

1 TO THE HOUSE OF REPRESENTATIVES:

2 The Committee on Environment to which was referred Senate Bill No. 325  
3 entitled “An act relating to regional planning and Act 250 Tiers” respectfully  
4 reports that it has considered the same and recommends that the House propose  
5 to the Senate that the bill be amended by striking out all after the enacting  
6 clause and inserting in lieu thereof the following:

7 \* \* \* Intent \* \* \*

8 **Sec. 1.** LEGISLATIVE INTENT

9 The General Assembly finds that 2024 Acts and Resolves No. 181  
10 represented a substantial restructuring of Vermont’s land use review  
11 framework. This act is intended to provide technical clarification, transitional  
12 certainty, and implementation alignment, consistent with the intent of 2024  
13 Acts and Resolves No. 181 and without altering its underlying policy goals.

14 \* \* \* Act 181 Repeals \* \* \*

15 **Sec. 2.** 2024 Acts and Resolves No. 181, Sec. 19 is amended to read:

16 **Sec. 19.** [Deleted.]

17 **Sec. 3.** 2024 Acts and Resolves No. 181, Sec. 21 is amended to read:

18 **Sec. 21.** [Deleted.]

19 **Sec. 4.** 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:



1 zoning and subdivision bylaws served by public sewer or water services or  
2 soils that are adequate for wastewater disposal. For purposes of this  
3 subdivision (III), in order for a parcel to qualify for the exemption, at least  
4 51 percent of the parcel shall be located within one-half mile of the designated  
5 center boundary. If the one-half mile around the designated center extends into  
6 an adjacent municipality, the legislative body of the adjacent ~~municipal~~  
7 municipality may inform the Board that it does not want the exemption to  
8 extend into that area. This exemption shall not apply to areas within mapped  
9 river corridors and floodplains except those areas containing preexisting  
10 development in areas suitable for infill development as defined in 29-201 of  
11 the Vermont Flood Hazard Area and River Corridor Rule.

12 \* \* \*

13 (35) “Priority housing project” means a discrete project located on a  
14 single tract or multiple contiguous tracts of land that consists exclusively of  
15 mixed income housing or mixed use, or any combination thereof, and is  
16 located entirely within designated downtown development district, designated  
17 new town center, designated growth center, or designated neighborhood  
18 development area under 24 V.S.A. chapter 76A, or within an area mapped and  
19 approved by the Board as eligible for Tier 1B area status and is not currently  
20 approved for Tier 1B area status under section 6033 of this chapter.

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(bb) Until ~~July~~ January 1, 2028 2030, no permit or permit amendment is required for the construction of improvements for one accessory dwelling unit constructed within or appurtenant to a single-family dwelling. Units constructed pursuant to this subsection shall not count towards the total units constructed in other projects.

(cc) Until ~~July~~ January 1, 2028 2030, no permit or permit amendment is required for the construction of improvements for converting a structure used for a commercial purpose to 29 or fewer housing units.

(dd) Interim housing exemptions.

(1) Notwithstanding any other provision of law to the contrary, until January 1, ~~2027~~ 2030, no permit or permit amendment is required for the subdivision for or the construction of housing projects such as cooperatives, condominiums, dwellings, or mobile homes, and mixed-use development, with 75 units or fewer, constructed or maintained on a tract or tracts of land, located entirely within the areas of a designated new town center, a designated growth center, or a designated neighborhood development area served by public sewer or water services or soils that are adequate for wastewater disposal. Housing units constructed pursuant to this subdivision shall not count towards the total units constructed in other areas. This exemption shall not apply to areas within mapped river corridors and floodplains except those areas containing

1 preexisting development in areas suitable for infill development as defined in  
2 29-201 of the Vermont Flood Hazard Area and River Corridor Rule.

3 (2)(A) Notwithstanding any other provision of law to the contrary, until  
4 ~~July~~ January 1, 2027 2030, no permit or permit amendment is required for the  
5 subdivision for or the construction of housing projects such as cooperatives,  
6 condominiums, dwellings, or mobile homes, and mixed-use development, with  
7 50 or fewer units, ~~constructed or maintained on a tract or tracts of land of~~  
8 ~~10 acres or less~~, located ~~entirely~~ within:

9 (i) areas of a designated village center and within one-quarter mile  
10 of its boundary with permanent zoning and subdivision bylaws and served by  
11 public sewer or water services or soils that are adequate for wastewater  
12 disposal; or

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

16 \* \* \*

17 (3) Notwithstanding any other provision of law to the contrary, until  
18 January 1, ~~2027~~ 2030, no permit or permit amendment is required for the  
19 subdivision for or the construction of housing projects such as cooperatives,  
20 condominiums, dwellings, or mobile homes, and mixed-use development,  
21 constructed or maintained on a tract or tracts of land, located entirely within a

1 designated downtown development district with permanent zoning and  
2 subdivision bylaws served by public sewer or water services or soils that are  
3 adequate for wastewater disposal. Housing units constructed pursuant to this  
4 subdivision shall not count towards the total units constructed in other areas.  
5 This exemption shall not apply to areas within mapped river corridors and  
6 floodplains except those areas containing preexisting development in areas  
7 suitable for infill development as defined in 29-201 of the Vermont Flood  
8 Hazard Area and River Corridor Rule.

9 (4) Notwithstanding any other provision of law to the contrary, until  
10 January 1, 2030, no permit or permit amendment is required for the  
11 subdivision for or the construction of 50 units or fewer of housing with at least  
12 20 percent of the units with mixed income housing or mixed-use development,  
13 constructed or maintained on a tract or tracts of land, located within areas of a  
14 designated village center and within one-quarter mile of its boundary served by  
15 public sewer or water services or soils that are adequate for wastewater  
16 disposal.

17 **Sec. 8. 10 V.S.A. § 6087 is amended to read:**

18 § 6087. DENIAL OF APPLICATION

19 \* \* \*

20 (c) A denial of a permit shall contain the specific reasons for denial. A  
21 person may, within six months, apply for reconsideration of his or her permit

1 which application shall include an affidavit to the ~~District Commission~~ Land  
2 Use Review Board and all parties of record that the deficiencies have been  
3 corrected. The ~~District Commission~~ Board shall hold a new hearing upon 25  
4 days' notice to the parties. The hearing shall be held within 40 days of receipt  
5 of the request for reconsideration.

6 \* \* \* Municipal zoning \* \* \*

7 Sec. 9. 24 V.S.A. § 4460 is amended to read:

8 § 4460. APPROPRIATE MUNICIPAL PANELS

9 \* \* \*

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

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

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

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

15 (2) The appropriate municipal panel reviewing a municipal permit or  
16 permit amendment pursuant to this subsection shall include conditions  
17 contained within a permit previously issued pursuant to 10 V.S.A. chapter 151,  
18 so that the conditions may be enforced as part of the municipal permit, unless  
19 the panel determines that the permit condition pertains to any of the following:

20 (A) the construction phase of the project that has already been  
21 constructed;

1           (B) compliance with another State permit that has independent  
2 jurisdiction;

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

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

6           (E) a physical or use condition that is no longer in effect or  
7 applicable or that will no longer be in effect or applicable once the new project  
8 is approved.

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

12           (4) The appropriate municipal panel shall comply with the notice and  
13 hearing requirements provided in subdivision 4464(a)(1) of this title. In  
14 addition, notice shall be provided to those persons requiring notice under  
15 10 V.S.A. § 6084(b) and shall explicitly reference the existing Act 250 permit.

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

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

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

8           Sec. 10. 2024 Acts and Resolves No, 181, Sec. 34 is amended to read:

9           Sec. 34. TIER 2 AREA TOOLS TO PROMOTE INTACT WORKING  
10           LANDS AND CONSERVATION OF CRITICAL NATURAL  
11           RESOURCES REPORT

12           (a) On or before February 15, 2026, the Land Use Review Board shall  
13           report recommendations to address Act 250 jurisdiction in Tier 2 areas without  
14           municipal delegation of Act 250 review. The recommendations shall:

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

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

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

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

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

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

13 (c) On or before August 1, 2026, the Board shall convene a working group  
14 of stakeholders to provide input to the report. The working group shall include  
15 representation from regional planning commissions; environmental groups;  
16 science and ecological research organizations; woodland or forestry  
17 organizations; the Vermont Housing and Conservation Board; the Vermont  
18 Chamber of Commerce; the League of Cities of Towns; the Land Access and  
19 Opportunity Board; the State Natural Resources Conservation Council; and  
20 other stakeholders, such as the Vermont Ski Areas Association, the  
21 Department of Taxes, Division of Property Valuation and Review, the

1 Department of Forests, Parks and Recreation, the Department of  
2 Environmental Conservation, the Department of Fish and Wildlife, the  
3 Vermont Woodlands Association, and the Professional Logging Contractors of  
4 the Northeast.

5 Sec. 11. 2 V.S.A. chapter 32 is added to read:

6 CHAPTER 32: JOINT LEGISLATIVE PERMITTING OVERSIGHT

7 COMMITTEE

8 § 1031. CREATION OF COMMITTEE

9 (a) Creation. There is created a Joint Legislative Permitting Oversight  
10 Committee whose membership shall be appointed each biennial session of the  
11 General Assembly. The Committee shall exercise oversight over the Land Use  
12 Review Board and Agency of Natural Resources permitting processes.

13 (b) Composition. The Committee shall be composed of five members:  
14 three members of the House of Representatives, who shall not all be from the  
15 same party, appointed by the Speaker of the House; and two members of the  
16 Senate, who shall not all be from the same party, appointed by the Committee  
17 on Committees.

18 (c) Procedure. The Committee shall elect a chair, vice chair, and clerk  
19 from among its members and shall adopt rules of procedure. The Chair shall  
20 rotate biennially between the House and the Senate members. The Committee  
21 shall keep minutes of its meetings. A quorum shall consist of three members.

1        (d) Meetings. When the General Assembly is in session, the Committee  
2        shall meet at the call of the Chair. The Committee may meet six times during  
3        adjournment, and may meet more often subject to approval of the Speaker of  
4        the House and the President Pro Tempore of the Senate.

5        (e) Compensation. For attendance at a meeting when the General  
6        Assembly is not in session, members of the Committee shall be entitled to  
7        compensation for services and reimbursement of expenses as provided under  
8        subsection 23(a) of this title.

9        (f) Assistance. The professional and clerical services of the Joint Fiscal  
10       Office, and the Office of Legislative Counsel shall be available to the  
11       Committee.

12       (g) Duties. The Committee shall oversee the Land Use Review Board, the  
13       rollout of the statutes amended as part of 2024 Acts and Resolves No. 181,  
14       how the permitting process in 10 V.S.A. chapter 151 is working, and how the  
15       new Board structure is working. The Committee shall also oversee the Agency  
16       of Natural Resources and their permitting process.

17       Sec. 12. DISCRETIONARY REVIEW OF HOUSING; REPORT

18       (a) On or before January 15, 2027, the Department of Housing and  
19       Community Development, after consultation with the Vermont League of  
20       Cities and Towns, Let's Build Homes, the Vermont Natural Resources  
21       Council, and the Vermont Planners Association, shall report to the General

1 Assembly on recommendations for how to reduce the negative impacts of  
2 discretionary review of residential development. The Department shall  
3 consider the following: whether the State should establish a Vermont Model  
4 Code to assist municipalities seeking to replace discretionary review with clear  
5 and objective standards; the potential value of the federal Right to Build Zone  
6 legislation and steps the State can take to maximize that value; and incentives  
7 and planning assistance the State can offer municipalities seeking to limit  
8 discretionary review.

9 (b) The report shall also include a status update on the 802 Homes pilot  
10 program and recommendations for how to improve the efficiency of appeals of  
11 municipal zoning permits for housing.

12 (c) The report shall be submitted to the House Committees on Environment  
13 and on General and Housing and the Senate Committees on Economic  
14 Development, Housing, and General Affairs and on Natural Resources and  
15 Energy.

16 \* \* \* Regional Planning \* \* \*

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

18 § 4348. ADOPTION AND AMENDMENT OF REGIONAL PLAN

19 \* \* \*

20 (b) ~~60~~ Sixty days prior to holding the first public hearing on a regional plan  
21 adoption, a regional planning commission shall submit a draft regional plan to

1 the Land Use Review Board for review and comments related to conformance  
2 of the draft with sections 4302 and 4348a of this title and chapter 139 of this  
3 title and, if it is seeking an optional determination of energy compliance, to the  
4 Department of Public Service for review and comments related to conformance  
5 of the draft plan with section 4352 of this title. The Board shall coordinate  
6 with other State agencies and the Community Investment Board and respond  
7 within 60 days unless more time is granted by the regional planning  
8 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 (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:

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(2) At least 30 days prior to the first hearing, the regional planning commission shall provide each of its member municipalities with a written description of map changes within the municipality, a municipality-wide map showing old versus new areas with labels, and information about the new Tier structure under 10 V.S.A. chapter 151, including how to obtain Tier 1A or 1B status, and the process for updating designated area boundaries. The regional planning commission shall, if it is seeking an optional determination of energy compliance, solicit feedback on its enhanced energy plan, including consistency with section 4352 of this chapter and the enhanced energy planning standards.

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

(f) The regional planning commission may make revisions to the proposed plan ~~or amendment~~ at any time not less than 30 days prior to the final public hearing held under this section. If the proposal is changed, a copy of the proposed change shall be delivered physically; electronically with proof of receipt; or by certified mail, return receipt requested, to the chair of the

1 legislative body of each municipality within the region and to any individual or  
2 organization requesting a copy at least 30 days prior to the final hearing.

3 \* \* \*

4 (h)(1) Within 15 days following adoption, a regional planning commission  
5 shall submit its regionally adopted regional plan to the Land Use Review  
6 Board for a determination of regional plan compliance with a report  
7 documenting conformance with the goals established in section 4302 of this  
8 chapter and the plan elements established in section 4348a of this chapter and a  
9 description of any changes to the regional plan future land use map. The  
10 regional planning commission shall also at this time, if it is seeking an optional  
11 determination of energy compliance pursuant to section 4352 of this chapter,  
12 submit the plan to the Department of Public Service for review with a  
13 description of conformance with the enhanced energy planning standards and  
14 with a summary of any comments received during the public hearings.

15 \* \* \*

16 (j) Minor amendments to regional plan future land use map. A regional  
17 planning commission may submit a request for a minor amendment to  
18 boundaries of a future land use area for consideration by the Land Use Review  
19 Board with a letter of support from the municipality. The request may only be  
20 submitted after an affirmative vote of the municipal legislative body and the  
21 regional planning commission board. The Land Use Review Board, after

1 consultation with the Community Investment Board and the regional planning  
2 commissions, shall provide guidance about what constitutes a minor  
3 amendment. Minor amendments may include any change to a future land use  
4 area consisting of fewer than 10 acres. A minor amendment to a future land  
5 use area shall not require an amendment to a regional plan and shall be  
6 included in the next iteration of the regional plan. The Land Use Review  
7 Board may adopt rules to implement this section.

8 \* \* \*

9 (n) Regional plan amendments, major future land use map amendments,  
10 and Tier 1B area status requests. Regional plans may be reviewed from time to  
11 time and may be amended in the light of new developments and changed  
12 conditions affecting the region. Major future land use map amendments shall  
13 be processed as part of a regional plan amendment. Tier 1B area status  
14 requests may be made separate from the regional plan approval or amendment  
15 process.

16 (1) Process.

17 (A) To amend a regional plan, which may include a major future land  
18 use map amendment, a regional planning commission shall hold one public  
19 hearing. At least 15 days in advance of the hearing, the regional planning  
20 commission shall provide notice of the public hearing to parties listed in  
21 subdivision (d)(1) of this section and the Land Use Review Board. The public

1 hearing notice shall include a description of changes to the plan including  
2 major amendments to future land use maps, or any changes to Tier 1B area  
3 status.

4 (B) After adoption of the regional plan amendment, the regional  
5 planning commission shall submit a request to the Land Use Review Board for  
6 an affirmative determination of regional plan compliance for the regional plan  
7 amendment.

8 (C) Stand-alone requests for Tier 1B area status shall be submitted to  
9 the Land Use Review Board after the public hearing required under  
10 subdivision (A) of this section.

11 (D) The Land Use Review Board shall hold a public hearing within  
12 30 days after receiving the request for an affirmative determination of regional  
13 plan amendment compliance or approval of Tier 1B area status. The Land Use  
14 Review Board shall issue its determination within 30 days after the hearing.

15 (2) Adoption of a regional plan amendment, major future land use map  
16 amendment, or Tier 1B area status request or amendment shall not change the  
17 expiration date of the regional plan.

18 \* \* \*

19 Sec. 14. 24 V.S.A. § 4348a is amended to read:

20 § 4348a. ELEMENTS OF A REGIONAL PLAN

1 (a) A regional plan shall be consistent with the goals established in section  
2 4302 of this title and shall include the following:

3 \* \* \*

4 (12) A future land use element, based upon the elements in this section,  
5 that sets forth the present and prospective location, amount, intensity, and  
6 character of such land uses in relation to the provision of necessary community  
7 facilities and services and that consists of a map delineating future land use  
8 area boundaries for the land uses in subdivisions (A)–(J) of this subdivision  
9 (12) as appropriate and any other special land use category the regional  
10 planning commission deems necessary; descriptions of intended future land  
11 uses, consistent with the smart growth principles in section 4303 of this  
12 chapter; and policies intended to support the implementation of the future land  
13 use element using the following land use categories:

14 (A) Downtown or village centers. These areas are the mixed-use  
15 centers bringing together community economic activity and civic assets. They  
16 include downtowns, villages, and new town centers previously designated  
17 under chapter 76A and downtowns and village centers seeking benefits under  
18 the Community Investment Program under section ~~5804~~ 5803 of this title. The  
19 downtown or village centers are the traditional ~~and~~ or historic central business  
20 and civic centers within planned growth areas, village areas, or may stand  
21 alone. Municipalities may have more than one center, including planned new

1 or emerging centers that anchor planned growth or village areas. Village  
2 centers are not required to have public water, wastewater, zoning, or  
3 subdivision **bylaws**.

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

15 \* \* \*

16 (iii) The area is generally **within walking distance from** the  
17 municipality's or an adjacent municipality's downtown, or village center, ~~new~~  
18 ~~town center, or growth center.~~

19 \* \* \*

20 (vi) The area provides ~~for~~ opportunity for development, infill  
21 development, and redevelopment that is needed to meet the regional and

1 municipal housing targets that ~~meets~~ meet the present and future needs of a  
2 diversity of social and income groups in the community.

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

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

16 Village areas shall meet the following criteria:

17 \* \* \*

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

1 (v) The area has some opportunity for infill development or new  
2 development areas where the village can grow, support the development of  
3 housing to meet the regional and municipal housing targets, and be flood  
4 resilient.

5 \* \* \*

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

15 \* \* \*

16 (d) With the exception of preexisting, nonconforming designations  
17 approved prior to the establishment of the State Community Investment  
18 program, the areas eligible for designation benefits under that program upon  
19 the Land Use Review Board's approval of the regional plan future land use  
20 map for designation as a downtown center or village center shall not include  
21 development that is disconnected from a downtown or village center and that

1 lacks an existing or planned pedestrian connection to the center via a complete  
2 street.

3 \* \* \*

4 Sec. 15. 24 V.S.A. § 4303 is amended to read:

5 § 4303. DEFINITIONS

6 The following definitions shall apply throughout this chapter unless the  
7 context otherwise requires:

8 \* \* \*

9 (43) “Smart growth principles” means growth that:

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

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

14 (C) enables choice in modes of transportation;

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

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

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

1           (G) supports a diversity of viable businesses in downtowns and  
2 villages;

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

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

7           (i) scattered development located outside compact urban and  
8 village centers that is excessively land consumptive;

9           (ii) development that limits transportation options, especially for  
10 pedestrians;

11           (iii) the fragmentation of farmland and forestland;

12           (iv) development that is not serviced by municipal infrastructure  
13 or that requires the extension of municipal infrastructure across undeveloped  
14 lands in a manner that would extend service to lands located outside compact  
15 village and urban centers; and

16           (v) linear development along well-traveled roads and highways  
17 that lacks depth, as measured from the highway.

18 **Sec. 16. 24 V.S.A. § 4476 is amended to read:**

19 **§ 4476. FORMAL REVIEW OF REGIONAL PLANNING COMMISSION**

20 **DECISIONS**

1 (a) Formal review. A request for formal review of the sufficiency of an  
2 adopted regional plan or amendment, or for formal review of the decision of a  
3 regional planning commission with respect to the confirmation of a municipal  
4 planning effort, or the decision relating to approval of a municipal plan, shall  
5 be to the ~~regional review panel~~ Land Use Review Board created under ~~section~~  
6 ~~4305 of this title~~ 10 V.S.A. chapter 151. A request for formal review shall be  
7 filed within 21 days of adoption of the plan or amendment or the decision.

8 (b) Standing. The following have standing to request formal review or  
9 become parties to formal review conducted under this section:

10 (1) a person owning title to property affected by a decision of the  
11 regional planning commission who alleges that that decision imposes on that  
12 property unreasonable or inappropriate restrictions that significantly impair  
13 present or potential use under the particular circumstances of the case;

14 (2) a municipality whose planning effort is the subject of a decision by  
15 the regional planning commission, any other municipality within the region,  
16 any municipality which adjoins the region, or a regional planning commission  
17 which adjoins the region;

18 (3) any ~~agency~~ Agency, ~~department~~ Department, or other governmental  
19 subdivision of the State owning property or an interest ~~therein~~ within a  
20 municipality listed in subdivision (2) of this subsection, and the Agency of  
21 Commerce and Community Development;

1           (4) any 20 persons who by signed petition allege that the decision, if  
2 confirmed, will not be in accord with the requirements of this chapter, and who  
3 own or occupy real property located within any combination of the following:

4                   (A) any municipality whose planning effort is the subject of the  
5 decision by the regional planning commission; or

6                   (B) any municipality which adjoins a municipality whose planning  
7 effort is subject of the decision by the regional planning commission;

8           (5) with respect to the sufficiency of an adopted or amended regional  
9 plan, any 20 persons who by signed petition allege that the plan or amendment  
10 is not in accord with the requirements of this chapter, and who own or occupy  
11 real property located within the area that includes the region and the  
12 municipalities that adjoin the region;

13           (6) the regional planning commission whose plan, amendment, or  
14 decision is the subject of the request for formal review.

15           (c) Procedure; ~~regional review panel~~. Notice of formal review shall be sent  
16 by mail to the municipalities within the region, to the regional planning  
17 commission, and to the Agency of Commerce and Community Development  
18 and shall be accompanied by a statement of all reasons why the appellant  
19 believes the plan or opinion to be in error and all issues which the appellant  
20 believes to be relevant. Within 30 days of receipt of the notice of formal  
21 review, the date for a hearing shall be set and the ~~council~~ Land Use Review

1 Board shall publish notice of the hearing in a newspaper of general circulation  
2 in the applicable region, and shall provide notice in writing of the hearing to  
3 individuals and organizations that had requested notice from the regional  
4 planning commission under section 4348 relating to the adoption of a regional  
5 plan. The appellant shall pay the costs of publication. The hearing shall be  
6 held within 45 days of receipt of the notice of formal review. Upon motion,  
7 for good cause shown, the ~~panel~~ Board may extend the date of the hearing.  
8 Within 20 days of adjournment of the hearing, the ~~regional review panel~~ Board  
9 shall issue a decision approving, conditionally approving, or disapproving the  
10 regional plan or amendment or the opinion with respect to confirmation of the  
11 municipal planning effort or approval of the municipal plan. The ~~regional~~  
12 ~~review panel~~ Board shall be governed by the provisions for contested cases in  
13 3 V.S.A. chapter 25.

14 (d) Issues on formal review.

15 (1) With respect to formal review of the sufficiency of an adopted or  
16 amended regional plan, the ~~regional review panel~~ Board shall determine:

17 (A) whether the plan contains the elements required by law;

18 (B) whether the plan is compatible with the plans of adjoining  
19 regions; and

20 (C) whether the plan is consistent with the goals established in  
21 section 4302 of this title.

1           (2) With respect to formal review of a regional planning commission  
2 decision on the confirmation of a municipal planning effort, ~~the regional~~  
3 ~~review panel~~ Board shall determine:

4                   (A) whether the municipality is engaged in a continuing planning  
5 process that, within a reasonable time, will attain consistency with the goals  
6 established in section 4302 of this title; and

7                   (B) whether the municipality is maintaining its efforts to provide  
8 local funds for municipal and regional planning purposes.

9           (3) With respect to formal review of a regional planning commission  
10 decision on the approval or disapproval of a municipal plan, ~~the regional~~  
11 ~~review panel~~ Board shall determine:

12                   (A) whether the plan is consistent with the goals established in  
13 section 4302 of this title;

14                   (B) whether the plan is compatible with its regional plan; and

15                   (C) whether the plan is compatible with approved plans of other  
16 municipalities in the region.

17           (e) Stays.

18                   (1) The filing of a notice of formal review shall not stay the effect of the  
19 plan or the decision of the regional planning commission, unless so ordered by  
20 the ~~regional review panel~~ Board.



1 requirements of subdivision 4348a(a)(12)(B) of this title and that may be  
2 designated as a neighborhood.

3 \* \* \*

4 (10) “Sprawl repair” means the redevelopment of lands with buildings,  
5 traffic and circulation, parking, or other land coverage in a pattern that is  
6 consistent with smart growth principles as defined in section 4303 of this title.

7 \* \* \*

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

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

19 \* \* \*

20 (15) “Village area” means an area on the regional plan future land use  
21 maps ~~adopted pursuant to section 4348a of this title, which may encompass a~~

1 ~~village center on the regional future land use map~~ meeting the requirements of  
2 subdivision 4348a(a)(12)(C) of this title and that may be designated as a  
3 neighborhood.

4 Sec. 19. 24 V.S.A. § 5803 is amended to read:

5 § 5803. DESIGNATION OF DOWNTOWN AND VILLAGE CENTERS

6 (a) Designation established. A regional planning commission may apply to  
7 the LURB for approval and designation of all downtown and village centers by  
8 submitting the regional plan future land use map adopted by the regional  
9 planning commission. ~~The regional plan future land use map shall identify~~  
10 ~~downtown centers and village centers as the downtown and village areas~~  
11 ~~eligible for designation as centers.~~ The Department and State Board shall  
12 provide comments to the LURB and the regional planning commission on  
13 areas eligible for center designation as provided ~~under~~ in section 4348 of this  
14 ~~chapter~~ title.

15 \* \* \*

16 (c) ~~Exclusions. With the exception for preexisting, nonconforming~~  
17 ~~designations approved prior to the establishment of the program under this~~  
18 ~~chapter or areas included in the municipal plan for the purposes of relocating a~~  
19 ~~municipality's center for flood resiliency purposes, the areas eligible for~~  
20 ~~designation benefits upon the LURB's approval of the regional plan future land~~  
21 ~~use map for designation as a Center shall not include development that is~~

1 ~~disconnected from a Center and that lacks a pedestrian connection to the~~  
2 ~~Center via a complete street. [Repealed.]~~

3 \* \* \*

4 \* \* \* Tax Credits \* \* \*

5 Sec. 20. 32 V.S.A. § 5930bb is amended to read:

6 § 5930bb. ELIGIBILITY AND ADMINISTRATION

7 \* \* \*

8 (c) Application shall be made in accordance with the guidelines set by the  
9 State Board. The guidelines shall clearly indicate that only applications  
10 located in Step 2 and Step 3 State designated centers or Step 1 centers where a  
11 portion of the designated center is listed or eligible for listing in the national  
12 register of historic places shall be considered.

13 \* \* \*

14 \* \* \* Effective Date \* \* \*

15 Sec. 21. EFFECTIVE DATE

16 This act shall take effect on July 1, 2026.

17

18 (Committee vote: \_\_\_\_\_)

19

\_\_\_\_\_

20

Representative \_\_\_\_\_

21

FOR THE COMMITTEE