

1 TO THE HONORABLE SENATE:

2 The Committee on Natural Resources and Energy to which was referred
3 Senate Bill No. 100 entitled “An act relating to housing opportunities for
4 everyone” respectfully reports that it has considered the same and recommends
5 that the bill be amended by striking out Secs. 1-25 and their reader assistance
6 headings in their entirety and inserting in lieu thereof the following:

7 * * * Municipal Zoning * * *

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

9 § 4414. ZONING; PERMISSIBLE TYPES OF REGULATIONS

10 * * *

11 (4) Parking and loading facilities. A municipality may adopt provisions
12 setting forth standards for permitted and required facilities for off-street
13 parking and loading, which may vary by district and by uses within each
14 district. For residential uses, a municipality shall not require more than one
15 parking space per dwelling unit or accessory dwelling unit. However, a
16 municipality may require 1.5 parking spaces per dwelling unit if the
17 development is located more than one-quarter of a mile away from public
18 parking or the need for parking cannot be reasonably met through the use of
19 on-street parking, public parking, or shared parking. Municipalities may round
20 up to the nearest whole parking space. These bylaws may also include
21 provisions covering the location, size, design, access, landscaping, and

1 screening of those facilities. In determining the number of parking spaces for
2 nonresidential uses and size of parking spaces required under these regulations,
3 the appropriate municipal panel may take into account the existence or
4 availability of employer “transit pass” and rideshare programs, public transit
5 routes, and public parking spaces in the vicinity of the development. ~~However,~~
6 ~~a municipality shall not require an accessory dwelling unit to have more than~~
7 ~~one parking space per bedroom.~~

8 * * *

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

10 § 4412. REQUIRED PROVISIONS AND PROHIBITED EFFECTS

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

13 (1) Equal treatment of housing and required provisions for affordable
14 housing.

15 * * *

16 (D) Bylaws shall designate appropriate districts and reasonable
17 regulations for multiunit or multifamily dwellings. No bylaw shall have the
18 effect of excluding these multiunit or multifamily dwellings from the
19 municipality. In any district that allows year-round residential development,
20 duplexes shall be an allowed use with the same dimensional standards as a
21 single-unit dwelling. In any district that is served by municipal sewer and

1 water infrastructure that allows residential development, multiunit dwellings
2 with four or fewer units shall be an allowed use.

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

17 (i) The property has sufficient wastewater capacity.

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

20 * * *

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

6 * * *

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

12 (13) In any district served by municipal sewer and water infrastructure that
13 allows residential development, any mixed-use developments and affordable
14 housing developments, as defined in subdivision 4303(2) of this title, may
15 exceed building height limitations by one additional habitable floor beyond the
16 maximum height, and using that additional floor may exceed density
17 limitations for residential developments by an additional 40 percent, provided
18 that the structure complies with the Vermont Fire and Building Safety Code.

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

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

3 (i) that residential connections and expansions are available to
4 municipal water and direct and indirect discharge wastewater systems and not
5 prohibited by:

6 (I) State regulations or permits;

7 (II) identified capacity constraints; or

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

9 (ii) areas established by the municipality by ordinance or bylaw
10 that:

11 (I) exclude flood hazard or inundation areas as established by
12 statute, river corridors or fluvial erosion areas as established by statute,
13 shorelands, and wherever year-round residential development is not allowed;

14 (II) reflect identified service limits established by State
15 regulations or permits, identified capacity constraints, or municipally adopted
16 service and capacity agreements;

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

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

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

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

4 (VII) modify the zoning provisions allowed under this chapter
5 in areas served by indirect discharge designed for less than 100,000 gallons per
6 day.

7 (B) Municipally adopted areas served by municipal sewer and water
8 infrastructure that limit water and sewer connections and expansions shall not
9 result in the unequal treatment of housing by discriminating against a year-
10 round residential use or housing type otherwise allowed in this chapter.

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

12 § 4413. LIMITATIONS ON MUNICIPAL BYLAWS

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

18 (A) State- or community-owned and ~~operated~~ operated institutions
19 and facilities;

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

- 1 (C) churches and other places of worship, convents, and parish
2 houses;
- 3 (D) public and private hospitals;
- 4 (E) regional solid waste management facilities certified under 10
5 V.S.A. chapter 159;
- 6 (F) hazardous waste management facilities for which a notice of
7 intent to construct has been received under 10 V.S.A. § 6606a; and
- 8 (G) emergency shelters.

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

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

19 * * *

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

21 § 4303. DEFINITIONS

1 The following definitions shall apply throughout this chapter unless the
2 context otherwise requires:

3 * * *

4 (38) “Accessory dwelling unit” has the same meaning as in subdivision
5 4412(E) of this title.

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

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

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

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

15 § 4441. PREPARATION OF BYLAWS AND REGULATORY TOOLS;

16 AMENDMENT OR REPEAL

17 * * *

18 (c) When considering an amendment to a bylaw, the planning commission
19 shall prepare and approve a written report on the proposal. A single report
20 may be prepared so as to satisfy the requirements of this subsection concerning
21 bylaw amendments and subsection 4384(c) of this title concerning plan

1 amendments. ~~The Department of Housing and Community Development shall~~
2 ~~provide all municipalities with a form for this report.~~ The report shall provide
3 a brief explanation of the proposed bylaw, amendment, or repeal and shall
4 include a statement of purpose as required for notice under section 4444 of this
5 title; and shall include findings regarding how the proposal:

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

9 (2) ~~Is~~ is compatible with the proposed future land uses and densities of
10 the municipal plan; and

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

13 * * *

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

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

19 (2) provides information on the municipal application of subchapters 7
20 (bylaws), 9 (administration), and 10 (panels) of this chapter for the Municipal

1 Planning Data Center and the prospective development of a statewide zoning
2 atlas.

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

4 § 4465. APPEALS OF DECISIONS OF THE ADMINISTRATIVE OFFICER

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

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

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

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

1 (3) A person owning or occupying property in the immediate
2 neighborhood of a property that is the subject of any decision or act taken
3 under this chapter, who can demonstrate a physical or environmental impact on
4 the person’s interest under the criteria reviewed, and who alleges that the
5 decision or act, if confirmed, will not be in accord with the policies, purposes,
6 or terms of the plan or bylaw of that municipality.

7 (4) Any ten persons who allege an injury to a particularized interest
8 protected by this chapter, who may be any combination of voters or real
9 property owners within a municipality listed in subdivision (2) of this
10 subsection who, by signed petition to the appropriate municipal panel of a
11 municipality, the plan or a bylaw of which is at issue in any appeal brought
12 under this title, allege that any relief requested by a person under this title, if
13 granted, will not be in accord with the policies, purposes, or terms of the plan
14 or bylaw of that municipality. This petition to the appropriate municipal panel
15 must designate one person to serve as the representative of the petitioners
16 regarding all matters related to the appeal.

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

21 * * *

1 bylaws, pursuant to subsection (a) of this section, and that approval is endorsed
2 in writing on the plat, or the certificate of the clerk of the municipality showing
3 the failure of the appropriate municipal panel to take action within the 45-day
4 period is attached to the plat and filed or recorded with the plat. After that
5 filing or recording, the plat shall be a part of the official map of the
6 municipality.

7 * * *

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

9 § 4418. SUBDIVISION BYLAWS

10 * * *

11 (2) Subdivision bylaws may include:

12 (A) ~~Provisions~~ provisions allowing the appropriate municipal panel
13 to waive or modify, subject to appropriate conditions, the provision of any or
14 all improvements and requirements as in its judgment of the special
15 circumstances of a particular plat or plats are not requisite in the interest of the
16 public health, safety, and general welfare, or are inappropriate because of
17 inadequacy or lack of connecting facilities adjacent or in proximity to the
18 subdivision;

19 (B) ~~Procedures~~ procedures for conceptual, preliminary, partial, and
20 other reviews preceding submission of a subdivision plat, including any
21 administrative reviews;

1 (C) ~~Specific~~ specific development standards to promote the
2 conservation of energy or to permit the utilization of renewable energy
3 resources, or both;

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

5 (E) provisions to allow the administrative officer to approve
6 subdivisions.

7 * * * Appeals * * *

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

9 § 4471. APPEAL TO ENVIRONMENTAL DIVISION

10 * * *

11 (e) ~~Neighborhood development area~~ Designated areas. Notwithstanding
12 subsection (a) of this section, a determination by an appropriate municipal
13 panel that a residential development will not result in an undue adverse effect
14 on the character of the area affected shall not be subject to appeal if the
15 ~~determination is that a proposed residential development~~ seeking conditional
16 use approval under subdivision 4414(3) of this title is within a designated
17 downtown development district, designated growth center, ~~designated Vermont~~
18 neighborhood, or designated neighborhood development area seeking
19 ~~conditional use approval will not result in an undue adverse effect on the~~
20 ~~character of the area affected under subdivision 4414(3) of this title.~~ Other

1 elements of the determination made by the appropriate municipal panel may be
2 appealed.

3 * * * By Right * * *

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

5 (b) Decisions.

6 * * *

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

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

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

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

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

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

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

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

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

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

12 § 4348a. ELEMENTS OF A REGIONAL PLAN

13 (a) A regional plan shall be consistent with the goals established in section
14 4302 of this title and shall include the following:

15 * * *

16 (9) A housing element that identifies the regional and community-level
17 need for housing for all economic groups in the region and communities. In
18 establishing the identified need, due consideration shall be given to that will
19 result in an adequate supply of building code and energy code compliant
20 homes where most households spend not more than 30 percent of their income
21 on housing and no more than 15 percent on transportation. To establish

1 housing needs, the Department of Housing and Community Development shall
2 publish statewide and regional housing targets or ranges as part of the
3 Statewide Housing Needs Assessment. The regional planning commission
4 shall consult the Statewide Housing Needs Assessment; current and expected
5 demographic data; the current location, quality, types and cost of housing;
6 other local studies related to housing needs; and data gathered pursuant to
7 subsection 4382(c) of this title. If no such data has been gathered, the regional
8 planning commission shall gather it. The regional planning commission’s
9 assessment shall estimate the total needed housing investments in terms of
10 price, quality, unit size or type, and zoning district as applicable and shall
11 disaggregate regional housing targets or ranges by municipality. The housing
12 element shall include a set of recommended actions to satisfy the established
13 needs.

14 * * *

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

16 § 4382. THE PLAN FOR A MUNICIPALITY

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

21 * * *

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

9 * * *

10 *** Energy Codes ***

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

12 (a) The mayor and board of aldermen of a city, the selectboard of a town,
13 or the trustees of an incorporated village, may, in accordance with this chapter,
14 establish codes and regulations for the construction, maintenance, repair, and
15 alteration of buildings and other structures within the municipality. Such
16 codes and regulations may include provisions relating to building materials,
17 structural design, passageways, stairways and exits, heating systems, fire
18 protection procedures, and such other matters as may be reasonably necessary
19 for the health, safety, and welfare of the public, but excluding electrical
20 installations subject to regulation under 26 V.S.A. chapter 15. Any energy
21 codes and regulations adopted after July 1, 2023 shall not be more restrictive

1 ~~than the Residential Building Energy Standards or the stretch code adopted~~
2 ~~under 30 V.S.A. § 51 or the Commercial Building Energy Standards adopted~~
3 ~~under 30 V.S.A. § 53, except where enabled by a municipal charter.~~
4 ~~Municipalities may enact more stringent local residential building energy~~
5 ~~standards only for homes that are larger than 1,800 square feet per unit if the~~
6 ~~municipality receives approval by the Department of Public Service that the~~
7 ~~municipality followed 30 V.S.A. § 51(c)(1) and (2). Municipalities may enact~~
8 ~~more stringent local commercial building energy standards only for homes that~~
9 ~~are larger than 1,800 square feet per unit, if the municipality receives approval~~
10 ~~by the Public Service Department that the municipality followed 30 V.S.A. §~~
11 ~~53(c)(1) and (2).~~

12 Sec. 13. APPROPRIATION

13 The sum of \$750,000.00 is appropriated in fiscal year 2024 from the
14 General Fund to the Municipal and Regional Planning Fund.

15 Sec. 14. HOUSING RESOURCE NAVIGATOR FOR REGIONAL

16 PLANNING COMMISSIONS

17 (a) The Vermont Association of Planning and Development Agencies shall
18 hire Housing Resource Navigators to work with municipalities, regional and
19 local housing organizations, and private developers to identify housing
20 opportunities, match communities with funding resources, and provide project
21 management support.

1 (dd) 50 or more, in a municipality with a population of less
2 than 6,000.

3 (ee) [Repealed.]

4 (ff) Notwithstanding subdivisions (cc) through (ee) of this
5 subdivision (3)(A)(iv)(I), 10 or more if the construction involves the
6 demolition of one or more buildings that are listed on or eligible to be listed on
7 the State or National Register of Historic Places. However, demolition shall
8 not be considered to create jurisdiction under this subdivision (ff) if the
9 Division for Historic Preservation has determined that the proposed demolition
10 will have no adverse effect, will have no adverse effect if specified conditions
11 are met, or will have an adverse effect that will be adequately mitigated. Any
12 imposed conditions shall be enforceable through a grant condition, deed
13 covenant, or other legally binding document.

14 * * *

15 (xi) Notwithstanding subdivision (iv) of this subdivision (3)(A),
16 the construction of improvements in a designated area for a housing project or
17 mixed-use development, with 25 or more units, constructed or maintained on a
18 tract or tracts of land, owned or controlled by a person within any continuous
19 period of three months.

20 (xi) The construction of housing projects such as cooperatives,
21 condominiums, dwellings, or of mobile homes, with 25 or more units,

1 constructed or maintained on a tract or tracts of land, located entirely within a
2 designated downtown development district, a designated neighborhood
3 development area, or a designated growth center, owned or controlled by a
4 person, within a radius of five miles of any point on any involved land and
5 within any continuous period of five years.

6 * * *

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

8 * * *

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

11 * * *

12 (19)(A) “Subdivision” means each of the following:

13 * * *

14 (iv) A tract or tracts of land, owned or controlled by a person, that
15 the person has partitioned or divided for the purpose of resale into 15 or more
16 lots located within a designated neighborhood development area within any
17 continuous period of three months.

18 * * *

19 (35) “Priority housing project” means a discrete project located on a
20 single tract or multiple contiguous tracts of land that consists exclusively of
21 mixed income housing or mixed use, or any combination thereof, and is

1 located entirely within a designated downtown development district,
2 designated new town center, ~~designated village center that has permanent~~
3 ~~zoning and subdivision bylaws,~~ designated growth center, or designated
4 neighborhood development area under 24 V.S.A. chapter 76A.

5 * * *

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

7 § 6081. PERMITS REQUIRED; EXEMPTIONS

8 * * *

9 (p) No permit or permit amendment is required for a priority housing
10 project in a designated center ~~if the project remains below any applicable~~
11 ~~jurisdictional threshold specified in subdivision 6001(3)(A)(iv)(I) of this title.~~

12 * * *

13 ~~(y) No permit amendment is required for the construction of improvements~~
14 ~~for 24 units or fewer of housing.~~

15 ~~Sec. 17. 10 V.S.A. § 6086b is amended to read:~~

16 § 6086b. DOWNTOWN DEVELOPMENT; FINDINGS; MASTER PLAN

17 PERMITS

18 (a) Findings and conclusions. Notwithstanding any provision of this
19 chapter to the contrary, each of the following shall apply to a development or
20 subdivision that is completely within a downtown development district

1 designated under 24 V.S.A. chapter 76A and for which a permit or permit
2 amendment would otherwise be required under this chapter:

3 (1) In lieu of obtaining a permit or permit amendment, a person may
4 request findings and conclusions from the District Commission, which shall
5 approve the request if it finds that the development or subdivision will meet
6 subdivisions 6086(a)(1) (air and water pollution), (2) (sufficient water
7 available), (3) (burden on existing water supply), (4) (soil erosion), (5)
8 (traffic), (8) (aesthetics, historic sites, rare and irreplaceable natural areas),
9 (8)(A) (endangered species; necessary wildlife habitat), (9)(B) (primary
10 agricultural soils), (9)(C) (productive forest soils), (9)(F) (energy
11 conservation), and (9)(K) (public facilities, services, and lands) of this title.

12 * * *

13 (b) Master plan permits.

14 (1) Any municipality within which a downtown development district or
15 neighborhood development area has been formally designated pursuant to
16 24 V.S.A. chapter 76A may apply to the District Commission for a master plan
17 permit for that area or any portion of that area pursuant to the rules of the
18 Board. Municipalities making an application under this subdivision are not
19 required to exercise ownership of or control over the affected property.

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

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

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

9 (5) For a master plan permit issued pursuant to this section, an
10 application for an amendment may use the findings issued in the master plan
11 permit as a rebuttable presumption to comply within any applicable criteria
12 under subsection 6086(a) of this title.

13 * * * Enhanced Designation * * *

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

15 § 6081. PERMITS REQUIRED; EXEMPTIONS

16 * * *

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

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

1 § 2793f. ENHANCED DESIGNATION

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

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

10 (1) an approved designated area;

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

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

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

19 (c) Process for issuing enhanced designation.

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

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

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

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

16 (A) Notice.

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

20 (ii) The municipality shall publish notice of the meeting at least
21 30 days in advance of the Natural Resources Board’s meeting in a newspaper

1 of general circulation in the municipality, and deliver physically or
2 electronically, with proof of receipt or by certified mail, return receipt
3 requested to the Agency of Natural Resources; the State Downtown Board; the
4 Division for Historic Preservation; the Agency of Agriculture, Food and
5 Markets; the Agency of Transportation; the regional planning commission; the
6 regional development corporations; and the entities providing educational,
7 police, and fire services to the municipality.

8 (iii) The notice shall also be posted by the municipality in or near
9 the municipal clerk's office and in at least two other designated public places
10 in the municipality and on the websites of the municipality and the Agency of
11 Commerce and Community Development.

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

15 (B) No defect in the form or substance of any requirements of this
16 subsection (c) shall invalidate the action of the Natural Resources Board where
17 reasonable efforts are made to provide adequate posting and notice. However,
18 the action shall be invalid when the defective posting or notice was materially
19 misleading in content. If an action is ruled to be invalid by the Superior Court
20 or by the Natural Resources Board itself, the Department shall provide and the

1 municipality shall issue new posting and notice, and the Board shall hold a
2 new hearing and take a new action.

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

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

10 (d) Review of enhanced designation status.

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

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

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

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

20 (B) terminate the enhanced designation.

1 (4) If the underlying designation is terminated, the enhanced designation
2 also shall terminate.

3 (e) Appeal.

4 (1) An interested person may appeal any act or decision of the Board
5 under this section to the Environmental Division of the Superior Court within
6 30 days following the act or decision.

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

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

11 (B) the municipality making the application or a municipality that
12 adjoins the municipality making the application; and

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

16 (f) Model bylaws. The Natural Resources Board shall publish model
17 bylaws that may be adopted by a municipality seeking an enhanced
18 designation. These bylaws shall address all Act 250 criteria provided for in
19 10 V.S.A. § 6086(a)(1)–(10).

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

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

5 Sec. 21. ENHANCED DESIGNATION BYLAW ADOPTION

6 On or before January 1, 2024, the Natural Resources Board shall publish
7 model bylaws that a municipality may adopt in order to achieve an enhanced
8 designation. These bylaws shall encompass all of the Act 250 criteria found in
9 10 V.S.A. § 6086(a)(1)–(10).

10 * * * Covenants * * *

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

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

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

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

20 (c) This section shall not affect the enforceability of any property interest
21 held in whole or in part by a qualified organization or State agency as defined

1 in 10 V.S.A. § 6301a, including any restrictive easements, such as
2 conservation easements and historic preservation rights and interests defined in
3 10 V.S.A. § 822. This section shall not affect the enforceability of any
4 property interest that is restricted by a housing subsidy covenant as defined by
5 section 610 of this title and held in whole or in part by an eligible applicant as
6 defined in 10 V.S.A. § 303(4) or the Vermont Housing Finance Agency.

7 * * * Road Disclosure * * *

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

9 § 617. DISCLOSURE OF CLASS 4 ROAD

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

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

16 * * * Wastewater Connection Permits * * *

17 Sec. 24. 10 V.S.A. § 1974 is amended to read:

18 § 1974. EXEMPTIONS

19 Notwithstanding any other requirements of this chapter, the following
20 projects and actions are exempt:

21 * * *

1 ~~(9) A project completed by a person who receives an authorization from~~
2 ~~a municipality that administers a program registered with the Secretary~~
3 ~~pursuant to section 1983 of this title.~~

4 ~~Sec. 25. 10 V.S.A. § 1983 is added to read:~~

5 ~~§ 1983. AUTHORIZATION FOR MUNICIPAL WASTEWATER SYSTEM~~
6 ~~AND POTABLE WATER SUPPLY CONNECTIONS~~

7 ~~(a) A municipality may issue an authorization for a connection or an~~
8 ~~existing connection with a change in use to the municipal sanitary sewer~~
9 ~~collection line via a sanitary sewer service line or a connection to a water main~~
10 ~~via a new water service line in lieu of permits issued under this chapter,~~
11 ~~provided that the municipality documents the following in a form prescribed~~
12 ~~by the Secretary:~~

13 ~~(1) The municipality owns or has legal control over connections to a~~
14 ~~public community water system permitted pursuant to chapter 56 of this title~~
15 ~~and over connections to a wastewater treatment facility permitted pursuant to~~
16 ~~chapter 47 of this title.~~

17 ~~(2) The municipality shall only issue authorizations for:~~

18 ~~(A) a sanitary sewer service line that connects to the sanitary sewer~~
19 ~~collection line; and~~

20 ~~(B) a water service line that connects to the water main.~~

1 ~~(3) The building or structure authorized under this section connects to~~
2 ~~both the sanitary sewer collection line and public community water system.~~

3 ~~(4) The authorizations from the municipality comply with the technical~~
4 ~~standards for sanitary sewer service lines and water service lines in the~~
5 ~~Wastewater System and Potable Water Supply Rules.~~

6 ~~(5) The municipality requires documentation issued by a professional~~
7 ~~engineer or licensed designer that is filed in the land records that the~~
8 ~~connection authorized by the municipality was installed in accordance with the~~
9 ~~technical standards.~~

10 ~~(6) The municipality requires the authorization to be filed in the land~~
11 ~~records.~~

12 ~~(7) The municipality requires the retention of plans that show the~~
13 ~~location and design of authorized connections.~~

14 ~~(b) The municipality shall notify the Secretary 30 days in advance of~~
15 ~~terminating any authorization. The municipality shall provide all~~
16 ~~authorizations and plans to the Secretary as a part of this termination notice.~~

17 ~~(c) A municipality issuing an authorization under this section shall require~~
18 ~~the person to whom the authorization is issued to post notice of the~~
19 ~~authorization as part of the notice required for a permit issued under 24 V.S.A.~~
20 ~~§ 4449 or other bylaw authorized under this chapter.~~

1 Second: In Sec. 44, effective dates, by striking it in its entirety and
2 inserting in lieu thereof the following:

3 Sec. 44. EFFECTIVE DATES

4 This act shall take effect on July 1, 2023, except that Secs. 1 (24 V.S.A.
5 § 4414), 2 (24 V.S.A. § 4412) except for subdivision (D), 3 (24 V.S.A.
6 § 4413), and 4 (24 V.S.A. § 4303) shall take effect on December 1, 2024 and
7 Secs. 18–20 (enhanced designation) shall take effect on January 1, 2025.
8 and by renumbering the remaining sections to be numerically correct.

9

10 (Committee vote: _____)

11

12

Senator _____

13

FOR THE COMMITTEE