

1 TO THE HONORABLE SENATE:

2 The Committee on Natural Resources and Energy to which was referred
3 House Bill No. 687 entitled “An act relating to community resilience and
4 biodiversity protection through land use” respectfully reports that it has
5 considered the same and recommends that the Senate propose to the House that
6 the bill be amended by striking out all after the enacting clause and inserting in
7 lieu thereof the following:

8 * * * Act 250 * * *

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

10 § 6000. PURPOSE; CONSTRUCTION

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

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

17 § 6021. BOARD; VACANCY; REMOVAL

18 (a) ~~A Natural Resources Board established.~~ The **Land Use Review** Board
19 is created to administer the Act 250 program and hear appeals.

20 (1) The Board shall consist of five members appointed by the Governor;
21 after review and approval by the **Land Use** Review Board Nominating

1 Committee in accordance with subdivision (2) of this subsection and
2 confirmed with the advice and consent of the Senate, so that one appointment
3 expires in each year. The Chair shall be a full-time position, and the other four
4 members shall be full-time positions. In making these appointments, the
5 Governor and the Senate shall give consideration to candidates who have
6 experience, expertise, or skills relating to the environment or land use one or
7 more of the following areas: environmental science; land use law, policy,
8 planning, and development; and community planning. All candidates shall
9 have a commitment to environmental justice.

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

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

20 (2) ~~The Governor shall appoint up to five persons, with preference given~~
21 ~~to former Environmental Board, Natural Resources Board, or District~~

1 ~~Commission members, with the advice and consent of the Senate, to serve as~~
2 ~~alternates for Board members.~~

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

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

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

16 (b) ~~Any vacancy occurring in the membership of the Board shall be filled~~
17 ~~by the Governor for the unexpired portion of the term~~ Terms; vacancy;
18 succession. The term of each appointment subsequent to the initial
19 appointments described in subsection (a) of this section shall be five years.
20 Any appointment to fill a vacancy shall be for the unexpired portion of the
21 term vacated. A member may seek reappointment by informing the Governor.

1 If the Governor decides not to reappoint the member, the Nominating
2 Committee shall advertise the vacancy.

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

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

16 (e) Retirement from office. When a Board member who hears all or a
17 substantial part of a case retires from office before the case is completed, the
18 member may remain a member of the Board, at the member's discretion, for
19 the purpose of concluding and deciding that case and signing the findings and
20 judgments involved. A retiring chair shall also remain a member for the
21 purpose of certifying questions of law if a party appeals to the Supreme Court.

1 For the service, the member shall receive a reasonable compensation to be
2 fixed by the remaining members of the Board and necessary expenses while on
3 official business.

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

5 § 6032. **LAND USE** REVIEW BOARD NOMINATING COMMITTEE

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

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

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

15 (2) The Speaker of the House of Representatives shall appoint two
16 members from the House of Representatives.

17 (3) The Senate Committee on Committees shall appoint two members
18 from the Senate.

19 (c) Terms. The members of the Committee shall serve for terms of two
20 years. Members shall serve until their successors are appointed. Members
21 shall serve not more than three consecutive terms. A legislative member who

1 is appointed as a member of the Committee shall retain the position for the
2 term appointed to the Committee even if the member is subsequently not
3 reelected to the General Assembly during the member’s term on the
4 Committee.

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

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

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

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

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

17 (1) operating procedures of the Committee;

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

1 (3) all proceedings of the Committee prior to the receipt of the first
2 candidate’s completed application; and

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

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

10 (j) Duties.

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

16 (2) An applicant for the position of member of the Land Use Review
17 Board shall not be required to be an attorney. If the candidate is admitted to
18 practice law in Vermont or practices a profession requiring licensure,
19 certification, or other professional regulation by the State, the Committee shall
20 submit the candidate’s name to the Court Administrator or the applicable State

1 professional regulatory entity, and that entity shall disclose to the Committee
2 any professional disciplinary action taken or pending concerning the candidate.

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

7 (4) The Committee shall ensure a candidate possesses the following
8 attributes:

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

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

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

14 (D) Availability. A candidate shall have adequate time to dedicate to
15 the position.

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

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

19 § 6025. RULES

20 (a) The Board may adopt rules of procedure for itself and the District
21 Commissions. The Board shall adopt rules of procedure that govern appeals

1 and other contested cases before it that are consistent with this chapter. The
2 Board’s procedure for approving regional plans and regional plan maps, which
3 may be adopted as rules or issued as guidance, shall ensure that the maps are
4 consistent with legislative intent as expressed in 2802 of this title and 24
5 V.S.A. §§ 4302 and 4348a.

6 * * *

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

8 § 6027. POWERS

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

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

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

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

1 (4) apply for and receive grants from the federal government and from
2 other sources.

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

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

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

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

17 (f) The Board shall publish its decisions online. The Board may publish
18 online or contract to publish annotations and indices of its decisions, the
19 decisions of the Environmental Division of the Superior Court and the
20 Supreme Court, and the text of those decisions. The published product shall be

1 available at a reasonable rate to the general public and at a reduced rate to
2 libraries and governmental bodies within the State.

3 (g) The ~~Natural Resources~~ Board shall manage the process by which land
4 use permits are issued under section 6086 of this title, may initiate enforcement
5 on related matters under the provisions of chapters 201 and 211 of this title,
6 and may ~~petition the Environmental Division~~ initiate and hear petitions for
7 revocation of land use permits issued under this chapter. Grounds for
8 revocation are:

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

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

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

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

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

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

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

4 (i) The Chair, subject to the direction of the Board, shall have general
5 charge of the offices and employees of the Board and the offices and
6 employees of the District Commissions.

7 ~~The Natural Resources Board may participate as a party in all matters~~
8 ~~before the Environmental Division that relate to land use permits issued under~~
9 ~~this chapter~~ The Board shall review for compliance regional plans and the
10 future land use maps, including proposed Tier 1B areas, developed by the
11 regional planning commissions pursuant to 24 V.S.A. § 4348a.

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

16 * * *

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

18 § 6022. PERSONNEL

19 (a) Regular personnel. The Board may appoint legal counsel, scientists,
20 engineers, experts, investigators, temporary employees, and administrative
21 personnel as it finds necessary in carrying out its duties, ~~unless the Governor~~

1 ~~shall otherwise provide~~ in providing personnel to assist the District
2 Commissions and in investigating matters within its jurisdiction.

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

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

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

11 (3) employing any staff as may be required to carry out the functions of
12 the Board; and

13 (4) preparing an annual budget for submission to the Board.

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

15 § 6084. NOTICE OF APPLICATION; HEARINGS; COMMENCEMENT OF

16 REVIEW

17 (a) ~~On or before the date of~~ Upon the filing of an application with the
18 District Commission, the applicant District Commission shall send, by
19 electronic means, notice and a copy of the initial application to the owner of
20 the land if the applicant is not the owner; the municipality in which the land is
21 located; the municipal and regional planning commissions for the municipality

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

12 * * *

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

18 * * *

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

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

1 Commission together with a declaration of intent to appeal the permit. The
2 stay request shall be automatically granted for 14 days upon receipt and notice
3 to all parties and pending a ruling on the merits of the stay request pursuant to
4 Board rules. The automatic stay shall not extend beyond the 30- day appeal
5 period unless a valid appeal has been filed with the ~~Environmental Division~~
6 Board. The automatic stay may be granted only once under this subsection
7 during the 30-day appeal period. Following appeal of the District Commission
8 decision, any stay request must be filed with the ~~Environmental Division~~
9 ~~pursuant to the provisions of chapter 220 of this title~~ Board. A District
10 Commission shall not stay construction authorized by a permit processed under
11 the Board’s minor application procedures.

12 Sec. 9. 10 V.S.A. § 6089 is amended to read:

13 § 6089. APPEALS

14 ~~Appeals of any act or decision of a District Commission under this chapter~~
15 ~~or a district coordinator under subsection 6007(c) of this title shall be made to~~
16 ~~the Environmental Division in accordance with chapter 220 of this title. For~~
17 ~~the purpose of this section, a decision of the Chair of a District Commission~~
18 ~~under section 6001e of this title on whether action has been taken to~~
19 ~~circumvent the requirements of this chapter shall be considered an act or~~
20 ~~decision of the District Commission.~~

1 (a)(1) Appeals to the Board. An appeal of any act or decision of a District
2 Commission shall be to the Board and shall be accompanied by a fee
3 prescribed by section 6083a of this title.

4 (2) Participation before District Commission. A person shall not appeal
5 an act or decision that was made by a District Commission unless the person
6 was granted party status by the District Commission pursuant to subdivision
7 6085(c)(1)(E) of this title, participated in the proceedings before the District
8 Commission, and retained party status at the end of the District Commission
9 proceedings. In addition, the person may only appeal those issues under the
10 criteria with respect to which the person was granted party status. However,
11 notwithstanding these limitations, a person may appeal an act or decision of the
12 District Commission if the Board determines that:

13 (A) there was a procedural defect that prevented the person from
14 obtaining party status or participating in the proceeding;

15 (B) the decision being appealed is the grant or denial of party status;
16 or

17 (C) some other condition exists that would result in manifest injustice
18 if the person's right to appeal was disallowed.

19 (3) Filing the appeal. An appellant to the Board, under this section,
20 shall file with the notice of appeal a statement of the issues to be addressed in

1 the appeal, a summary of the evidence that will be presented, and a preliminary
2 list of witnesses who will testify on behalf of the appellant.

3 (4) De novo hearing. The Board shall hold a de novo hearing on all
4 findings requested by any party that files an appeal or cross appeal, according
5 to the rules of the Board. The hearing shall be held in the municipality where
6 the project subject to the appeal is located, if possible, or as close as possible.

7 (5) Notice of appeal. Notice of appeal shall be filed with the Board
8 within 30 days following the act or decision by the District Commission. The
9 Board shall notify the parties who had party status before the District
10 Commission of the filing of any appeal.

11 (6) Prehearing discovery.

12 (A) A party may obtain discovery of expert witnesses who may
13 provide testimony relevant to the appeal. Expert witness prefiled testimony
14 shall be in accordance with the Vermont Rules of Evidence. The use of
15 discovery for experts shall comply with the requirements in the Vermont Rules
16 of Civil Procedure 26–37.

17 (B) Interrogatories served on nonexpert witnesses shall be limited to
18 discovery of the identity of witnesses and a summary of each witness'
19 testimony, except by order of the Board for cause shown. Interrogatories
20 served on expert witnesses shall be in accordance with the Vermont Rules of
21 Civil Procedure.

1 (C) Parties may submit requests to produce and requests to enter
2 upon land pursuant to the Vermont Rule of Civil Procedure 34.

3 (D) Parties may not take depositions of witnesses, except by order of
4 the Board for cause shown.

5 (E) The Board may require a party to supplement, as necessary, any
6 prehearing testimony that is provided.

7 (b) Prior decisions. Prior decisions of the former Environmental Board, the
8 former Water Resources Board, the former Waste Facilities Panel, and the
9 Environmental Division of the Superior Court shall be given the same weight
10 and consideration as prior decisions of the Land Use Review Board.

11 (c) Appeals to Supreme Court. An appeal from a decision of the Board
12 under subsection (a) of this section shall be to the Supreme Court by a party as
13 set forth in subsection 6085(c) of this title.

14 (d) Objections. No objection that has not been raised before the Board may
15 be considered by the Supreme Court, unless the failure or neglect to urge such
16 objection shall be excused because of extraordinary circumstances.

17 (e) Appeals of decisions. An appeal of a decision by the Board shall be
18 allowed pursuant to 3 V.S.A. § 815, including the unreasonableness or
19 insufficiency of the conditions attached to a permit. An appeal from the
20 District Commission shall be allowed for any reason, except no appeal shall be
21 allowed when an application has been granted and no hearing was requested.

1 (f) Precedent. Precedent from the former Environmental Board and of the
2 Land Use Review Board that interpret this chapter shall be provided the same
3 deference by the Supreme Court as precedents accorded to other Executive
4 Branch agencies charged with administering their enabling act. On appeal to
5 the Supreme Court from the Land Use Review Board, decisions of the Land
6 Use Review Board interpreting this act also shall be accorded that deference.

7 (g) Clearly erroneous. Upon appeal to the Supreme Court, the Board’s
8 findings of fact shall be accepted unless clearly erroneous.

9 (h) Completion of case. A case shall be deemed completed when the Board
10 enters a final decision even though that decision is appealed to the Supreme
11 Court and remanded by that Court.

12 (i) Court of record; jurisdiction. The Board shall have the powers of a
13 court of record in the determination and adjudication of all matters within its
14 jurisdiction. It may initiate proceedings on any matter within its jurisdiction.
15 It may render judgments and enforce the same by any suitable process issuable
16 by courts in this State. An order issued by the Board on any matter within its
17 jurisdiction shall have the effect of a judicial order. The Board’s jurisdiction
18 shall include:

19 (1) the issuance of declaratory rulings on the applicability of this chapter
20 and rules or orders issued under this chapter, pursuant to 3 V.S.A. § 808; and

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

3 Sec. 10. 10 V.S.A. § 6007 is amended to read:

4 § 6007. ACT 250 DISCLOSURE STATEMENT; JURISDICTIONAL
5 DETERMINATION

6 * * *

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

1 demonstrate a particularized interest protected by this chapter that may be
2 affected by an act or decision by a District Commission.

3 (d) A person who seeks review of a jurisdictional opinion issued by a
4 district coordinator shall bring to the Board an appeal of issues addressed in the
5 opinion.

6 (1) The appellant shall provide notice of the filing of an appeal to each
7 person entitled to notice under subdivisions 6085(c)(1)(A) through (D) of this
8 title and to each person on an approved subdivision 6085(c)(1)(E) list.

9 (2) Failure to appeal within 30 days following the issuance of the
10 jurisdictional opinion shall render the decision of the district coordinator under
11 subsection (c) of this section the final determination regarding jurisdiction
12 unless the underlying jurisdictional opinion was not properly served on persons
13 listed in subdivisions 6085(c)(1)(A) through (D) of this title and on persons on
14 a subdivision 6085(c)(1)(E) list approved under subsection (c) of this section.

15 Sec. 11. 10 V.S.A. § 6083a is amended to read:

16 § 6083a. ACT 250 FEES

17 * * *

18 (i) All persons filing an appeal, cross appeal, or petition from a District
19 Commission decision or jurisdictional opinion shall pay a fee of \$295.00, plus
20 publication costs, unless the Board approves a waiver of fees based on
21 indigency.

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

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

5 * * * Appeals * * *

6 Sec. 12. 10 V.S.A. chapter 220 is amended to read:

7 CHAPTER 220. CONSOLIDATED ENVIRONMENTAL APPEALS

8 § 8501. PURPOSE

9 It is the purpose of this chapter to:

10 (1) consolidate existing appeal routes for municipal zoning and
11 subdivision decisions and acts or decisions of the Secretary of Natural
12 Resources, ~~district environmental coordinators, and District Commissions,~~
13 excluding enforcement actions brought pursuant to chapters 201 and 211 of
14 this title and the adoption of rules under 3 V.S.A. chapter 25;

15 (2) standardize the appeal periods, the parties who may appeal these acts
16 or decisions, and the ability to stay any act or decision upon appeal, taking into
17 account the nature of the different programs affected;

18 (3) ~~encourage people to get involved in the Act 250 permitting process~~
19 ~~at the initial stages of review by a District Commission by requiring~~
20 ~~participation as a prerequisite for an appeal of a District Commission decision~~
21 ~~to the Environmental Division;~~

1 ~~(4)~~ ensure that clear appeal routes exist for acts and decisions of
2 the Secretary of Natural Resources; and

3 ~~(5)~~(4) consolidate appeals of decisions related to renewable energy
4 generation plants and telecommunications facilities with review under,
5 respectively, 30 V.S.A. §§ 248 and 248a, with appeals and consolidation of
6 proceedings pertaining to telecommunications facilities occurring only while
7 30 V.S.A. § 248a remains in effect.

8 § 8502. DEFINITIONS

9 As used in this chapter:

10 (1) ~~“District Commission” means a District Environmental Commission~~
11 ~~established under chapter 151 of this title. [Repealed.]~~

12 (2) ~~“District coordinator” means a district environmental coordinator~~
13 ~~attached to a District Commission established under chapter 151 of this title.~~
14 ~~[Repealed.]~~

15 (3) “Environmental Court” or “Environmental Division” means the
16 Environmental Division of the Superior Court established by 4 V.S.A. § 30.

17 (4) ~~“Natural Resources~~ Land Use Review Board” or “Board” means the
18 Board established under chapter 151 of this title.

19 (5) “Party by right” means the following:

20 (A) the applicant;

21 (B) the landowner, if the applicant is not the landowner;

1 (C) the municipality in which the project site is located and the
2 municipal and regional planning commissions for that municipality;

3 (D) if the project site is located on a boundary, any Vermont
4 municipality adjacent to that border and the municipal and regional planning
5 commissions for that municipality;

6 (E) the solid waste management district in which the land is located,
7 if the development or subdivision constitutes a facility pursuant to subdivision
8 6602(10) of this title; and

9 (F) any State agency affected by the proposed project.

10 (6) “Person” means any individual; partnership; company; corporation;
11 association; joint venture; trust; municipality; the State of Vermont or any
12 agency, department, or subdivision of the State; any federal agency; or any
13 other legal or commercial entity.

14 (7) “Person aggrieved” means a person who alleges an injury to a
15 particularized interest protected by the provisions of law listed in section 8503
16 of this title; attributable to an act or decision by ~~a district coordinator, District~~
17 ~~Commission, the Secretary, or the Environmental Division~~ that can be
18 redressed by the Environmental Division or the Supreme Court.

19 (8) “Secretary” means the Secretary of Natural Resources or the
20 Secretary’s duly authorized representative. As used in this chapter,
21 “Secretary” ~~shall also mean~~ means the Commissioner of Environmental

1 Conservation; the Commissioner of Forests, Parks and Recreation; and the
2 Commissioner of Fish and Wildlife; with respect to those statutes that refer to
3 the authority of that commissioner or department.

4 § 8503. APPLICABILITY

5 (a) This chapter shall govern all appeals of an act or decision of the
6 Secretary, excluding enforcement actions under chapters 201 and 211 of this
7 title and rulemaking, under the following authorities and under the rules
8 adopted under those authorities:

9 * * *

10 (b) ~~This chapter shall govern:~~

11 ~~(1) all appeals from an act or decision of a District Commission under~~
12 ~~chapter 151 of this title, excluding appeals of application fee refund requests;~~

13 ~~(2) appeals from an act or decision of a district coordinator under~~
14 ~~subsection 6007(e) of this title;~~

15 ~~(3) appeals from findings of fact and conclusions of law issued by the~~
16 ~~Natural Resources Board in its review of a designated growth center for~~
17 ~~conformance with the criteria of subsection 6086(a) of this title, pursuant to~~
18 ~~authority granted at 24 V.S.A. § 2793e(f). [Repealed.]~~

19 (c) This chapter shall govern all appeals arising under 24 V.S.A.
20 chapter 117, the planning and zoning chapter.

1 (d) This chapter shall govern all appeals from an act or decision of the
2 Environmental Division under this chapter.

3 (e) This chapter shall not govern appeals from rulemaking decisions by the
4 ~~Natural Resources~~ Land Use Review Board under chapter 151 of this title or
5 enforcement actions under chapters 201 and 211 of this title.

6 (f) This chapter shall govern all appeals of acts or decisions of the
7 legislative body of a municipality arising under 24 V.S.A. chapter 61,
8 subchapter 10, relating to the municipal certificate of approved location for
9 salvage yards.

10 (g) This chapter shall govern all appeals of an act or decision of the
11 Secretary of Natural Resources that a solid waste implementation plan for a
12 municipality proposed under 24 V.S.A. § 2202a conforms with the State Solid
13 Waste Implementation Plan adopted pursuant to section 6604 of this title.

14 § 8504. APPEALS TO THE ENVIRONMENTAL DIVISION

15 (a) ~~Act 250 and~~ Agency appeals. Within 30 days of the date of following
16 the act or decision, any person aggrieved by an act or decision of the Secretary,
17 ~~a District Commission, or a district coordinator~~ under the provisions of law
18 listed in section 8503 of this title, or any party by right, may appeal to the
19 Environmental Division, except for an act or decision of the Secretary under
20 subdivision 6086b(3)(E) of this title or governed by section 8506 of this title.

21 * * *

1 (c) Notice of the filing of an appeal.

2 (1) ~~Upon filing an appeal from an act or decision of the District~~
3 ~~Commission, the appellant shall notify all parties who had party status as of the~~
4 ~~end of the District Commission proceeding, all friends of the Commission, and~~
5 ~~the Natural Resources Board that an appeal is being filed. In addition, the~~
6 ~~appellant shall publish notice not more than 10 days after providing notice as~~
7 ~~required under this subsection, at the appellant's expense, in a newspaper of~~
8 ~~general circulation in the area of the project that is the subject of the decision.~~

9 [Repealed.]

10 * * *

11 (d) Requirement to participate before ~~the District Commission or the~~
12 Secretary.

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

1 ~~an act or decision of the District Commission if the Environmental judge~~
2 ~~determines that:~~

3 ~~(A) there was a procedural defect that prevented the person from~~
4 ~~obtaining party status or participating in the proceeding;~~

5 ~~(B) the decision being appealed is the grant or denial of party status;~~
6 ~~or~~

7 ~~(C) some other condition exists that would result in manifest injustice~~
8 ~~if the person's right to appeal was disallowed. [Repealed.]~~

9 (2) Participation before the Secretary.

10 * * *

11 (e) ~~Act 250 jurisdictional determinations by a district coordinator.~~

12 ~~(1) The appellant shall provide notice of the filing of an appeal to each~~
13 ~~person entitled to notice under subdivisions 6085(c)(1)(A) through (D) of this~~
14 ~~title, to each person on an approved subdivision 6085(c)(1)(E) list, and to the~~
15 ~~Natural Resources Board.~~

16 ~~(2) Failure to appeal within the time required under subsection (a) of~~
17 ~~this section shall render the decision of the district coordinator under~~
18 ~~subsection 6007(c) of this title the final determination regarding jurisdiction~~
19 ~~under chapter 151 of this title unless the underlying jurisdictional opinion was~~
20 ~~not properly served on persons listed in subdivisions 6085(c)(1)(A) through~~

1 ~~(D) of this title and on persons on a subdivision 6085(c)(1)(E) list approved~~
2 ~~under subsection 6007(e) of this title. [Repealed.]~~

3 * * *

4 (g) Consolidated appeals. The Environmental Division may consolidate or
5 coordinate different appeals where those appeals all relate to the same project.

6 * * *

7 ~~(i) Deference to Agency technical determinations. In the adjudication of~~
8 ~~appeals relating to land use permits under chapter 151 of this title, technical~~
9 ~~determinations of the Secretary shall be accorded the same deference as they~~
10 ~~are accorded by a District Commission under subsection 6086(d) of this title.~~
11 ~~[Repealed.]~~

12 * * *

13 (k) Limitations on appeals. Notwithstanding any other provision of this
14 section;

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

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

1 ~~(3) if a District Commission issues a partial decision under subsection~~
2 ~~6086(b) of this title, any appeal of that decision must be taken within 30 days~~
3 ~~of the date of that decision.~~

4 (1) Representation. The Secretary may represent the Agency of Natural
5 Resources in all appeals under this section. ~~The Chair of the Natural~~
6 ~~Resources Board may represent the Board in any appeal under this section,~~
7 ~~unless the Board directs otherwise.~~ If more than one State agency, ~~other than~~
8 ~~the Board,~~ either appeals or seeks to intervene in an appeal under this section,
9 only the Attorney General may represent the interests of those agencies of the
10 State in the appeal.

11 (m) Precedent. Prior decisions of the former Environmental Board, Water
12 Resources Board, and Waste Facilities Panel shall be given the same weight
13 and consideration as prior decisions of the Environmental Division.

14 (n) Intervention. Any person may intervene in a pending appeal if that
15 person:

16 (1) appeared as a party in the action appealed from and retained party
17 status;

18 (2) is a party by right;

19 (3) ~~is the Natural Resources Board;~~ [Repealed.]

20 (4) is a person aggrieved, as defined in this chapter;

1 (5) qualifies as an “interested person,” as established in 24 V.S.A.
2 § 4465, with respect to appeals under 24 V.S.A. chapter 117; or

3 (6) meets the standard for intervention established in the Vermont Rules
4 of Civil Procedure.

5 (o) With respect to review of an act or decision of the Secretary pursuant to
6 3 V.S.A. § 2809, the Division may reverse the act or decision or amend an
7 allocation of costs to an applicant only if the Division determines that the act,
8 decision, or allocation was arbitrary, capricious, or an abuse of discretion. In
9 the absence of such a determination, the Division shall require the applicant to
10 pay the Secretary all costs assessed pursuant to 3 V.S.A. § 2809.

11 (p) Administrative record. The Secretary shall certify the administrative
12 record as defined in chapter 170 of this title and shall transfer a certified copy
13 of that record to the Environmental Division when:

14 (1) there is an appeal of an act or decision of the Secretary that is based
15 on that record; or

16 (2) ~~there is an appeal of a decision of a District Commission, and the~~
17 ~~applicant used a decision of the Secretary based on that record to create a~~
18 ~~presumption under a criterion of subsection 6086(a) of this title that is at issue~~
19 ~~in the appeal.~~

1 § 8505. APPEALS TO THE SUPREME COURT

2 (a) Any person aggrieved by a decision of the Environmental Division
3 pursuant to this subchapter, any party by right, or any person aggrieved by a
4 decision of the Land Use Review Board may appeal to the Supreme Court
5 within 30 days ~~of~~ following the date of the entry of the order or judgment
6 appealed from, provided that:

7 (1) the person was a party to the proceeding before the Environmental
8 Division; ~~or~~

9 (2) the decision being appealed is the denial of party status; or

10 (3) the Supreme Court determines that:

11 (A) there was a procedural defect that prevented the person from
12 participating in the proceeding; or

13 (B) some other condition exists that would result in manifest injustice
14 if the person’s right to appeal were disallowed.

15 * * *

16 * * * Environmental Division * * *

17 Sec. 13. 4 V.S.A. § 34 is amended to read:

18 § 34. JURISDICTION; ENVIRONMENTAL DIVISION

19 The Environmental Division shall have:

20 (1) jurisdiction of matters arising under 10 V.S.A. chapters 201 and 220;

21 and

1 (2) jurisdiction of matters arising under 24 V.S.A. chapter 61,
2 subchapter 12 and 24 V.S.A. chapter 117; ~~and~~
3 ~~(3) original jurisdiction to revoke permits under 10 V.S.A. chapter 151.~~
4 * * * Transition; Revision Authority * * *

5 Sec. 14. **LAND USE** REVIEW BOARD POSITIONS; APPROPRIATION

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

- 8 (1) two Staff Attorneys; and
9 (2) four full-time **Land Use** Review Board members.

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

13 Sec. 15. NATURAL RESOURCES BOARD TRANSITION

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

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

20 (c) The **Land Use** Review Board shall adopt rules of procedure for its
21 hearing process pursuant to 10 V.S.A. § 6025(a) on or before October 1, 2026.

1 Sec. 16. ENVIRONMENTAL DIVISION; CONTINUED JURISDICTION

2 Notwithstanding the repeal of its jurisdictional authority to hear appeals
3 relative to land use permits under Sec. 13 of this act, the Environmental
4 Division of the Superior Court shall continue to have jurisdiction to complete
5 its consideration of any appeal that is pending before it as of October 1, 2026 if
6 the act or appeal has been filed. The Land Use Review Board shall have
7 authority to be a party in any appeals pending under this section until October
8 1, 2026.

9 Sec. 17. REVISION AUTHORITY

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

14 * * * Forest Blocks * * *

15 Sec. 18. 10 V.S.A. § 6001 is amended to read:

16 § 6001. DEFINITIONS

17 As used in this chapter:

18 * * *

19 (47) “Habitat connector” means land or water, or both, that links patches
20 of habitat within a landscape, allowing the movement, migration, and dispersal
21 of wildlife and plants and the functioning of ecological processes. A habitat

1 connector may include features including recreational trails and improvements
2 constructed for farming, logging, or forestry purposes.

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

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

10 Sec. 19. 10 V.S.A. § 6086(a)(8) is amended to read:

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

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

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

19 (i) the economic, social, cultural, recreational, or other benefit to
20 the public from the development or subdivision will not outweigh the

1 economic, environmental, or recreational loss to the public from the
2 destruction or imperilment of the habitat or species; ~~or~~

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

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

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

16 Sec. 20. CRITERION 8(C) RULEMAKING

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

1 habitat connectors by encouraging clustering of development. Rules adopted
2 by the Board shall include:

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

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

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

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

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

1 forest block or habitat connector by an unpaved recreational trail or by
2 improvements constructed for farming, logging, or forestry purposes below the
3 elevation of 2,500 feet.

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

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

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

12 (A) appropriate ratios for compensation;

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

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

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

1 (c) The Board shall file a final proposed rule with the Secretary of State
2 and Legislative Committee on Administrative Rules on or before June 15,
3 2026.

4 Sec. 21. 10 V.S.A. § 127 is amended to read:

5 § 127. RESOURCE MAPPING

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

14 (b) The Secretary ~~of Natural Resources~~ shall consider the ~~GIS-based~~
15 resource maps developed under subsection (a) of this section when providing
16 evidence and recommendations to the Public Utility Commission under
17 30 V.S.A. § 248(b)(5) and when commenting on or providing
18 recommendations under chapter 151 of this title to District Commissions on
19 other projects.

20 (c) The Secretary shall establish and maintain written procedures that
21 include a process and science-based criteria for updating resource maps

1 developed under subsection (a) of this section. Before establishing or revising
2 these procedures, the Secretary shall provide opportunities for affected parties
3 and the public to submit relevant information and recommendations.

4 * * * Wood Products Manufacturers * * *

5 Sec. 22. 10 V.S.A. § 6093 is amended to read:

6 § 6093. MITIGATION OF PRIMARY AGRICULTURAL SOILS

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

10 * * *

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

17 * * *

18 * * * Road Rule * * *

19 **Sec. 23.** 10 V.S.A. § 6001(3)(A)(xii) is added to read:

20 (xii) The construction of a road or roads and any associated
21 driveways to provide access to or within a tract of land owned or controlled by

1 a person. For the purposes of determining jurisdiction under this subdivision,
2 any new development or subdivision on a parcel of land that will be provided
3 access by the road and associated driveways is land involved in the
4 construction of the road.

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

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

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

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

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

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

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

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

7 Sec. 24. RULEMAKING; ROAD CONSTRUCTION

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

14 * * * Location-Based Jurisdiction * * *

15 Sec. 25. 10 V.S.A. § 6001 is amended to read:

16 § 6001. DEFINITIONS

17 As used in this chapter:

18 * * *

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

20 (i) The construction of improvements on a tract or tracts of land,
21 owned or controlled by a person, involving more than 10 acres of land within a

1 radius of five miles of any point on any involved land, for commercial or
2 industrial purposes in a municipality that has adopted permanent zoning and
3 subdivision bylaws.

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

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

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

21 * * *

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

3 * * *

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

7 * * *

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

9 (46) “Tier 3” means an area consisting of critical natural resources
10 defined by the rules of the Board. The Board’s rules shall address river
11 corridors, headwaters streams, habitat connectors of statewide significance,
12 riparian areas, class A waters, natural communities, and other critical natural
13 resources.

14 Sec. 26. TIER 3 RULEMAKING

15 (a) The Land Use Review Board, in consultation with the Secretary of
16 Natural Resources, shall adopt rules to implement the requirements for the
17 administration of 10 V.S.A. § 6001(3)(A)(xiii) and 10 V.S.A. § 6001(46). It is
18 the intent of the General Assembly that these rules address the protection of
19 critical natural resources. The Board shall review the definition of Tier 3 area,
20 and its use in 10 V.S.A. chapter 151 and address river corridors, headwaters
21 streams, habitat connectors of statewide significance, riparian areas, class A

1 waters, natural communities, recommend any additional significant natural
2 resources that should be added to the definition, and how to define the
3 boundaries. Rules adopted by the Board shall include:

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

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

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

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

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

1 Association, the Department of Taxes, Division of Property Valuation and
2 Review, the Department of Forests, Parks and Recreation, the Vermont
3 Woodlands Association, and the Professional Logging Contractors of the
4 Northeast.

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 February 1,
7 2026.

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

13 * * * Tier 1 Areas * * *

14 Sec. 27. 10 V.S.A. § 6001(3)(A)(xi) is amended to read:

15 (xi) Notwithstanding any other provision of law to the contrary, until
16 ~~July 1~~ December 31, 2026, the construction of housing projects such as
17 cooperatives, condominiums, dwellings, or mobile homes, with 25 or more
18 units, constructed or maintained on a tract or tracts of land, located entirely
19 within a designated downtown development district, a designated
20 neighborhood development area, a designated village center with permanent
21 zoning and subdivision bylaws, or a designated growth center, owned or

1 controlled by a person, within a radius of five miles of any point on any
2 involved land and within any continuous period of five years. For purposes of
3 this ~~subsection~~ subdivision, the construction of four units or fewer of housing
4 in an existing structure shall only count as one unit towards the total number of
5 units.

6 Sec. 28. 10 V.S.A. § 6001(3)(D)(viii)(III) is amended to read:

7 (III) Notwithstanding any other provision of law to the contrary, until
8 ~~July 1~~ December 31, 2026, the construction of a priority housing project
9 located entirely within a designated downtown development district,
10 designated neighborhood development area, or a designated growth center.

11 Sec. 29. 2023 Acts and Resolves No. 47, Sec. 16a is amended to read:

12 Sec. 16a. ACT 250 EXEMPTION REQUIREMENTS

13 In order to qualify for the exemptions established in 10 V.S.A. § 6001
14 (3)(A)(xi) and (3)(D)(viii)(III), a person shall request a jurisdictional opinion
15 under 10 V.S.A. § 6007 on or before ~~June 30~~ December 30, 2026. The
16 jurisdictional opinion shall require the project to substantially complete
17 construction on or before June 30, 2029 in order to remain exempt.

18 **Sec. 30. REPEAL**

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

20 **Sec. 30a. 10 V.S.A. § 6081(y) is added to read:**

1 (y) ~~Not~~ Until January 1, 2030, no permit or permit amendment is required
2 for a retail electric distribution utility’s rebuilding of existing electrical
3 distribution lines and related facilities to improve reliability and service to
4 existing customers, through overhead or underground lines in an existing
5 corridor, road, or State or town road right-of-way. Nothing in this section shall
6 be interpreted to exempt projects under this subsection from other required
7 permits or the conditions on lands subject to existing permits required by this
8 section.

9 Sec. 31. 10 V.S.A. § 6033 is added to read:

10 § 6033. REGIONAL PLAN FUTURE LAND USE MAP REVIEW

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

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

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

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

13 Sec. 32. 10 V.S.A. § 6034 is added to read:

14 § 6034. TIER 1A AREA STATUS

15 (a) Application and approval.

16 (1) Beginning on January 1, 2026, a municipality, by resolution of its
17 legislative body, may apply to the Land Use Review Board for Tier 1A status
18 for the area of the municipality that is suitable for dense development and
19 meets the requirements of subsection (b) of this section. A municipality may
20 apply for multiple noncontiguous areas to be receive Tier 1A area status.
21 Applications may be submitted at different times.

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

4 (b) Tier 1A area status requirements.

5 (1) To obtain a Tier 1A area status under this section, a municipality
6 shall demonstrate to the Board that it has each of the following:

7 (A) A municipal plan that is approved in accordance with 24 V.S.A.
8 § 4350.

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

14 (D) A capital budget and program pursuant to 24 V.S.A. § 4430 that
15 make substantial investments in the ongoing development of the Tier 1A area,
16 are consistent with the plan’s implementation program, and are consistent with
17 the smart growth principles defined in 24 V.S.A. chapter 139.

18 (E) Permanent zoning and subdivision bylaws that do not include
19 broad exemptions that exclude significant private or public land development
20 from requiring a municipal land use permit and that include the following
21 provisions:

1 (i) Urban design standards for development within the Tier 1A
2 area that further the smart growth principles of 24 V.S.A. chapters 76A and
3 139, adequately regulate the physical form and scale of development, and
4 provide reasonable provision for a portion of the areas with sewer and water to
5 allow at least four stories, and conform to the guidelines established by the
6 Board.

7 (ii) Historic preservation standards for established design review
8 districts, historic districts, or historic landmarks pursuant to 24 V.S.A.
9 § 4414(1)(E) and (F) for the portion of the Tier 1A area that meet State historic
10 preservation guidelines issued by the Department of Housing and Community
11 Development pursuant to 24 V.S.A. chapter 139.

12 (ii) Wildlife habitat planning bylaws for the Tier 1A area that
13 protect significant natural communities; rare, threatened, and endangered
14 species; and river corridors or exclude these areas from the proposed Tier 1A
15 area.

16 (F) Permitted water and wastewater systems with the capacity to
17 support additional development within the Tier 1A area. The municipality
18 shall have adopted consistent policies, by municipal plan and ordinance, on the
19 allocation, connection, and extension of water and wastewater lines that
20 include a defined and mapped service area to support the Tier 1A area.

1 (G) Municipal staff adequate to support coordinated comprehensive
2 and capital planning, development review, and zoning administration in the
3 Tier 1A area.

4 (H) The applicable regional plan has been approved by the Board.

5 (2) If any party entitled to notice under subdivision (c)(3)(A) of this
6 section or any resident of the municipality raises concerns about the
7 municipality’s compliance with the requirements, those concerns shall be
8 addressed as part of the municipality’s application.

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

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

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

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

20 (A) Notice.

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

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

11 (iii) The notice shall also be posted by the municipality in or near
12 the municipal clerk’s office and in at least two other designated public places
13 in the municipality, on the websites of the municipality and the regional
14 planning commission, and on any e-mail lists or social media that the
15 municipality uses.

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

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

1 (I) the chair of the legislative body of each adjoining
2 municipality;

3 (II) the executive director of each abutting regional planning
4 commission;

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

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

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

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

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

4 (d) Review of status.

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

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

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

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

12 (B) terminate the status.

13 (e) Appeal.

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

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

19 (A) A person owning title to or occupying property within or abutting
20 the Tier 1A area.

1 (B) The municipality making the application or a municipality that
2 adjoins the municipality making the application.

3 (C) The RPC for the region that includes the Tier 1A area or a RPC
4 whose region adjoins the municipality in which the Tier 1A area is located.

5 (D) Any 20 persons who, by signed petition, allege that the decision
6 is not in accord with the requirements of this chapter, and who own or occupy
7 real property located within the municipality in which the Tier 1A area is
8 located or an adjoining municipality. The petition must designate one person
9 to serve as the representative of the petitioners regarding all matters related to
10 the appeal. The designated representative must have participated in the public
11 hearing described in subdivision (c)(3) of this section.

12 (E) Any person entitled to receive notice under this section that
13 participated in the Board’s hearing on an application.

14 Sec. 33. TIER 1A AREA GUIDELINES

15 On or before January 1, 2026, the Land Use Review Board shall publish
16 guidelines to direct municipalities seeking to obtain the Tier 1A area status.

17 Sec. 34. 24 V.S.A. § 4382 is amended to read:

18 § 4382. THE PLAN FOR A MUNICIPALITY

19 (a) A plan for a municipality shall be consistent with the goals established
20 in section 4302 of this title and compatible with approved plans of other

1 municipalities in the region and with the regional plan and shall include the
2 following:

3 * * *

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

6 * * *

7 (C) Identifies those areas, if any, proposed for designation under
8 chapter **76A 139** of this title and for status under 10 V.S.A. §§ 6033 and 6034,
9 together with, for each area proposed for designation, an explanation of how
10 the designation would further the plan's goals and the goals of section 4302 of
11 this title; and how the area meets the requirements for the type of designation
12 to be sought.

13 * * *

14 Sec. 35. 10 V.S.A. § 6081 is amended to read:

15 § 6081. PERMITS REQUIRED; EXEMPTIONS

16 * * *

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

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

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

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

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

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

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

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

9 (4) The appropriate municipal panel shall comply with the notice and
10 hearing requirements provided in subdivision 4464(a)(1) of this title. In
11 addition, notice shall be provided to those persons requiring notice under
12 10 V.S.A. § 6084(b) and shall explicitly reference the existing Act 250 permit.

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

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

20 (h) Within a Tier 1A area, the appropriate municipal panel shall enforce
21 any existing permits issued under 10 V.S.A. chapter 151 that has not had its

1 permit conditions transferred to a municipal permit pursuant to subsection (g)
2 of this section.

3 Sec. 37. TIER 2 AREA REPORT

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

7 (1) recommend statutory changes to address fragmentation of rural and
8 working lands while allowing for **development**;

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

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

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

19 (C) review of whether and how Act 250 jurisdiction over commercial
20 activities on farms should be revised, including accessory on-farm businesses.

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

4 Sec. 38. WOOD PRODUCTS MANUFACTURERS REPORT

5 (a) The Natural Resources Board, in consultation with the Department of
6 Forests, Parks and Recreation, shall convene a stakeholder group to report on
7 how to address the Act 250 permitting process to better support wood products
8 manufacturers and their role in the forest economy.

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

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

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

21 Sec. 39. LOCATION-BASED JURISDICTION REVIEW

1 On or before February 1, 2029, the Land Use Review Board shall review
2 and report on the new Tier jurisdiction framework used to establish location-
3 based jurisdiction for 10 V.S.A. chapter 151. The Board shall report on the
4 outcomes and outline successes and any changes that are needed. The Board
5 shall undertake an in-depth review of the Act 250 updates, including the duties
6 and responsibilities of all the staff and the Board itself, specifically whether the
7 updates have reduced appeals and whether the updates have created more
8 equity and cohesion amongst the District Commissions and district
9 coordinators.

10 Sec. 40. AFFORDABLE HOUSING DEVELOPMENT REGULATORY

11 INCENTIVES STUDY

12 (a) The Department of Housing and Community Development, the
13 Vermont Housing and Conservation Board, the Land Access and Opportunity
14 Board, and the Vermont Housing Finance Agency shall:

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

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

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

9 **Sec. 41. POSITION; DEPARTMENT OF FISH AND WILDLIFE**

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

14 * * * Future Land Use Maps * * *

15 Sec. 42. 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 exacLURBate 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. 43. 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 with regional plans and
17 submit comments to the Secretaries of Transportation and Administration and
18 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. 44. 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. 45. 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 Land
5 Use Review 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 of each municipality within the
2 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 Land Use Review 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 Land Use Review
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 Land Use Review 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 Land Use Review 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 Land Use Review 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 Land Use Review 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 Land Use Review 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 Land Use Review 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 Land Use Review 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 Land Use Review Board.

15 (4) The Land Use Review 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 Land Use Review 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 Land Use Review
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 Land Use Review 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 Land Use Review 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, Act
2 250 exemptions, or State infrastructure investments.

3 (m) Upon approval by the Land Use Review 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. 46. 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 municipal water, wastewater,
4 zoning, or subdivision bylaws.

5 (B) Planned growth areas. These areas include the densest existing
6 settlement and future growth areas with the highest 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 municipal 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 fluvial erosion
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 fluvial erosion areas, except those areas containing preexisting
14 development in areas suitable for infill development as defined in 29-201 of
15 the Vermont Flood Hazard Area and River Corridor Rule.

16 (iv) The municipality has one of the following: municipal water,
17 wastewater, or land use bylaws. If no municipal wastewater is available, the
18 area must have soils that are adequate for 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, municipal water or wastewater, or
5 both. The intent of this land use category is to transform these areas into
6 higher-density, mixed-use settlements, or residential neighborhoods through
7 infill and redevelopment or new development. New commercial strip auto-
8 oriented development is not allowed as to prevent it negatively impacting the
9 economic vitality of commercial areas in the adjacent or nearby planned
10 growth or village area. This area could also include adjacent greenfields safer
11 from 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 Land Use Review 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 ~~under chapter 139 or areas~~
5 included in the municipal plan for the purposes of relocating a municipality's
6 center for flood resiliency purposes, the areas eligible for designation benefits
7 upon the Land Use Review Board's approval of the regional plan future land
8 use map for designation as a Center shall not include development that is
9 disconnected from a downtown or village center and that lacks an existing or
10 planned pedestrian connection to the center via a complete street.

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

17 Sec. 47. REGIONAL PLANNING COMMISSION STUDY

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

1 commissions are statutorily enabled and strategically positioned to meet
2 ongoing and emerging State and municipal needs and shall review the
3 following: governance, funding, programs, service delivery, equity,
4 accountability, and staffing.

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

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

19 (d) On or before December 31, 2024, the study report shall be submitted to
20 the House Committees on Environment and Energy, on Commerce and
21 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 * * * Resilience Planning * * *

4 Sec. 48. 24 V.S.A. § 4306 is amended to read:

5 § 4306. MUNICIPAL AND REGIONAL PLANNING AND RESILIENCE
6 FUND

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

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

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

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

19 (B) 70 percent shall be disbursed to the Secretary of Commerce and
20 Community Development for performance contracts with regional planning

1 commissions to provide regional planning services pursuant to section 4341a
2 of this title; and

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

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

10 (2) Disbursement to municipalities shall be awarded annually on or
11 before December 31 through a competitive program administered by the
12 Department providing the opportunity for any eligible municipality or
13 municipalities to compete regardless of size, provided that to receive funds, a
14 municipality:

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

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

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

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

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

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

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

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

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

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

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

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

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

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

11 Sec. 49. MUNICIPAL AND REGIONAL PLANNING AND RESILIENCE

12 GRANT PROGRAM

13 (a) The Agency of Commerce and Community Development shall rename
14 the Municipal and Regional Planning Grant Program that the Agency
15 administers under 24 V.S.A. § 4306(b)(2) as the Municipal and Regional
16 Planning and Resilience Grant Program.

17 (b) In addition to other funds appropriated to the Agency of Commerce and
18 Community Development for grants under 24 V.S.A. § 4306, \$1,500,000.00 is
19 appropriated from the General Fund to the Municipal and Regional Planning
20 and Resilience Fund for the grants from the Fund for the following purposes:

1 (1) assistance to municipalities to support resiliency planning and
2 identify and plan for resiliency projects to reduce damages from flooding and
3 other climate change-related hazards; and

4 (2) funding for regional planning commissions to increase staff in order
5 to support municipalities in conducting climate resiliency planning; project
6 development and implementation; and hazard mitigation locally, regionally,
7 and on a watershed scale.

8 Sec. 50. CLIMATE RESILIENCY PLANNING POSITIONS

9 (a) In addition to other funds appropriated to the Agency of Commerce and
10 Community Development in fiscal year 2025, \$125,000.00 is appropriated
11 from the General Fund to the Agency for the purpose of creating a new
12 permanent full-time position to staff the climate resiliency grants from the
13 Municipal and Regional Planning and Resilience Grant Program.

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

1 * * * Designated Areas Update * * *

2 Sec. 51. REPEAL

3 24 V.S.A. chapter 76A shall be repealed on July 1, 2034.

4 Sec. 52. 24 V.S.A. chapter 139 is added to read:

5 CHAPTER 139. STATE COMMUNITY INVESTMENT PROGRAM

6 § 5801. DEFINITIONS

7 As used in this chapter:

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

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

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

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

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

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

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

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

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

3 (10) “Smart growth principles” means growth that:

4 (A) maintains the historic development pattern of compact village
5 and urban centers separated by rural countryside;

6 (B) develops compact mixed-use centers at a scale appropriate for the
7 community and the region;

8 (C) enables choice in modes of transportation;

9 (D) protects the State’s important environmental, natural, and historic
10 features, including natural areas, water quality, scenic resources, and historic
11 sites and districts;

12 (E) serves to strengthen agricultural and forest industries and
13 minimizes conflicts of development with these industries;

14 (F) balances growth with the availability of economic and efficient
15 public utilities and services;

16 (G) supports a diversity of viable businesses in downtowns and
17 villages;

18 (H) provides for housing that meets the needs of a diversity of social
19 and income groups in each community; and

20 (I) reflects a settlement pattern that, at full build-out, is not
21 characterized by:

1 (i) scattered development located outside compact urban and
2 village centers that is excessively land consumptive and inefficient;

3 (ii) development that limits transportation options, especially for
4 pedestrians, bicyclists, transit users, and people with disabilities;

5 (iii) the fragmentation of farmland and forestland;

6 (iv) development that makes inefficient use of land, energy, roads,
7 utilities, and other supporting infrastructure or that requires the extension of
8 infrastructure across undeveloped lands outside compact villages, downtowns,
9 or urban centers; and

10 (v) development that contributes to a pattern of strip linear
11 development along well-travelled roads and highways that lacks depth, as
12 measured from the highway.

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

16 (12) “State Board” means the Vermont Community Investment Board
17 established in section 5802 of this title.

18 (13) “State Designated Downtown and Village Center” or “center”
19 means a contiguous downtown or village a portion of which is listed or eligible
20 for listing in the national register of historic places area approved as part of the
21 LURB review of regional plan future land use maps, which may include an

1 approved preexisting designated designated downtown, village center, or
2 designated new town center established prior to the approval of the regional
3 plan future land use maps.

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

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

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

19 § 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 Association of Chamber 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 Land Use Review Board on areas eligible for center
19 designation as provided under this chapter.

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

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

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

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

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

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

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

21 (1) Step One.

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

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

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

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

17 (2) Step Two.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

11 (3) Step Three.

12 (A) Requirements. Step Three is established to create an advanced
13 designation for downtowns throughout the State to create vibrant mixed-use
14 centers and join the Vermont Downtown Program. A center reaches Step
15 Three if the 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) Certain housing appeal limitations pursuant to chapter 117 of
5 this title.

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

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

18 § 5804. DESIGNATED NEIGHBORHOOD

19 (a) Designation established.

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

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

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

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

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

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

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

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

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

17 (3) eligibility to 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 center.

10 § 5805. GRANTS AND GIFTS

11 The Department of Housing and Community Development may accept
12 small funds, grants, gifts, or donations from individuals, corporations,
13 foundations, governmental entities, or other sources, on behalf of the
14 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 Environmental Review Board,
18 shall 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. MUNICIPAL TECHNICAL ASSISTANCE

2 (a) The Commissioner of Housing and Community Development, shall
3 develop a recommendations for providing coordinating State agency technical
4 assistance to municipalities participating in the programs under this chapter to
5 the General Assembly on or before December 31, 2025.

6 (b) The recommendations shall address effective procedures for inter-
7 agency coordination to support of municipal community investment,
8 revitalization and development including coordination for:

9 (1) general project advising;

10 (2) physical improvement planning design;

11 (3) policy-making; and

12 (4) project management.

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

16 (1) housing development growth;

17 (2) climate resilience;

18 (3) public infrastructure investment;

19 (4) local administrative capacity;

20 (5) equity, diversity, and access;

21 (6) livability and social service; and

1 (7) historic preservation.

2 § 5808. DOWNTOWN CENTER TRANSPORTATION AND RELATED

3 CAPITAL IMPROVEMENT FUND

4 (a) There is created the Downtown Center Transportation and Related
5 Capital Improvement Fund, which shall be a special fund created under 32
6 V.S.A. chapter 7, subchapter 5, to be administered by the State Board in
7 accordance with this chapter to aid municipalities with eligible designated
8 centers in financing capital transportation and related improvement projects to
9 support economic development. This shall be the same Fund that was created
10 under the prior section 2796 of this title.

11 (b) The Fund shall be composed of the following:

12 (1) State or federal funds as may be appropriated by the General
13 Assembly;

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

15 (3) proceeds from the issuance of general obligation bonds.

16 (c) Any municipality with a designated center may apply to the Board for
17 financial assistance from the Fund for capital transportation and related
18 improvement projects within or serving the district. The Board may award to
19 any municipality grants in amounts not to exceed \$250,000.00 annually, loans,
20 or loan guarantees for financing capital transportation projects, including
21 construction or alteration of roads and highways, parking facilities, and rail or

1 bus facilities or equipment, or for the underground relocation of electric utility,
2 cable, and telecommunications lines, but shall not include assistance for
3 operating costs. Grants awarded by the Board shall not exceed 80 percent of
4 the overall cost of the project. The approval of the Board may be conditioned
5 upon the repayment to the Fund of some or all of the amount of a loan or other
6 financial benefits and such repayment may be from local taxes, fees, or other
7 local revenues sources. The Board shall consider geographical distribution in
8 awarding the resources of the Fund.

9 (d) The Fund shall be available to the Department of Housing and
10 Community Development for the reasonable and necessary costs of
11 administering the Fund. The amount projected to be spent on administration
12 shall be included in the Department's fiscal year budget presentations to the
13 General Assembly.

14 § 5809. PROPERTY ASSESSMENT FUND; BROWNFIELDS AND
15 REDEVELOPMENT; COMPETITIVE PROGRAM

16 (a) There is created the Property Assessment Fund pursuant to 32 V.S.A.
17 chapter 7, subchapter 5 to be administered by the Department of Housing and
18 Community Development for the purpose of providing financing, on a
19 competitive basis, to municipalities that demonstrate a financial need in order
20 to determine and evaluate a full assessment of the extent and the cost of
21 remediation of property or, in the case of an existing building, an assessment

1 that supports a clear plan, including the associated costs of renovation to bring
2 the building into compliance with State and local building codes. This shall be
3 the same Fund that was created under the prior section 2797 of this title.

4 (b) The Fund shall be composed of the following:

5 (1) State or federal funds that may be appropriated by the General
6 Assembly;

7 (2) any gifts, grants, or other contributions to the funds; and

8 (3) proceeds from the issuance of general obligation bonds.

9 (c) A municipality deemed financially eligible may apply to the Fund for
10 the assessment of property and existing buildings proposed for redevelopment,
11 provided the Department finds that the property or building:

12 (1) is not likely to be renovated or improved without the preliminary
13 assessment; and

14 (2) when renovated or redeveloped, will integrate and be compatible
15 with any applicable and approved regional development, capital, and municipal
16 plans; is expected to create new property tax if developed by a taxable entity;
17 and is expected to reduce pressure for development on open or undeveloped
18 land in the local community or in the regional planning commission.

19 (d) The Department shall distribute funds under this section in a manner
20 that provides funding for assessment projects of various sizes in as many

1 geographical areas of the State as possible and may require matching funds
2 from the municipality in which an assessment project is conducted.

3 § 5810. BETTER PLACES PROGRAM; CROWD GRANTING

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

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

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

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

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

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

16 (3) any interest earned by the Fund.

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

12 Sec. 53. 32 V.S.A. § 5930aa is amended to read:

13 § 5930aa. DEFINITIONS

14 As used in this subchapter:

15 * * *

16 (2) “Qualified building” means a building built at least 30 years before
17 the date of application, located within a designated ~~downtown, village center,~~
18 ~~or neighborhood development area~~ center or neighborhood, which, upon
19 completion of the project supported by the tax credit, will be an income-
20 producing building not used solely as a single-family residence. Churches and

1 other buildings owned by a religious organization may be qualified buildings,
2 but in no event shall tax credits be used for religious worship.

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

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

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

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

17 * * *

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

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

4 * * *

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

8 **Sec. 54. 32 V.S.A. § 5930aa(6) is amended to read:**

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

1 Historic Places shall be consistent with Secretary of the Interior’s Standards for
2 Rehabilitation, as determined by the Vermont Division for Historic
3 Preservation.

4 Sec. 55. 32 V.S.A. § 5930bb is amended to read:

5 § 5930bb. ELIGIBILITY AND ADMINISTRATION

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

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

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

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

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

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

11 Sec. 56. 32 V.S.A. § 5930cc is amended to read:

12 § 5930cc. DOWNTOWN AND VILLAGE CENTER PROGRAM TAX
13 CREDITS

14 * * *

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

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

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

12 **Sec. 60. REVISION AUTHORITY**

13 * * * Taxes * * *

14 Sec. 57. 32 V.S.A. § 9602 is amended to read:

15 § 9602. TAX ON TRANSFER OF TITLE TO PROPERTY

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

1 (1) With respect to the transfer of property to be used for the principal
2 residence of the transferee, the tax shall be imposed at the rate of five-tenths of
3 one percent of the first \$100,000.00 in value of the property transferred and at
4 the rate of one and one-quarter percent of the value of the property transferred
5 in excess of \$100,000.00; except that no tax shall be imposed on the first
6 ~~\$110,000.00~~ \$150,000.00 in value of the property transferred if the purchaser
7 obtains a purchase money mortgage funded in part with a homeland grant
8 through the Vermont Housing and Conservation Trust Fund or that the
9 Vermont Housing and Finance Agency or U.S. Department of Agriculture and
10 Rural Development has committed to make or purchase; and tax at the rate of
11 one and one-quarter percent shall be imposed on the value of that property in
12 excess of ~~\$110,000.00~~ \$150,000.00.

* * *

14 (4) With respect to the transfer of residential property that will not be
15 used as the principal residence of the transferee, and for which the transferee
16 will not be required to provide a landlord certificate pursuant to section 6069
17 of this title, the tax shall be imposed at the rate of two and one-half percent of
18 the value of the property transferred.

19 Sec. 58. 10 V.S.A. § 312 is amended to read:

20 § 312. CREATION OF VERMONT HOUSING AND CONSERVATION
21 TRUST FUND

1 There is created a special fund in the State Treasury to be known as the
2 “Vermont Housing and Conservation Trust Fund.” The Fund shall be
3 administered by the Board and expenditures therefrom shall only be made to
4 implement and effectuate the policies and purposes of this chapter. The Fund
5 shall be ~~comprised~~ composed of 60 percent of the revenue collected under
6 32 V.S.A. § 9602(a)(4), 50 percent of the revenue from the property transfer
7 tax under 32 V.S.A. chapter 231 all other subdivisions of 32 V.S.A. § 9602(a),
8 and any monies from time to time appropriated to the Fund by the General
9 Assembly or received from any other source, private or public, approved by
10 the Board. Unexpended balances and any earnings shall remain in the Fund
11 for use in accord with the purposes of this chapter.

12 Sec. 59. 24 V.S.A. § 4306(a) is amended to read:

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

16 (2) The Fund shall be composed of 23.5 percent of the revenue collected
17 under 32 V.S.A. § 9602(a)(4), 17 percent of the revenue from the property
18 transfer tax under 32 V.S.A. chapter 231 all other subdivisions of 32 V.S.A.
19 § 9602(a), and any monies from time to time appropriated to the Fund by the
20 General Assembly or received from any other source, private or public. All

1 balances at the end of any fiscal year shall be carried forward and remain in the
2 Fund. Interest earned by the Fund shall be deposited in the Fund.

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

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

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

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

11 Sec. 60. 32 V.S.A. § 435(b) shall be amended to read:

12 (b) The General Fund shall be composed of revenues from the following
13 sources:

14 (1) alcoholic beverage tax levied pursuant to 7 V.S.A. chapter 15;

15 (2) [Repealed.]

16 (3) [Repealed.]

17 (4) corporate income and franchise taxes levied pursuant to chapter 151
18 of this title;

19 (5) individual income taxes levied pursuant to chapter 151 of this title;

20 (6) all corporation taxes levied pursuant to chapter 211 of this title;

1 (7) 69 percent of the meals and rooms taxes levied pursuant to chapter
2 225 of this title;

3 (8) [Repealed.]

4 (9) [Repealed.]

5 (10) 16.5 percent of the revenue collected under subdivision 9602(a)(4)
6 of this title, 33 percent of the revenue from ~~the property transfer taxes levied~~
7 ~~pursuant to chapter 231 of this title~~ all other subdivisions of 9602(a) of this
8 title, and the revenue from the gains taxes levied each year pursuant to chapter
9 236 of this title; and

10 (11) [Repealed.]

11 (12) all other revenues accruing to the State not otherwise required by
12 law to be deposited in any other designated fund or used for any other
13 designated purpose.

14 Sec. 61. 32 V.S.A. § 9610 is amended to read:

15 § 9610. REMITTANCE OF RETURN AND TAX; INSPECTION OF

16 RETURNS

17 * * *

18 (c) Prior to distributions of property transfer tax revenues under 10 V.S.A.
19 § 312, 24 V.S.A. § 4306(a), and subdivision 435(b)(10) of this title, two
20 percent of the revenues received from the property transfer tax shall be

1 deposited in a special fund in the Department of Taxes for Property Valuation
2 and Review administration costs.

3 (d)(1) Prior to any distribution of property transfer tax revenue under 10
4 V.S.A. § 312, 24 V.S.A. § 4306(a), subdivision 435(b)(10) of this title, and
5 ~~subsection~~ subsections (c) and (e) of this section, \$2,500,000.00 of the revenue
6 received from the property transfer tax shall be transferred to the Vermont
7 Housing Finance Agency to pay the principal of and interest due on the bonds,
8 notes, and other obligations authorized to be issued by the Agency pursuant to
9 10 V.S.A. § 621(22), the proceeds of which the Vermont Housing and
10 Conservation Board shall use to create affordable housing pursuant to 10
11 V.S.A. § 314.

12 (2) As long as the bonds, notes, and other obligations incurred pursuant
13 to subdivision (1) of this subsection remain outstanding, the rate of tax
14 imposed pursuant to section 9602 of this title shall not be reduced below a rate
15 estimated, at the time of any reduction, to generate annual revenues of at least
16 \$12,000,000.00.

17 (e) Prior to any distribution of property transfer tax revenue under 10
18 V.S.A. § 312, 24 V.S.A. § 4306(a), subdivision 435(b)(10) of this title, and
19 subsection (c) of this section, \$2,000,000.00 of the revenue received from the
20 property transfer tax shall be transferred to the Act 250 Permit Fund
21 established under 10 V.S.A. § 6029. Prior to a transfer under this subsection,

1 the Commissioner shall adjust the amount transferred according to the percent
2 change in the Bureau of Labor Statistics Consumer Price Index for All Urban
3 Consumers (CPI-U) by determining the increase or decrease, to the nearest
4 one-tenth of a percent, for the month ending on June 30 in the calendar year
5 one year prior to the first day of the fiscal year for which the transfer will be
6 made compared to the CPI-U for the month ending on June 30 in the calendar
7 year two years prior to the first day of the fiscal year for which the transfer will
8 be made.

9 Sec. 62. 10 V.S.A. § 6029 is amended to read:

10 § 6029. ACT 250 PERMIT FUND

11 There is hereby established a special fund to be known as the Act 250
12 Permit Fund for the purposes of implementing the provisions of this chapter.
13 ~~Revenues to the fund~~ The Fund shall be composed of the revenue deposited
14 pursuant to 32 V.S.A. § 9610(e), those fees collected in accordance with
15 section 6083a of this title, gifts, appropriations, and copying and distribution
16 fees. The Board shall be responsible for the Fund and shall account for
17 revenues and expenditures of the Board. At the Commissioner's discretion, the
18 Commissioner of Finance and Management may anticipate amounts to be
19 collected and may issue warrants based thereon for the purposes of this section.
20 Disbursements from the Fund shall be made through the annual appropriations
21 process to the Board and to the Agency of Natural Resources to support those

1 programs within the Agency that directly or indirectly assist in the review of
2 Act 250 applications. This Fund shall be administered as provided in 32
3 V.S.A. chapter 7, subchapter 5.

4 Sec. 63. 32 V.S.A. § 3800(q) is added to read:

5 (q) The statutory purpose of the exemption under 32 V.S.A. chapter 125,
6 subchapter 3 for new construction or rehabilitation is to lower the cost of new
7 construction or rehabilitation of residential properties in this State.

8 Sec. 64. 32 V.S.A. chapter 125, subchapter 3 is added to read:

9 Subchapter 3. New Construction or Rehabilitation Exemption

10 § 3870. DEFINITIONS

11 As used in this subchapter:

12 (1) “Agency” means the Agency of Commerce and Community
13 Development as established under 3 V.S.A. § 2402.

14 (2) “Appraisal value” has the same meaning as in subdivision
15 3481(1)(A) of this title.

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

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

19 (5) “Principal residence” means the dwelling occupied by a resident
20 individual as the individual’s domicile during the taxable year and for a

1 property owner, owned, or for a renter, rented under a rental agreement other
2 than a short-term rental as defined under 18 V.S.A. § 4301(a)(14).

3 (6)(A) “Qualifying improvement” means new construction or a physical
4 change to an existing dwelling or other structure beyond normal and ordinary
5 maintenance, painting, repairs, or replacements, provided the change:

6 (i) results in new or rehabilitated dwellings that are designed to be
7 occupied as principal residences and not as short-term rentals as defined under
8 18 V.S.A. § 4301(a)(14); and

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

12 (B) “Qualifying improvement” does not mean new construction or a
13 physical change to any portion of a mixed-use building as defined under
14 10 V.S.A. § 6001(28) that is not used as a principal residence.

15 (7)(A) “Qualifying property” means a structure that is:

16 (i) located within a designated downtown district, village center,
17 or neighborhood development area determined pursuant to 24 V.S.A. chapter
18 76A or a new market tax credit area determined pursuant to 26 U.S.C. § 45D,
19 or both;

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

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

4 (II) a structure with more than one dwelling shall only qualify
5 if it meets the definition of mixed-income housing under 10 V.S.A.
6 § 6001(27);

7 (iii) undergoing, has undergone, or will undergo qualifying
8 improvements; and

9 (iv) in compliance with all relevant permitting requirements.

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

12 (C) “Qualifying property” does not mean property located within a
13 tax increment financing district established under 24 V.S.A. chapter 53,
14 subchapter 5.

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

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

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

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

5 § 3871. EXEMPTION

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

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

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

13 (d) Exemption period.

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

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

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

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

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

12 § 3872. ADMINISTRATION AND CERTIFICATION

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

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

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

1 this subchapter during the exemption period, including occupancy of dwellings
2 as principal residences and not as short-term rentals as defined under 18 V.S.A.
3 § 4301(a)(14), and that the property owner will either provide alternative
4 housing for tenants at the same rent or that the property has been unoccupied
5 either by a tenant’s choice or for 60 days prior to the application. A
6 certification by the property owner granted under this subdivision shall:

7 (A) be coextensive with the exemption period;

8 (B) require notice to the Agency of the transfer or assignment of the
9 property prior to transfer, which shall include the transferee’s or assignee’s full
10 names, phone numbers, and e-mail and mailing addresses;

11 (C) require notice to any prospective transferees or assignees of the
12 property of the requirements of the exemption under this subchapter; and

13 (D) require a new certification to be signed by the transferees or
14 assignees of the property.

15 (b) The Agency shall establish and make available application forms and
16 procedures necessary to verify initial and ongoing eligibility for exemption
17 under this subchapter. Not later than 60 days after receipt of a completed
18 application, the Agency shall determine whether the property and any proposed
19 improvements qualify for exemption and shall issue a written decision
20 approving or denying the exemption. The Agency shall notify the property

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

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

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

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

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

16 Sec. 65. 32 V.S.A. § 4152(a) is amended to read:

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

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* * *

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

Sec. 68. 32 V.S.A. § 9603 is amended to read:

§ 9603. EXEMPTIONS

The following transfers are exempt from the tax imposed by this chapter:

* * *

(27)(A) Transfers of blighted dwellings that the transferee certifies will be rehabilitated for occupancy as principal residences and not as short-term rentals as defined under 18 V.S.A. § 4301(a)(14), provided the rehabilitation is completed and occupied not later than three years after the date of the transfer. If, three years after the date of transfer, the rehabilitation has not been

1 completed and occupied, then the tax imposed by this chapter shall become
2 due.

3 (B) As used in this subdivision (27):

4 (i) “Blighted” means substandard structural or housing conditions,
5 including unsanitary and unsafe dwellings and deterioration sufficient to
6 constitute a threat to human health, safety, and public welfare.

7 (ii) “Completed” means rehabilitation of a dwelling to be fit for
8 occupancy as a principal residence.

9 (iii) “Principal residence” means a dwelling occupied by a resident
10 individual as the individual’s domicile during the taxable year and for a
11 property owner, owned, or for a renter, rented under a rental agreement other
12 than a short-term rental as defined under 18 V.S.A. § 4301(a)(14).

13 (iv) “Rehabilitation” means extensive repair, reconstruction, or
14 renovation of an existing dwelling beyond normal and ordinary maintenance,
15 painting, repairs, or replacements, with or without demolition, new
16 construction, or enlargement.

17 Sec. 69. 32 V.S.A. § 5811(21)(C) is amended to read:

18 (C) decreased by the following exemptions and deductions:

19 * * *

20 (iv) an amount equal to the itemized deduction for medical
21 expenses taken at the federal level by the taxpayer; under 26 U.S.C. § 213:

1 ~~(H)~~ minus the amount of the Vermont standard deduction and
2 Vermont personal exemptions taken by the taxpayer under this subdivision

3 ~~(C); and~~

4 ~~(H)~~ minus any amount deducted at the federal level that is
5 attributable to the payment of an entrance fee or recurring monthly payment
6 made to a continuing care retirement community regulated under 8 V.S.A.
7 chapter 151, which exceeds the deductibility limits for premiums paid during
8 the taxable year on qualified long term care insurance contracts under 26
9 U.S.C. 213(d)(10)(A).

10 * * * Housing Programs * * *

11 Sec. 70. 10 V.S.A. § 699 is amended to read:

12 § 699. VERMONT RENTAL HOUSING IMPROVEMENT PROGRAM

13 (a) Creation of Program.

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

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

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

7 (4) The Department may utilize a reasonable percentage of
8 appropriations made to the Department for the Program to administer the
9 Program.

10 (5) The Department may cooperate with and subgrant funds to State
11 agencies and political subdivisions and public and private organizations in
12 order to carry out the purposes of this subsection.

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

15 (1) Non-code compliant.

16 (A) The unit is an existing unit, whether or not occupied, that does
17 not comply with the requirements of applicable building, housing, or health
18 laws.

19 (B) If the unit is occupied, the ~~grant or~~ forgivable loan agreement
20 shall include terms:

21 * * *

1 (d) Program requirements applicable to grants and forgivable loans.

2 (1)(A) A ~~grant or~~ loan shall not exceed:

3 (i) \$70,000.00 per unit, for any unit converted from commercial to
4 residential purposes; or

5 (ii) \$50,000.00 per unit, for any other eligible rental housing unit.

6 (B) In determining the amount of a ~~grant or~~ loan, a housing
7 organization shall consider the number of bedrooms in the unit and whether the
8 unit is being rehabilitated or newly created.

9 * * *

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

13 * * *

14 (4)(A) A landlord may convert a grant to a forgivable loan upon
15 approval of the Department and the housing organization that approved the
16 grant.

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

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

4 * * *

5 Sec. 71. VERMONT RENTAL HOUSING IMPROVEMENT

6 APPROPRIATION

7 The sum of \$5,000,000.00 is appropriated from the General Fund to the
8 Department of Housing and Community Development in fiscal year 2025 for
9 the Vermont Housing Improvement Program established in 10 V.S.A. § 699.

10 Sec. 72. HEALTHY HOMES INITIATIVE APPROPRIATION

11 The sum of \$1,000,000.00 is appropriated from the General Fund to the
12 Department of Environmental Conservation in fiscal year 2025 for the Healthy
13 Homes Initiative.

14 Sec. 73. 2023 Acts and Resolves No. 47, Sec. 36 is amended to read:

15 Sec. 36. MIDDLE-INCOME HOMEOWNERSHIP DEVELOPMENT
16 PROGRAM

17 * * *

18 (d) The total amount of subsidies for a project shall not exceed 35 percent
19 of eligible development costs, as determined by the Agency, ~~which the~~ at the
20 time of approval of the project, unless the Agency later determines that the
21 project will not result in affordable owner-occupied housing for income-

1 eligible homebuyers without additional subsidy, in which case the Agency
2 may, at its discretion, reasonably exceed this limitation and only to the extent
3 required to achieve affordable owner-occupied housing. The Agency may
4 shall allocate subsidies consistent with the following:

5 (1) Developer subsidy. The Agency may provide a direct subsidy to the
6 developer, which shall not exceed the difference between the cost of
7 development and the market value of the home as completed.

8 (2) Affordability subsidy. Of any remaining amounts available for the
9 project after the developer subsidy, the Agency may provide a subsidy for the
10 benefit of the homebuyer to reduce the cost of purchasing the home, provided
11 that:

12 (A) the Agency includes conditions in the subsidy; agreement or uses
13 another legal mechanism; to ensure that, ~~to the extent the home value has risen,~~
14 ~~the amount of the subsidy~~ upon sale of the home, to the extent proceeds are
15 available, the amount of the affordability subsidy either:

16 (i) remains with the home to offset the cost to future homebuyers;
17 or

18 (ii) is recaptured by the Agency upon sale of the home for use in a
19 similar program to support affordable homeownership development; or

1 (B) the subsidy is subject to a housing subsidy covenant, as defined
2 in 27 V.S.A. § 610, that preserves the affordability of the home for a period of
3 99 years or longer.

4 (3) The Agency shall allocate not less than 33 percent of the funds
5 available through the Program to projects that include a housing subsidy
6 covenant consistent with subdivision (2)(B) of this subsection.

7 * * *

8 (f)(1) When implementing the Program, the Agency shall consult
9 stakeholders and experts in the field.

10 (2) The Program shall include:

11 (A) a streamlined and appropriately scaled application process;

12 (B) an outreach and education plan, including specific tactics to reach
13 and support eligible applicants, especially those from underserved regions or
14 sectors;

15 (C) an equitable system for distributing investments statewide on the
16 basis of need according to a system of priorities that includes consideration of:

17 (i) geographic distribution;

18 (ii) community size;

19 (iii) community economic need; and

1 (iv) whether an application has already received an investment or
2 is from an applicant in a community that has already received Program
3 funding.

4 ~~(3) The Agency shall use its best efforts to ensure:~~

5 ~~(A) that investments awarded are targeted to the geographic~~
6 ~~communities or regions with the most pressing economic and employment~~
7 ~~needs; and~~

8 ~~(B) that the allocation of investments provides equitable access to the~~
9 ~~benefits to all eligible geographical areas.~~

10 * * *

11 Sec. 74. REPEAL

12 2023 Acts and Resolves No. 47, Sec. 37 (middle-income homeownership;
13 implementation) is repealed.

14 Sec. 75. APPROPRIATION; MIDDLE-INCOME HOMEOWNERSHIP
15 DEVELOPMENT PROGRAM

16 The sum of \$10,000,000.00 is appropriated from the General Fund to the
17 Department of Housing and Community Development to grant to the Vermont
18 Housing Finance Agency in fiscal year 2025 for the Middle-Income
19 Homeownership Development Program established by 2022 Acts and Resolves
20 No. 182, Sec. 11, and amended from time to time.

1 Sec. 76. APPROPRIATION; VERMONT HOUSING CONSERVATION
2 BOARD; PERPETUALLY AFFORDABLE HOUSING

3 The sum of \$40,000,000.00 is appropriated from the General Fund to the
4 Vermont Housing Conservation Board in fiscal year 2025 for the following
5 purposes:

6 (1) to provide support and enhance capacity for the production and
7 preservation of affordable rental housing and homeownership units, including
8 support for manufactured home communities, permanent homes for those
9 experiencing homelessness, recovery residences, and housing available to farm
10 workers and refugees; and

11 (2) to fund the construction and preservation of emergency shelter for
12 households experiencing homelessness.

13 Sec. 77. APPROPRIATION; RENTAL HOUSING STABILIZATION
14 SERVICES

15 The sum of \$400,000.00 is appropriated from the General Fund to the
16 Office of Economic Opportunity within the Department for Children and
17 Families in fiscal year 2025 for a grant to the Champlain Valley Office of
18 Economic Opportunity for the Rental Housing Stabilization Services Program
19 established by 2023 Acts and Resolves No. 47, Sec. 43.

20 Sec. 78. APPROPRIATION; TENANT REPRESENTATION PILOT
21 PROGRAM

1 The sum of \$1,025,000.00 is appropriated from the General Fund to the
2 Agency of Human Services in fiscal year 2025 for a grant to Vermont Legal
3 Aid for the Tenant Representation Pilot Program established by 2023 Acts and
4 Resolves No. 47, Sec. 44.

5 Sec. 79. APPROPRIATION; RENT ARREARS ASSISTANCE FUND

6 The sum of \$2,500,000.00 is appropriated from the General Fund to the
7 Vermont State Housing Authority in fiscal year 2025 for the Rent Arrears
8 Assistance Fund established by 2023 Acts and Resolves No. 47, Sec. 45.

9 Sec. 80. APPROPRIATION; LANDLORD RELIEF PROGRAM

10 The sum of \$1,100,000.00 is appropriated from the General Fund to the
11 Vermont State Housing Authority in fiscal year 2025 for the Landlord Relief
12 Program to assist landlords eligible to access relief due to participation in the
13 Section 8 project-based voucher program.

14 Sec. 81. APPROPRIATION; FIRST GENERATION HOMEBUYER
15 PROGRAM

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

21 * * * Rental Data Collection and Protection * * *

1 Sec. 82. 32 V.S.A. § 6069 is amended to read:

2 § 6069. LANDLORD CERTIFICATE

3 (a) On or before January 31 of each year, the owner of land rented as a
4 portion of a homestead in the prior calendar year shall furnish a certificate of
5 rent to the Department of Taxes and to each claimant who owned a portion of
6 the homestead and rented that land as a portion of a homestead in the prior
7 calendar year. The certificate shall indicate the proportion of total property tax
8 on that parcel that was assessed for municipal property tax and for statewide
9 property tax.

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

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

14 (1) the name of the renter;

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

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

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

20 (5) the location of the rental unit;

21 (6) the type of rental unit;

- 1 (7) the number of rental units in the building;
2 (8) the gross monthly rent per unit;
3 (9) the year in which the rental unit was built;
4 (10) the ADA accessibility of the rental unit; and
5 (11) any additional information that the Commissioner determines is
6 appropriate.

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

12 (e) [Repealed.]

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

- 17 ~~(1) name of owner or landlord;~~
18 ~~(2) mailing address of landlord;~~
19 ~~(3) location of rental unit;~~
20 ~~(4) type of rental unit;~~
21 ~~(5) number of units in building; and~~

1 ~~(6) School Property Account Number.~~ Annually on or before December
 2 15, the Department shall submit a report on the aggregated data collected under
 3 this section to the Senate Committee on Economic Development, Housing and
 4 General Affairs and the House Committee on General and Housing.

5 Sec. 83. 32 V.S.A. § 3102 is amended to read:

6 § 3102. CONFIDENTIALITY OF TAX RECORDS

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

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

16 * * *

17 (3) “Return information” includes a person’s name, address, date of
 18 birth, Social Security or federal identification number or any other identifying
 19 number; information as to whether or not a return was filed or required to be
 20 filed; the nature, source, or amount of a person’s income, payments, receipts,
 21 deductions, exemptions, credits, assets, liabilities, net worth, tax liabilities, tax

1 payments, deficiencies, or over-assessments; and any other data, from any
2 source, furnished to or prepared or collected by the Department of Taxes with
3 respect to any person.

4 * * *

5 (d) The Commissioner shall disclose a return or return information:

6 * * *

7 (7) to the Joint Fiscal Office pursuant to subsection 10503(e) of this title
8 and subject to the conditions and limitations specified in that subsection; ~~and~~

9 (8) to the Attorney General; the Data Clearinghouse established in the
10 October 2017 Non-Participating Manufacturer Adjustment Settlement
11 Agreement, which the State of Vermont joined in 2018; the National
12 Association of Attorneys General; and counsel for the parties to the Agreement
13 as required by the Agreement and to the extent necessary to comply with the
14 Agreement and only as long as the State is a party to the Agreement; and

15 (9) annually on or before March 31, provided the disclosure relates to
16 the information collected on the landlord certificate pursuant to subsection
17 6069(c) of this title, to:

18 (A) the Division of Vermont Emergency Management at the
19 Department of Public Safety for the purpose of emergency management and
20 communication; and

1 (B) the Department of Housing and Community Development and
2 any organization then under contract with the Department of Housing and
3 Community Development to carry out a statewide housing needs assessment
4 for the purpose of the statewide housing needs assessment.

5 * * * Short-Term Rentals * * *

6 Sec. 84. 20 V.S.A. § 2676 is amended to read:

7 § 2676. DEFINITION

8 As used in this chapter;

9 (1) ~~“rental~~ Rental housing” means:

10 ~~(A)~~ a “premises” as defined in 9 V.S.A. § 4451 that is subject to 9
11 V.S.A. chapter 137 (residential rental agreements); and

12 ~~(B)~~ a “short-term rental” ~~as defined in 18 V.S.A. § 4301 and~~
13 subject to 18 V.S.A. chapter 85, subchapter 7.

14 (2) “Short-term rental” has the same meaning as in 18 V.S.A. § 4301.

15 Sec. 85. 20 V.S.A. § 2678 is added to read:

16 § 2678. SHORT-TERM RENTALS; HEALTH AND SAFETY

17 DISCLOSURE

18 (a) The Department of Public Safety’s Division of Fire Safety shall prepare
19 concise guidance on the rules governing health, safety, sanitation, and fitness
20 for habitation of short-term rentals in this State and provide the guidance to

1 any online platform or travel agent hosting or facilitating the offering of a
2 short-term rental in this State.

3 (b) Any online platform or travel agent hosting or facilitating the offering
4 of a short-term rental in this State shall make available the guidance under
5 subsection (a) of this section to a short-term rental operator in this State.

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

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

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

11 * * * Flood Risk Disclosure * * *

12 Sec. 86. 27 V.S.A. § 380 is added to read:

13 § 380. DISCLOSURE OF INFORMATION; CONVEYANCE OF REAL
14 ESTATE

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

20 (b) The failure of the seller to provide the buyer with the information
21 required under subsection (a) of this section is grounds for the buyer to

1 terminate the contract prior to transfer of title or occupancy, whichever occurs
2 earlier.

3 (c) A buyer of real estate who fails to receive the information required to be
4 disclosed by a seller under subsection (a) of this section may bring an action to
5 recover from the seller the amount of the buyer's damages and reasonable
6 attorney's fees. The buyer may also seek punitive damages when the seller
7 knowingly failed to provide the required information.

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

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

17 Sec. 87. 9 V.S.A. § 4466 is added to read:

18 § 4466. REQUIRED DISCLOSURE

19 A landlord shall disclose in advance of entering a rental agreement with a
20 tenant whether any portion of the premises offered for rent is located in a
21 Federal Emergency Management Agency mapped flood hazard area. This

1 notice shall be provided in a separate written document given to the tenant at
2 or before execution of the lease.

3 Sec. 88. 10 V.S.A. § 6236(e) is amended to read:

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

5 * * *

6 (8) Notice that the mobile home park is in a flood hazard area if any lot
7 within the mobile home park is wholly or partially located in a flood hazard
8 area according to the flood insurance rate map effective for the mobile home
9 park at the time the proposed lease is furnished to a prospective leaseholder.
10 This notice shall be provided in a clear and conspicuous manner in a separate
11 written document attached as an addendum to the proposed lease.

12 Sec. 89. 10 V.S.A. § 6201 is amended to read:

13 § 6201. DEFINITIONS

14 As used in this chapter, ~~unless the context requires otherwise:~~

15 * * *

16 (13) “Flood hazard area” has the same meaning as in section 752 of this
17 title.

18 (14) “Flood insurance rate map” means, for any mobile home park, the
19 official flood insurance rate map describing that park published by the Federal
20 Emergency Management Agency on its website.

21 * * * Mobile Homes * * *

1 Sec. 90. 2022 Acts and Resolves No. 182, Sec. 3, as amended by 2023 Acts
2 and Resolves No. 3, Sec. 75 and 2023 Acts and Resolves No. 78, Sec. C.119,
3 is further amended to read:

4 Sec. 3. MANUFACTURED HOME IMPROVEMENT AND
5 REPLACEMENT PROGRAM

6 (a) Of the amounts available from the American Rescue Plan Act (ARPA)
7 recovery funds, \$4,000,000 is appropriated to the Department of Housing and
8 Community Development for the purposes specified:

9 * * *

10 (b) The Department administers the Manufactured Home Improvement and
11 Repair Program and may utilize a reasonable percentage of appropriations
12 made to the Department for the Program to administer the Program. The
13 Department may cooperate with and subgrant funds to State agencies and
14 political subdivisions and public and private organizations in order to carry out
15 the purposes of subsection (a) of this section.

16 Sec. 91. MANUFACTURED HOME IMPROVEMENT AND REPAIR
17 PROGRAM APPROPRIATIONS; INFRASTRUCTURE; MOBILE
18 HOME REPAIR

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

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

4 (2) to expand the Home Repair Awards program under the
5 Manufactured Home Improvement and Repair Program established by 2022
6 Acts and Resolves No. 182, Sec. 3, and amended from time to time.

7 Sec. 92. MOBILE HOME TECHNICAL ASSISTANCE APPROPRIATION

8 (a) The sum of \$700,000.00 is appropriated from the General Fund to the
9 Department of Housing and Community Development for a subgrant to the
10 Champlain Valley Office of Economic Opportunity in fiscal year 2025 to fund
11 the Mobile Home Park Technical Assistance Services Team, including
12 administration and direct project administration costs, such as advertising,
13 background check fees, office supplies, postage, staff mileage liability
14 insurance, training, service contracts, rent, utilities, telephone, space
15 maintenance, and staffing.

16 (b) The sum of \$300,000.00 is appropriated from the General Fund to the
17 Department of Housing and Community Development for a subgrant to the
18 Champlain Valley Office of Economic Opportunity in fiscal year 2025 to fund
19 individual resident emergency grants accessible to all income-eligible mobile
20 homeowners statewide to prevent loss of housing, remediate unsafe housing,

1 enhance housing safety, health, and habitability issues, and provide relief from
2 the impacts of natural disaster.

3 * * * Age-Restricted Housing * * *

4 Sec. 93. 10 V.S.A. § 325c is added to read:

5 § 325c. AGE-RESTRICTED HOUSING; RIGHT OF FIRST REFUSAL

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

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

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

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

12 (1) The Vermont Housing and Conservation Board shall have a right of
13 first refusal for age-restricted properties as set out in this section. The Board
14 may assign this right to an eligible buyer.

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

18 (c) Content of notice. An owner of age-restricted property shall give to the
19 Board notice by certified mail, return receipt requested, of the owner’s
20 intention to sell the age-restricted property. The requirements of this section

1 shall not be construed to restrict the price at which the owner offers the age-
2 restricted housing for sale. The notice shall state all the following:

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

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

6 (3) that for 60 days following the notice, the owner shall not make a
7 final unconditional acceptance of an offer to purchase the age-restricted
8 property and that if within the 60 days the owner receives notice pursuant to
9 subsection (d) of this section that the Board or its assignee intends to consider
10 purchase of the age-restricted property, the owner shall not make a final
11 unconditional acceptance of an offer to purchase the age-restricted property for
12 an additional 120 days, starting from the 61st day following notice, except one
13 from the Board or its assignee.

14 (d) Intent to negotiate; timetable. The Board or its assignee shall have 60
15 days following notice under subsection (c) of this section in which to
16 determine whether the buyer intends to consider purchase of the age-restricted
17 property. During this 60-day period, the owner shall not accept a final
18 unconditional offer to purchase the age-restricted property.

19 (e) Response to notice; required action. If the owner receives no notice
20 from the Board or its assignee during the 60-day period or if the Board notifies
21 the owner that neither it nor its designee intends to consider purchase of the

1 age-restricted property, the owner has no further restrictions regarding sale of
2 the age-restricted property pursuant to this section. If, during the 60-day
3 period, the owner receives notice in writing that the Board or its assignee
4 intends to consider purchase of the age-restricted property, then the owner
5 shall do all the following:

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

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

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

14 (f) Exceptions. The provisions of this section do not apply when the sale,
15 transfer, or conveyance of the age-restricted property is any one or more of the
16 following:

17 (1) through a foreclosure sale;

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

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

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

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

2 (6) pursuant to eminent domain; or

3 (7) pursuant to a municipal tax sale.

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

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

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

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

14 (2) During the period in which a notice of intent to sell is valid, an
15 owner shall provide a new notice of intent to sell, consistent with the
16 requirements of subsection (b) of this section, prior to making an offer to sell
17 the age-restricted property or accepting an offer to purchase the age-restricted
18 property that is either more than five percent below the price for which the
19 age-restricted property was initially offered for sale or less than five percent
20 above the final written offer from the Board or its assignee.

1 (h) “Good faith.” The Board or its assignee shall negotiate in good faith
2 with the owner for purchase of the age-restricted property.

3 Sec. 94. 9 V.S.A. § 4468a is added to read:

4 § 4468a. AGE-RESTRICTED HOUSING; RENT INCREASE; NOTICE

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

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

13 (2) the effective date of the increase;

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

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

16 (b) If the owner fails to notify either the residents or the Department of a
17 rent increase as required by subsection (a) of this section, the proposed rent
18 increase shall be ineffective and unenforceable.

19 (c) This section shall not apply to any rent increase at any publicly
20 subsidized affordable housing that is monitored by a State or federal agency
21 for rent limitations.

* * * Reports and Studies * * *

Sec. 95. LAND BANK REPORT

(a) The Department of Housing and Community Development and the Vermont League of Cities and Towns shall analyze the feasibility of a land bank program that would identify, acquire, and restore to productive use vacant, abandoned, contaminated, and distressed properties. The Department and the League shall engage with local municipalities, regional organizations, community organizations, and other stakeholders to explore:

(1) existing authority for public interest land acquisition for redevelopment and use;

(2) successful models and best practices for land bank programs in Vermont and other jurisdictions, including local, regional, nonprofit, state, and hybrid approaches that leverage the capacities of diverse communities and organizations within Vermont;

(3) potential benefits and challenges to creating and implementing a land bank program in Vermont;

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

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

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

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

11 Sec. 96. RENT PAYMENT REPORTING REPORT

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

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

16 (2) the number of landlords in Vermont utilizing rent payment software,
17 related software expenses, and the need for or benefit of utilizing software for
18 positive pay reporting;

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

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

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

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

9 Sec. 97. LANDLORD-TENANT LAW; STUDY COMMITTEE; REPORT

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

13 (b) Membership. The Committee shall be composed of the following
14 members:

15 (1) three current members of the House of Representatives, not all from
16 the same political party, who shall be appointed by the Speaker of the House;

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

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

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

1 (5) a representative of the Department of Housing and Community
2 Development; and

3 (6) a representative of the Judiciary.

4 (c) Powers and duties. The Committee shall study issues with Vermont’s
5 landlord-tenant laws and current evictions process, including the following
6 issues:

7 (1) whether Vermont’s landlord-tenant laws require modernization;

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

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

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

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

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

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

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

1 (f) Meetings.

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

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

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

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

9 (g) Compensation and reimbursement.

10 (1) For attendance at meetings during adjournment of the General
11 Assembly, a legislative member of the Committee serving in the member's
12 capacity as a legislator shall be entitled to per diem compensation and
13 reimbursement of expenses pursuant to 2 V.S.A. § 23 for not more than
14 six meetings.

15 (2) Other members of the Committee shall be entitled to per diem
16 compensation and reimbursement of expenses as permitted under 32 V.S.A.
17 § 1010 for not more than six meetings

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

20 * * * Effective Dates * * *

21 Sec. 99. EFFECTIVE DATES

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

2 (1) Secs. 10 (10 V.S.A. § 6007), 12 (10 V.S.A. chapter 220) and 13 (4
3 V.S.A. § 34) shall take effect on October 1, 2026;

4 (2) Sec. 17 (revision authority) shall take effect on July 1, 2025.

5 (3) Secs. 18 (10 V.S.A. § 6001), 19 (10 V.S.A. § 6086(a)(8)), and 25 (10
6 V.S.A. § 6001) shall take effect on December 31, 2026;

7 (4) Sec. 24 (10 V.S.A. § 6001(3)(A)(xii)) shall take effect on July 1,
8 2026;

9 (5) Sec. 55 (24 V.S.A. chapter 139) shall take effect on passage except
10 that 24 V.S.A. § § 5808 and 5809 shall take effect on July 1, 2027.

11 (6) Secs. 53 (32 V.S.A. § 5930aa), and 55 (32 V.S.A. § 5930bb) shall
12 take effect on January 1, 2027;

13 (7) Notwithstanding 1 V.S.A. § 214, Sec. 69 (medical expenses
14 deduction) shall take effect retroactively on January 1, 2024 and shall apply to
15 taxable years beginning on and after January 1, 2024.;and

16 (8) Sec. 67 (grand list contents, 32 V.S.A. § 4152(a)) shall take effect on
17 July 1, 2037.

18

19

20

21

1 (Committee vote: _____)

2

3

Senator _____

4

FOR THE COMMITTEE