospitals;

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

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

14 (G) emergency shelters; and

15 (H) hotels and motels converted to permanently affordable housing  
16 developments.

17 \* \* \*

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

19 § 4428. PARKING BYLAWS

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





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

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

4 \* \* \*

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

6 § 4429. LOT COVERAGE BYLAWS

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

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

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

13 \* \* \*

14 (b) Decisions.

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



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

7 \* \* \*

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

9 § 4465. APPEALS OF DECISIONS OF THE ADMINISTRATIVE OFFICER

10 \* \* \*

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

13 \* \* \*

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

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

7 \* \* \*

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

9 § 4471. APPEAL TO ENVIRONMENTAL DIVISION

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

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

3 \* \* \*

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

5 § 8504. APPEALS TO THE ENVIRONMENTAL DIVISION

6 \* \* \*

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

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

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

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

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

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

3 \* \* \*

4 Sec. 62. SUPERIOR COURT; POSITION; APPROPRIATION

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

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

9 \* \* \* Resilience Planning \* \* \*

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

11 § 4306. MUNICIPAL AND REGIONAL PLANNING AND RESILIENCE

12 FUND

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

18 Sec. 64. CLIMATE RESILIENCY PLANNING POSITIONS

19 (a) In addition to other funds appropriated to the Agency of Commerce and  
20 Community Development in fiscal year 2025, \$125,000.00 is appropriated  
21 from the General Fund to the Agency for the purpose of creating a new

1 permanent full-time position to staff the climate resiliency grants from the  
2 Municipal and Regional Planning and Resilience Grant Program.

3 (b) In addition to other funds appropriated to the Agency of Natural  
4 Resources in fiscal year 2025, \$125,000.00 is appropriated from the General  
5 Fund to the Agency for the purposes of funding a new permanent full-time  
6 position in the Water Investment Division of the Department of Environmental  
7 Conservation for the purposes of assisting in the financing of climate resilience  
8 projects from the Special Environmental Revolving Funds under 24 V.S.A.  
9 chapter 120.

10 \* \* \* Designated Areas Update \* \* \*

11 Sec. 65. REPEALS

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

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

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

17 CHAPTER 139. STATE COMMUNITY INVESTMENT PROGRAM

18 § 5801. DEFINITIONS

19 As used in this chapter:

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



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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

21 § 5802. VERMONT COMMUNITY INVESTMENT BOARD

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

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

5                   (2) the Secretary of Transportation;

6                   (3) the Secretary of Natural Resources;

7                   (4) the Commissioner of Public Safety;

8                   (5) the State Historic Preservation Officer;

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

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

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

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

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

20                   (11) the State Treasurer;

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

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

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

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

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

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

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

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

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

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

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

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

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

11           § 5803. DESIGNATION OF DOWNTOWN AND VILLAGE CENTERS

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

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

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

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

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

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

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

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

21 (1) Step One.



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

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

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

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

17           (2) Step Two.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

11                    (3) Step Three.

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

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

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

21                    (iii) Has a downtown improvement plan.

1                   (iv) Has a downtown investment agreement.

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

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

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

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

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

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

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

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

5                   (viii) Has permanent zoning and subdivision bylaws.

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

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

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

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

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

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

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

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

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

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

18                   § 5804. DESIGNATED NEIGHBORHOOD

19                   (a) Designation established.

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

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

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

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

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

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

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

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

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

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

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

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



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

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

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

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

10           § 5805. GRANTS AND GIFTS

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

16           § 5806. DESIGNATION DATA CENTER

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

1     § 5807. BETTER PLACES PROGRAM; CROWD GRANTING

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

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

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

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

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

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

14           (3) any interest earned by the Fund.

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

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

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

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

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

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

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

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

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

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

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

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

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

11 Sec. 67. MUNICIPAL TECHNICAL ASSISTANCE REPORT

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

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

20 (1) general project advising;

21 (2) physical improvement planning design;



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

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

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

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

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

18 \* \* \*

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

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

5 \* \* \*

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

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

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

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

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

6 § 5930bb. ELIGIBILITY AND ADMINISTRATION

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

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

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

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



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

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

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

13 § 5930cc. DOWNTOWN AND VILLAGE CENTER PROGRAM TAX

14 CREDITS

15 \* \* \*

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

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

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

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

15 Sec. 114. EFFECTIVE DATES

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

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

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

1           (3) Sec. 68 (32 V.S.A. § 5930aa) shall take effect on January 1, 2027;  
2           and  
3           (4) Sec. 83 (grand list contents, 32 V.S.A. § 4152(a)) shall take effect on  
4           July 1, 2037.