

1

H.730

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Introduced by Representatives Sibilia of Dover, Hango of Berkshire, Priestley  
of Bradford, Boyden of Cambridge, Bartley of Fairfax, Carris  
Duncan of Whitingham, Demar of Enosburgh, Dickinson of St.  
Albans Town, Feltus of Lyndon, Gregoire of Fairfield, Harple  
of Glover, Higley of Lowell, Hooper of Randolph, Labor of  
Morgan, Lipsky of Stowe, Masland of Thetford, Morrow of  
Weston, Nelson of Derby, North of Ferrisburgh, Noyes of  
Wolcott, O'Brien of Tunbridge, Olson of Starksboro, Pritchard  
of Pawlet, Southworth of Walden, Sweeney of Shelburne,  
Tagliavia of Corinth, White of Waitsfield, White of Bethel, and  
Yacovone of Morristown

13

Referred to Committee on

14

Date:

15

Subject: Conservation and development; land use; Act 250; Tier 3; property  
valuation

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Statement of purpose of bill as introduced: This bill proposes to make changes  
to the Act 250 Tier 3 rules, require notice to property owners about Tier 2 and  
3, and require the Department of Taxes to consider impacts on the fair market  
value due to the requirements of Act 250.

1           An act relating to Act 250 location-based jurisdiction

2           It is hereby enacted by the General Assembly of the State of Vermont:

3           Sec. 1. 2024 Acts and Resolves No. 181, Sec. 22 is amended to read:

4           **Sec. 22. TIER 3 RULEMAKING**

5           (a) The Land Use Review Board, in consultation with the Secretary of  
6           Natural Resources, shall adopt rules to implement the requirements for the  
7           administration of 10 V.S.A. § 6001(3)(A)(xiii) and 10 V.S.A. § 6001(46) and  
8           (19). It is the intent of the General Assembly that these rules identify critical  
9           natural resources for protection. The Board shall review the definition of Tier  
10           3 area; determine the critical natural resources that shall be included in Tier 3,  
11           giving due consideration to river corridors, headwater streams, habitat  
12           connectors of statewide significance, riparian areas, class A waters, and natural  
13           communities; any additional critical natural resources that should be added to  
14           the definition; measures to ensure that no municipality or region is  
15           disproportionately impacted by Tier 3 designation that would limit reasonable  
16           opportunities for Tier 1 or Tier 2 designations; and how to define the  
17           boundaries. Rules adopted by the Board shall include:

18           (1) any necessary clarifications to how the Tier 3 definition is used in  
19           10 V.S.A. chapter 151, including whether and how subdivisions would be  
20           covered under the jurisdiction of Tier 3;

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

12                   (6) a definition of de minimis residential construction that will not  
13                   trigger jurisdiction, which may include installation or improvements to a  
14                   wastewater system and installation of a shed less than 200 square feet in size;  
15                    and

16                   (7) if a criterion under 10 V.S.A. § 6086 is not recommended for review  
17                   under Tier 3, it shall be identified in the rule, and a rationale shall be provided  
18                   as to why the criterion is not required for Tier 3 protection.

19 \* \* \*

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

1       2026 2027. After the Land Use Review Board files the rule with the  
2       Legislative Committee on Administrative Rules, it shall submit a report  
3       describing the rules and the issues reviewed under this section to the House  
4       Committee on Environment ~~and Energy~~ and the Senate Committee on Natural  
5       Resources and Energy.

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

11               (e) At least 30 days before a public meeting is going to be held on the  
12       proposed Tier 3 rules, the Board shall mail written notice to every property  
13       owner within a Tier 2 or 3 area and those properties located at or above 2,500  
14       feet in elevation that the property may be subject to the updated Act 250  
15       requirements, including when road construction requires a permit. The notice  
16       shall include information on how the property owner can submit comments on  
17       the draft rules and the date of a public hearing on the rules.

18       Sec. 2. 10 V.S.A. § 6001(3)(D)(viii)(III) is amended to read:

19               (III) Notwithstanding any other provision of law to the  
20      contrary, until ~~January~~ July 1, 2027, the construction of a priority housing  
21      project located entirely within areas of a designated downtown development

1 district, designated neighborhood development area, or a designated growth  
2 center or within one-half mile around such designated center with permanent  
3 zoning and subdivision bylaws served by public sewer or water services or  
4 soils that are adequate for wastewater disposal. For purposes of this  
5 subdivision (III), in order for a parcel to qualify for the exemption, at least 51  
6 percent of the parcel shall be located within one-half mile of the designated  
7 center boundary. If the one-half mile around the designated center extends into  
8 an adjacent municipality, the legislative body of the adjacent municipal may  
9 inform the Board that it does not want the exemption to extend into that area.

10 Sec. 3. 10 V.S.A. § 6081 is amended to read:

11 § 6081. PERMITS REQUIRED; EXEMPTIONS

12 \* \* \*

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

17 \* \* \*

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

1 of Natural Resources shall enforce the permit or assert amendment jurisdiction  
2 on the tract or tracts of land unless the designation is revoked or the  
3 municipality has not taken any reasonable action to enforce the conditions of  
4 the permit.

5 \* \* \*

6 (dd) Interim housing exemptions.

1 housing projects such as cooperatives, condominiums, dwellings, or mobile  
2 homes, with 50 or fewer units, constructed or maintained on a tract or tracts of  
3 land of 10 acres or less, located entirely within:

4 \* \* \*

5 (3) Notwithstanding any other provision of law to the contrary, until  
6 January July 1, 2027, no permit or permit amendment is required for the  
7 construction of housing projects such as cooperatives, condominiums,  
8 dwellings, or mobile homes, constructed or maintained on a tract or tracts of  
9 land, located entirely within a designated downtown development district with  
10 permanent zoning and subdivision bylaws served by public sewer or water  
11 services or soils that are adequate for wastewater disposal. Housing units  
12 constructed pursuant to this subdivision shall not count towards the total units  
13 constructed in other areas. This exemption shall not apply to areas within  
14 mapped river corridors and floodplains except those areas containing  
15 preexisting development in areas suitable for infill development as defined in  
16 29-201 of the Vermont Flood Hazard Area and River Corridor Rule.

17 Sec. 4. 24 V.S.A. § 4460 is amended to read:

18 § 4460. APPROPRIATE MUNICIPAL PANELS

19 \* \* \*

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

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

4 regulations or bylaws adopted pursuant to this subchapter.

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

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

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

17 (E) a physical or use condition that is no longer in effect or

18 applicable or that will no longer be in effect or applicable once the new project  
19 is approved.

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

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

19 Sec. 5. 2024 Acts and Resolves No. 181, Sec. 114 is amended to read:

## 20 Sec. 114. EFFECTIVE DATES

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

\* \* \*

## 6 Sec. 6. APPROPRIATION

7        In fiscal year 2027, \$20,000.00 shall be appropriated from the General Fund  
8        to the Land Use Review Board for the location-based jurisdiction notice  
9        requirement.

10 Sec. 7. 32 V.S.A. § 3622 is added to read:

11 § 3622. PARCELS SUBJECT TO ACT 250 REQUIREMENTS

12       When determining the appraisal value of a parcel, an assessing official shall  
13       account for any impact on the fair market value of the parcel due to  
14       development requirements under 10 V.S.A. chapter 151.

15 Sec. 8. PVR GUIDANCE; VALUING PARCELS SUBJECT TO ACT 250

16        On or before October 1, 2027, the Department of Taxes shall publish  
17        guidance for Vermont assessing officials regarding how to implement the  
18        requirements of 32 V.S.A. § 3622.

1 Sec. 9. EFFECTIVE DATES

2 This act shall take effect on passage, except that Sec. 7 (32 V.S.A. § 3622)  
3 shall take effect on January 1, 2027, and shall first apply to grand lists lodged  
4 on the grand list assessment date in calendar year 2027.