

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20

2025 OMNIBUS HOUSING BILL

***** ACT 181 OF 2024 AMENDMENTS *****

*****Definitions*****

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

§ 6001. Definitions

As used in this chapter:

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

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

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

~~(II) As used in this subdivision (xii), “roads” include any new road or improvement to a class 4 town highway by a person other than a municipality, including roads that will be transferred to or maintained by a~~

1 shall not include changing the size of the road, changing the location or layout
2 of the road, or adding pavement.

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

6 _____(IV) This subdivision (xii) shall not apply to:

7 _____(aa) a State or municipal road, a utility corridor of an
8 electric transmission or distribution company, or a road used primarily for
9 farming or forestry purposes;

10 _____(bb) development within a Tier 1A area established in
11 accordance with section 6034 of this title or a Tier 1B area established in
12 accordance with section 6033 of this title; and

13 _____(cc) improvements underway when this section takes
14 effect to a Class 4 highway that will be transferred to the municipality.

15 (V) The conversion of a road used for farming or forestry
16 purposes that also meets the requirements of this subdivision (xii) shall
17 constitute development.

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

21 _____[Subdivision (3)(A)(xiii) effective December 31, 2026.]

22 _____(xiii) The construction of improvements for commercial, industrial, or
23 residential purposes in a Tier 3 area as determined by rules adopted by the
24 Board. [Repealed.]

25

26

1 (3)(D) The word “development” does not include: . . .

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

4 (II) If the construction of a priority housing project in
5 this subdivision (3)(D)(viii) involves demolition of one or more buildings that
6 are listed or eligible to be listed on the State or National Register of Historic
7 Places, this exemption shall not apply unless the Division for Historic
8 Preservation has made the determination described in subdivision (A)(iv)(I)(ff)
9 of this subdivision (3) and any imposed conditions are enforceable in the
10 manner set forth in that subdivision.

11 (III) Notwithstanding any other provision of law to the
12 contrary, and in addition to the permit and permit amendment exemption at 10
13 V.S.A. § 6081(p), until ~~January~~ July 1, 2027 2035, the construction of a
14 priority housing project or related subdivision located entirely within areas of a
15 designated downtown development district, designated neighborhood
16 development area, or a designated growth center or within one-half mile
17 around such designated center with permanent zoning and subdivision bylaws
18 served by public sewer or water services or soils that are adequate for
19 wastewater disposal or extending to the terminus of the areas served by public
20 sewer or water services if beyond the one-half mile area. Construction must be
21 substantially completed by June 30, 2035. For purposes of this subdivision

22 (III), in order for a parcel to qualify for the exemption, at least 51 percent of
23 the parcel shall be located within one-half mile of the designated center
24 boundary. If the one-half mile around the designated center extends into an

1 adjacent municipality, the legislative body of the adjacent municipal may
2 inform the Board that it does not want the exemption to extend into that area.

3 ***

4 (28) “Mixed use” means construction of both ~~mixed income residential~~
5 housing and construction of space for any combination of commercial and
6 public purposes, including but not limited to, retail, office, services, artisan,
7 ~~and recreational, municipal, state,~~ and community facilities, provided at least
8 40 percent of the gross floor area of the buildings involved is ~~mixed income~~
9 residential housing. “Mixed use” does not include industrial use.

10 ***

11 (35) “Priority housing project” means a discrete project located on a
12 single tract or multiple contiguous tracts of land that consists exclusively of
13 mixed income housing or mixed use with mixed income housing, ~~or any~~
14 ~~combination thereof,~~ and is located entirely within a designated downtown
15 development district, designated new town center, designated growth center, or
16 designated neighborhood development area under 24 V.S.A. chapter 76A or
17 within a downtown or village center, village area, or planned growth area
18 under 24 V.S.A. Chapter 117.

19 ***

20 (46) “Tier 3” ~~means an area consisting of critical natural resources~~
21 ~~defined by the rules of the Board. The Board’s rules shall at a minimum~~
22 ~~determine whether and how to protect river corridors, headwater streams,~~
23 ~~habitat connectors of statewide significance, riparian areas, class A waters,~~
24 ~~natural communities, and other critical natural resources.~~ [Repealed.]

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26

(51) “Transit route” means a set route or network of routes on which a public transit service as defined in 24 V.S.A. § 5088 and as may be further defined by Board rule ~~operates a regular schedule.~~

(52) “Infill” or “Infill Development” means the use of vacant land or property within an existing settlement for further construction or development.

*****Repeal of Road Construction Rulemaking*****

Sec. ____ . Sec. 20. Of Act 181, 2024 is amended to read:

~~Sec. 20. RULEMAKING; ROAD CONSTRUCTION~~

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

*****Jurisdictional Opinions*****

Sec. __10 V.S.A. § 6007 is amended to read:

§ 6007. Act 250 Disclosure Statement; jurisdictional determination

(c) With respect to the partition or division of land, or with respect to an activity that might or might not constitute development, any person may submit to the district coordinator an “Act 250 Disclosure Statement” and other information required by the rules of the Board and may request a jurisdictional opinion from the district coordinator on behalf of the Land Use Review Board

1 concerning the applicability of this chapter. A district coordinator's decision
2 made on behalf of the Board that a land use application is substantially
3 incomplete shall be treated as a jurisdictional opinion. If a requestor wishes a
4 final determination to be rendered on the question, the district coordinator, on
5 behalf of the Board, at the expense of the requestor and in accordance with
6 rules of the Board, shall publish notice of the issuance of the opinion in a local
7 newspaper generally circulating in the area where the land that is the subject of
8 the opinion is located and shall serve the opinion on all persons listed in
9 subdivisions 6085(c)(1)(A) through (D) of this title. In addition, the requestor
10 who is seeking a final determination shall consult with the district coordinator,
11 on behalf of the Board, and obtain approval of a subdivision 6085(c)(1)(E) list
12 of persons who shall be notified by the district coordinator because they are
13 adjoining property owners or other persons who would be likely to be able to
14 demonstrate a particularized interest protected by this chapter that may be
15 affected by an act or decision by a District Commission.

16 (d) ~~[Repealed.]~~ Completeness. An application that is incomplete in
17 substantial respects shall not be accepted for filing by the district coordinator,
18 and therefore shall not initiate the time and notice requirements of the Act and
19 the associated rules. A coordinator's decision that an application is

1 substantially incomplete shall be treated as a jurisdictional opinion pursuant to
2 this section.

3 ***

4 ***Land Use Review Board***

5 Sec. __10 V.S.A. § 6021 is amended to read:

6 § 6021. Board; vacancy; removal

7 (a) Board established. The Land Use Review Board is created.

8 (1) The Board shall consist of five members appointed by the
9 Governor after review and approval by the Land Use Review Board
10 Nominating Committee in accordance with subdivision (2) of this subsection
11 and confirmed with the advice and consent of the Senate, so that one
12 appointment expires in each year. The Chair and the other four members shall
13 be full-time positions. In making these appointments, the Governor and the
14 Senate shall give consideration to candidates who have experience, expertise,
15 or skills relating to one or more of the following areas: environmental science;
16 land use law, policy, planning, and development; and community planning. All
17 candidates shall have a commitment to environmental justice.

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

23 (B) Following initial appointments, the members shall
24 be appointed for terms of five years. All terms after initial appointments shall
25 begin on ~~July 1~~ February 1, and expire on ~~June 30~~ January 31. A member may
26 continue serving until a successor is appointed. The initial appointments shall

1 be for staggered terms of one year, two years, three years, four years, and five
2 years.

3 ***

4 (d) Disqualified members. The Chair of the Board, upon request of the
5 Chair of a District Commission, may appoint and assign former Commission
6 members to sit on specific Commission eases matters when some or all of the
7 regular members and alternates of the District Commission are disqualified or
8 otherwise unable to serve. If necessary to achieve a quorum, the Chair of the
9 Board may appoint a member of a District Commission who has not worked
10 on the ease matter to sit on a specific ease matter before the Board.

11 ***

12 ***Transition of Natural Resources Board to Land Use Review Board***

13 Sec. ___ 10 V.S.A. § 6027 is amended to read:

14 § 6027. Powers

15 (o) The Land Use Review Board is the successor entity to the Natural
16 Resources Board, and all rights, obligations, and authority of the Natural
17 Resources Board is hereby transferred to the Land Use Review Board,
18 including with respect to contracts, settlements, appeals, enforcement, policies,
19 rulemaking and guidance. This succession is retroactive to January 1, 2025.

20 (1) The rules of the Natural Resources Board in effect on December 31,
21 2024 shall become rules of the Land Use Review Board. In those rules, the
22 Land Use Review Board is authorized to change all references to the Natural
23 Resources Board so that they refer to the Land Use Review Board. Unless
24 accompanied by one or more other revisions to the rules, such a change need
25 not be made through the rulemaking process under the Administrative
26 Procedure Act.

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25

Tier 1B

Sec. ___ 10 V.S.A. § 6033 is amended to read:

§ 6033. Regional plan future land use map review

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

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

(c) To obtain a Tier 1B area status under this section the regional planning commission shall demonstrate to the Board that the municipalities with Tier 1B areas meet the following requirements as included in subdivision 24 V.S.A. § 4348a(a)(12)(C):

(1) The municipality has not requested to opt out to have the area mapped for Tier 1B. A municipality may request to opt out of Tier 1B

1 area status by submitting a resolution passed by the municipality to the
2 relevant RPC and the Board.

3 (2) The municipality has a duly adopted and approved plan and
4 a planning process that is confirmed in accordance with 24 V.S.A. § 4350.

5 (3) The municipality has adopted permanent zoning and
6 subdivision bylaws in accordance with 24 V.S.A. §§ 4414, 4418, and 4442.

7 (4) The area excludes identified flood hazard and fluvial erosion
8 areas, except those areas containing preexisting development in areas suitable
9 for infill development as defined in Section 29-201 of the Vermont Flood
10 Hazard Area and River Corridor Rule unless the municipality has adopted
11 flood hazard and river corridor bylaws applicable to the entire municipality
12 that are consistent with the standards established pursuant to subsection 755(b)
13 of this title (flood hazard) and subsection 1428(b) of this title (river corridor).

14 (5) The municipality has water supply, wastewater
15 infrastructure, or soils that can accommodate a community system for compact
16 housing development in the area proposed for Tier 1B.

17 (6) The municipality has municipal staff, municipal officials, or
18 RPC or other contracted capacity adequate to support development review and

1 zoning administration in the Tier 1B area. (Added 2023, No. 181 (Adj. Sess.),
2 § 27, eff. June 17, 2024.)

3 ***

4 ***Tier 1A***

5 Sec. 10 V.S.A. § 6034 is amended to read:

6 § 6034. Tier 1A area status

7 (a) Application and approval.

8 (1) Beginning on ~~January~~ September 1, 2026, a municipality, by
9 resolution of its legislative body, ~~may~~ shall be able to apply to the Land Use
10 Review Board for Tier 1A status for the area of the municipality that is suitable
11 for dense development and meets the requirements of subsection (b) of this
12 section. A municipality may apply for multiple noncontiguous areas to be
13 receive Tier 1A area status. Applications may be submitted at different times.

14 ***

15 (b) Tier 1A area status requirements.

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

18 ***

19 ~~(F) The Tier 1A area is compatible with the character of~~
20 ~~adjacent National Register Historic Districts, National or State Register~~
21 ~~Historic Sites, and other significant cultural and natural resources identified by~~
22 ~~local or State government.~~

23 ~~(G) The municipality has identified and planned for the~~
24 ~~maintenance of significant natural communities, rare, threatened, and~~

1 ~~endangered species located in the Tier 1A area or excluded those areas from~~
2 ~~the Tier 1A area.~~

3 ***

4 (I) Municipal staff or RPC or other contracted capacity
5 adequate to support coordinated comprehensive and capital planning,
6 development review, and zoning administration in the Tier 1A area.

7 * * *

8 ***TIER 1A AREA GUIDELINES***

9 Act 181, 2024, Sec. 29. TIER 1A AREA GUIDELINES is amended as
10 follows:

11 On or before ~~January~~ March 1, 2026, the Land Use Review Board shall
12 publish guidelines to direct municipalities seeking to obtain the Tier 1A area
13 status. The guidelines shall include how a municipality shall demonstrate that
14 improvements are planned for a public water or wastewater system and at what
15 stage in the process the improvements need to be to provide a reasonable
16 expectation of completion.

17 ***

18 ***Tier 3 Rulemaking (Repealed – Converted to Study)***

19 Sec. __ Act 181 (2024), Sec. 22. TIER 3 RULEMAKING is amended to read:

20 Sec. 22. ~~TIER 3 RULEMAKING~~ CRITICAL ENVIRONMENTAL
21 RESOURCES WORKING GROUP

22 (a) The Land Use Review Board, in consultation with the Secretary of
23 Natural Resources, shall ~~adopt rules~~ undertake a study to implement
24 investigate the necessity of and requirements for the administration ~~of 10~~
25 ~~V.S.A. § 6001(3)(A)(xiii) and 10 V.S.A. § 6001(46) and (19)~~ an additional an
26 additional tier or expanded criteria for Act 250 jurisdiction covering critical

1 environmental resources. It is the intent of the General Assembly that ~~these~~
2 ~~rules~~ the study identify critical natural resources for protection. The Board
3 shall review a potential ~~the~~ definition of ~~Tier 3~~ these areas; determine the
4 critical natural resources that ~~shall~~ may be included ~~in Tier 3~~, giving due
5 consideration to river corridors, headwater streams, habitat connectors of
6 statewide significance, riparian areas, class A waters, and natural communities;
7 any additional critical natural resources that ~~should~~ may be added to the
8 definition; measures to ensure that no municipality or region is
9 disproportionately impacted by expanding protection of these areas ~~Tier 3~~
10 ~~designation~~ that would limit reasonable opportunities for Tier 1 or Tier 2
11 designations; and how to define the boundaries. ~~Rules adopted by the Board~~

12 The study shall include:

13 (1) any necessary clarifications to how ~~the a Tier 3~~ the definition or
14 additional criteria ~~is~~ would be used in 10 V.S.A. chapter 151, including
15 whether and how subdivisions would be covered under the jurisdiction ~~of Tier~~
16 ~~3~~;

17 (2) any necessary changes to how ~~10 V.S.A. § 6001(3)(A)(xiii)~~
18 construction of improvements for commercial, industrial, or residential
19 purposes in a Tier 3 the areas affected should be administered and when
20 jurisdiction should be triggered to protect the functions and values of resources
21 of critical natural resources;

22 (3) the process for how ~~Tier 3~~ these areas will be mapped or identified
23 by the Agency of Natural Resources and the Board;

24 (4) other policies or programs that ~~shall~~ may be developed to review
25 development impacts to ~~Tier 3~~ these areas ~~if they are not included in 10 V.S.A.~~
26 ~~§ 6001(46)~~; and

1 ~~(5) if a critical natural resource area is not recommended for protection~~
2 ~~under Tier 3, it shall be identified in the rule, and a rationale shall be provided~~
3 ~~as to why the critical resource was not selected recommended for Tier 3~~
4 ~~protection.~~

5 (b) On or before January 1, 2025, the Board shall convene a working group
6 of stakeholders to provide input to the Study prior to submission to the
7 Legislature. ~~to the rule prior to pre-filing with the Interagency Committee on~~
8 ~~Administrative Rules.~~ The working group shall include representation from
9 regional planning commissions; environmental groups; science and ecological
10 research organizations; woodland or forestry organizations; the Vermont
11 Housing and Conservation Board; the Vermont Chamber of Commerce; the
12 League of Cities of Towns; the Land Access and Opportunity Board; the State
13 Natural Resources Conservation Council; and other stakeholders, such as the
14 Vermont Ski Areas Association, the Department of Taxes, Division of
15 Property Valuation and Review, the Department of Forests, Parks and
16 Recreation, the Department of Environmental Conservation, the Department of
17 Fish and Wildlife, the Vermont Woodlands Association, and the Professional
18 Logging Contractors of the Northeast.

19 (c) The Board shall file a ~~final proposed rule with the Secretary of State~~
20 ~~and~~ the study with the Legislative Committee on The Environment and Energy
21 ~~Administrative Rules~~ on or before February 1, 2026. ~~After the Land Use~~
22 ~~Review Board files the rule with Legislative Committee on Administrative~~
23 ~~Rules, it shall submit a report describing the rules and the issues reviewed~~
24 ~~under this section to the House Committee on Environment and Energy and the~~
25 ~~Senate Committee on Natural Resources and Energy.~~

1 (d) During the ~~rule~~ study development, the stakeholder group established
2 under subsection (b) of this section shall solicit participation from
3 representatives of municipalities and landowners that host potential ~~Tier 3~~
4 critical resource areas on their properties to determine the responsibilities and
5 education needed to understand, manage, and interact with the resources.

6 ***

7 *** Act 181 Sec. 14. Criterion 8(C) Rulemaking ***

8 Sec. __ Act 181, 2024, Sec. 14. Criterion 8(C) Rulemaking is amended to read:

9 Sec. 14. ~~CRITERION 8(C) RULEMAKING~~

10 ~~Sec. 14. CRITERION 8(C) RULEMAKING~~

11 ~~(a) The Land Use Review Board (Board), in collaboration with the~~
12 ~~Agency~~

13 ~~of Natural Resources, shall adopt rules to implement the requirements for the~~
14 ~~administration of 10 V.S.A. § 6086(a)(8)(C). It is the intent of the General~~
15 ~~Assembly that these rules discourage fragmentation of the forest blocks and~~
16 ~~habitat connectors by encouraging clustering of development. Rules adopted~~
17 ~~by the Board shall include:~~

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

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

22 ~~(B) advisory mapping resources, how they will be made available,~~
23 ~~how they will be used, and how they will be updated.~~

24 ~~(2) Standards establishing how impacts can be avoided or minimized,~~
25 ~~including how fragmentation of forest blocks or habitat connectors is avoided~~
26 ~~or minimized, which may include steps to promote proactive site design of~~

1 buildings, roadways and driveways, utility location, and location relative to
2 existing features such as roads, tree lines, and fence lines.

3 ~~———— (3)(A) As used in this section, “fragmentation” generally means~~
4 ~~dividing land that has naturally occurring vegetation and ecological processes~~
5 ~~into smaller areas as a result of land uses that remove vegetation and create~~
6 ~~physical barriers that limit species’ movement and interrupt ecological~~
7 ~~processes between previously connected natural vegetation. However, the rules~~
8 ~~shall further define “fragmentation” for purposes of avoiding, minimizing, and~~
9 ~~mitigating undue adverse impacts on forest blocks and habitat connectors.~~

10 ~~“Fragmentation” does not include the division or conversion of a forest block~~
11 ~~or habitat connector by an unpaved recreational trail or by improvements~~
12 ~~constructed for farming, logging, or forestry purposes below the elevation of~~
13 ~~2,500 feet.~~

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

16 ~~———— (4) Criteria to identify the circumstances when a forest block or~~
17 ~~habitat connector is eligible for mitigation. As part of this, the criteria shall~~
18 ~~identify the circumstances when the function, value, unique sensitivity, or~~
19 ~~location of the forest block or habitat connector would not allow mitigation.~~

20 ~~———— (5) Standards for how impacts to a forest block or habitat connector~~
21 ~~may be mitigated. Standards may include:~~

22 ~~———— (A) appropriate ratios for compensation;~~

23 ~~———— (B) appropriate forms of compensation such as conservation~~
24 ~~easements, fee interests in land, and other forms of compensation; and~~

25 ~~———— (C) appropriate uses of on site and off site mitigation. —————~~

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

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

8 ***

9 ***Act 250 Exemptions***

10 Sec. __10 V.S.A. § 6081 is amended to read:

11 § 6081. Permits required; exemptions

12 (a) No person shall sell or offer for sale any interest in any subdivision
13 located in this State, or commence construction on a subdivision or
14 development, or commence development without a permit. This section shall
15 not prohibit the sale, mortgage, or transfer of all, or an undivided interest in all,
16 of a subdivision unless the sale, mortgage, or transfer is accomplished to
17 circumvent the purposes of this chapter.

18 ***

19 (o) If a designation pursuant to 24 V.S.A. chapter 76A is removed,
20 subsection (a) of this section shall apply to any subsequent substantial change
21 to a priority housing project that was originally exempt pursuant to subdivision
22 6001(3)(A)(iv)(I) of this title on the basis of that designation.

23 (p) No permit or permit amendment is required for a priority housing
24 project or related subdivision in a designated center if the project remains

1 below any applicable jurisdictional threshold specified in subdivision

2 6001(3)(A)(iv)(I) of this title.

3 ***

4 (t) No permit or permit amendment is required for the construction of
5 improvements for an accessory on-farm business for the storage or sale of qualifying
6 products or the other eligible enumerated products as defined in 24 V.S.A. §
7 4412(11)(A)(i)(I). No permit or permit amendment is required for the construction of
8 improvements for an accessory on-farm business for the preparation or processing of
9 qualifying products as defined in 24 V.S.A. § 4412(11)(A)(i)(I), provided that more than
10 50 percent of the total annual sales of the prepared or processed qualifying products come
11 from products produced on the farm where the business is located. This subsection shall
12 not apply to the construction of improvements related to hosting events or farm stays as
13 part of an accessory on-farm business as defined in 24 V.S.A. § 4412(11)(A)(i)(II).

14 (u) A building constructed prior to January 1, 2011 in accordance with
15 subdivision 6001(3)(D)(iv) of this title shall not be subject to an enforcement
16 action under this chapter for:

17 (1) construction or any event or activity at the building that
18 occurred prior to January 1, 2011; and

19 (2) any event or activity at the building on or after January 1,
20 2011 if the building is used solely for the purpose of an agricultural fair.

21 (v) A permit or permit amendment shall not be required for a
22 development or subdivision in a designated downtown development district for
23 which the District Commission has issued positive findings and conclusions
24 under section 6086b of this title on all the criteria listed in that section. A
25 person shall obtain new or amended findings and conclusions from the District
26 Commission under section 6086b of this title prior to commencement of a

1 material change, as defined in the rules of the Board, to a development or
2 subdivision for which the District Commission has issued such findings and
3 conclusions. A person may seek a jurisdictional opinion under section 6007 of
4 this title concerning whether such a change is a material change.

5 ***

6 (y) Until ~~December 31, 2030~~ July 1, 2035, no permit or permit
7 amendment is required for a retail electric distribution utility's rebuilding of
8 existing electrical distribution lines and related facilities to improve reliability
9 and service to existing customers, through overhead or underground lines in an
10 existing corridor, road, or State or town road right-of-way. Nothing in this
11 section shall be interpreted to exempt projects under this subsection from other
12 required permits or the conditions on lands subject to existing permits required
13 by this section.

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

18 Units constructed pursuant to this subsection shall not count towards the total
19 units constructed in other Tier areas.

20 (2) Notwithstanding any other provision of this chapter to the
21 contrary, no permit or permit amendment is required within a Tier 1B area
22 approved by the Board under section 6033 of this chapter for the subdivision
23 for or construction of 50 units or fewer of housing on a tract or tracts of land
24 involving 10 acres or less or for mixed-use development with 50 units or fewer
25 of housing on a tract or tracts of land involving 10 acres or less. Units

1 constructed pursuant to this subsection shall not count towards the total units
2 constructed in other Tier areas.

3 _____ (i) No permit or permit amendment is required for any
4 subdivision, development, or change to an existing project, as defined by
5 Board rules, for priority housing projects in Tier 1B eligible areas up to 50
6 units.

7 _____ (ii) (i) No permit or permit amendment is required for
8 any subdivision, development, or change to an existing project, as defined by
9 Board rules, for priority housing projects in Tier 1B areas up to 75 units.

10 (3) Upon receiving notice and a copy of the permit issued by an
11 appropriate municipal panel pursuant to 24 V.S.A. § 4460(g), a previously
12 issued permit for a development or subdivision located in a Tier 1A area shall
13 remain attached to the property. However, neither the Board nor the Agency of
14 Natural Resources shall enforce the permit or assert amendment jurisdiction on
15 the tract or tracts of land unless the designation is ~~revoked~~ terminated or the
16 municipality has not taken any reasonable action to enforce the conditions of
17 the permit. The permit may also be discharged upon request of the permittee
18 pursuant to 10 V.S.A. §6091(e).

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

22 (bb) Until July 1, 2028 July 1, 2035, no permit or permit amendment is
23 required for the construction of improvements for one accessory dwelling unit
24 constructed within or appurtenant to a single-family dwelling. Units

1 constructed pursuant to this subsection shall not count towards the total units
2 constructed in other projects.

3 (cc) Until ~~July 1, 2028~~ July 1, 2035, no permit amendment is required
4 for the construction of improvements for converting a structure used for a
5 ~~commercial purpose~~ non-residential structure to 29 or fewer housing units.

6 (dd) Interim housing exemptions.

7 (1) Notwithstanding any other provision of law to the contrary,
8 until ~~January, 2027~~ July 1, 2035, no permit or permit amendment is required
9 for the subdivision for, or the construction of, housing projects and mixed-use
10 development such as cooperatives, condominiums, dwellings, or mobile
11 homes, with 75 units or fewer, constructed or maintained on a tract or tracts of
12 land, located entirely within the areas of a designated new town center, a
13 designated growth center, or a designated neighborhood development area
14 served by public sewer or water services or soils that are adequate for
15 wastewater disposal. Housing units constructed pursuant to this subdivision
16 shall not count towards the total units constructed in other areas. This
17 exemption shall not apply to ~~areas within mapped river corridors and~~
18 ~~floodplains except those areas containing preexisting development in areas~~
19 ~~suitable for infill development as defined in 29-201 of the Vermont Flood~~
20 ~~Hazard Area and River Corridor Rule 10 V.S.A. §6001(52), with adequate~~
21 ~~measures taken to ensure flood resilience.~~ identified flood hazard and fluvial
22 erosion areas, except those areas containing preexisting development in areas
23 suitable for infill development as defined in § 29-201 of the Vermont Flood
24 Hazard Area and River Corridor Rule or unless the municipality has adopted
25 flood hazard and river corridor bylaws applicable to the entire municipality

1 that are consistent with the standards established pursuant to 10 V.S.A.
2 §755(b) and 10 V.S.A. §428(b).

3 (2)(A) Notwithstanding any other provision of law to the
4 contrary, until July 1, ~~2027~~ 2035, no permit or permit amendment is required
5 for the subdivision for, or the construction of housing projects and mixed use
6 development such as cooperatives, condominiums, dwellings, or mobile
7 homes, with 50 or fewer units, constructed or maintained on a tract or tracts of
8 land of 10 acres or less, located entirely within:

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

14 (ii) areas of a municipality that are within a
15 ~~census designated urbanized area~~ adjusted federal aid urban areas as approved
16 by the federal highway administration with over 50,000 residents ~~and~~ or within
17 one-quarter mile of a transit route in existence and mapped as of July 1, 2024
18 and which may be further defined and updated by Board rule or guidance.

19 (B) Housing units constructed pursuant to this
20 subdivision (2) shall not count towards the total units constructed in other
21 areas. This exemption shall not apply to identified flood hazard and fluvial
22 erosion areas, except those areas containing preexisting development in areas
23 suitable for infill development as defined in § 29-201 of the Vermont Flood
24 Hazard Area and River Corridor Rule or unless the municipality has adopted
25 flood hazard and river corridor bylaws applicable to the entire municipality
26 that are consistent with the standards established pursuant to 10 V.S.A.

1 ~~§755(b) and 10 V.S.A. §428(b). This exemption shall not apply to areas within~~
2 ~~mapped river corridors and floodplains except those areas containing~~
3 ~~preexisting development in areas suitable for infill development as defined in~~
4 ~~29-201 of the Vermont Flood Hazard Area and River Corridor Rule 10 V.S.A.~~
5 ~~§6001(52), with adequate measures taken to ensure flood resilience.~~ For
6 purposes of this subdivision, ~~in order for~~ a parcel shall ~~to~~ qualify for the
7 exemption, ~~at least 51 percent~~ if any part of the parcel ~~shall be~~ is located
8 within one-quarter mile of the designated village center boundary or the center
9 line of the transit route. If the one-quarter mile extends into an adjacent
10 municipality, the legislative body of the adjacent municipal may inform the
11 Board that it does not want the exemption to extend into that area.

12 (3) Notwithstanding any other provision of law to the contrary,
13 until ~~January 1, 2027~~ July 1, 2035, no permit or permit amendment is required
14 for the construction of or subdivision for, or the housing projects and mixed
15 use development such as cooperatives, condominiums, dwellings, or mobile
16 homes, constructed or maintained on a tract or tracts of land, located entirely
17 within a designated downtown development district with permanent zoning
18 and subdivision bylaws served by public sewer or water services or soils that
19 are adequate for wastewater disposal or extending to the terminus of the areas
20 served by public sewer or water services if beyond area of the development
21 district. Housing units constructed pursuant to this subdivision shall not count
22 towards the total units constructed in other areas. This exemption shall not
23 apply to areas within mapped river corridors and floodplains except those areas
24 containing preexisting development in areas suitable for infill development as
25 defined in 29-201 of the Vermont Flood Hazard Area and River Corridor Rule
26 or unless the municipality has adopted flood hazard and river corridor bylaws

1 applicable to the entire municipality that are consistent with the standards
2 established pursuant to 10 V.S.A. §755(b) and 10 V.S.A. §428(b).

3 (4) This provision (dd) is effective retroactively to July 1, 2023.
4 Any project permitted after July 1, 2023 that meets the requirements of this
5 section may seek a discharge of the permit from the District Commission.

6 * * *Discharge of Act 250 Permits and Jurisdiction * * *

7 Sec. __10 V.S.A. § 6091 is amended to read:

8 § 6091. Renewals, discharge, and nonuse

9 (a) Renewal. At the expiration of each permit, it may be renewed under
10 the same procedure herein specified for an original application.

11 (b) Nonuse of permit. Nonuse of a permit for a period of three years
12 following the date of issuance shall constitute an abandonment of the
13 development or subdivision and the permit shall be considered expired. For
14 purposes of this section, for a permit to be considered “used,” construction
15 must have commenced and substantial progress toward completion must have
16 occurred within the three-year period, unless construction is delayed by
17 litigation or proceedings to secure other permits or to secure title through
18 foreclosure, or unless, at the time the permit is issued or in a subsequent
19 proceeding, the District Commission provides that substantial construction
20 may be commenced more than three years from the date the permit is issued.

21 (c) Extensions. If the application is made for an extension prior to
22 expiration, the District Commission may grant an extension and may waive the
23 necessity of a hearing.

24 (d) Completion dates for developments and subdivisions. Permits shall
25 include dates by which there shall be full or phased completion. The “Land
26 Use Review Board, by rule, shall establish requirements for review of those

1 portions of developments and subdivisions that fail to meet their completion
 2 dates, giving due consideration to fairness to the parties involved, competing
 3 land use demands, and cumulative impacts on the resources involved. If
 4 completion has been delayed by litigation, proceedings to secure other permits,
 5 proceedings to secure title through foreclosure, or because of market
 6 conditions, the District Commission shall provide that the completion dates be
 7 extended for a reasonable period of time.

8 (e) Discharge of permits. Existing permits and jurisdiction encumbering
 9 a parcel may be discharged by the district commission or LURB upon request
 10 of the parcel owner or permittee if the use the parcel is changed to a use that
 11 would not otherwise trigger jurisdiction or the parcel falls within an area
 12 otherwise exempt from jurisdiction as approved by LURB. The discharge will
 13 not apply to other state and local permitting jurisdiction.

14 (1) The district commission or LURB may deny a request for
 15 permit discharge if the permit contains ongoing conditions that relate to the use
 16 of the property. The LURB shall be responsible for continued review and
 17 enforcement of these conditions.

18 (2) Appeals. A denial of a request for discharge may be
 19 appealed to Environmental Division of the Superior Court.

20 * * *

21 * * * PHP Act 250 Exemption Jurisdictional Opinion * * *

22 Sec. __ Act 47 (2023) Sec. 16a. ACT 250 EXEMPTION REQUIREMENTS is
 23 amended to read:

24 Sec. 16a. Act 250 Exemption Requirements

25 ~~In order to qualify for the exemptions established in 10 V.S.A. § 6001~~

26 ~~(3)(A)(xi) and (3)(D)(viii)(III); a A person shall may request a jurisdictional~~

1 opinion under 10 V.S.A. § 6007 ~~on or before June 30, 2026~~ to confirm a
2 project is exempted under exemptions established in 10 V.S.A. § 6001
3 (3)(A)(xi) and (3)(D)(viii)(III). The jurisdictional opinion shall require the
4 project to substantially complete construction on or before ~~June 30, 2029~~ July
5 1, 2035 in order to remain exempt. A jurisdictional opinion is not required to
6 utilize the exemption.

7 ***

8 ***LURB Public Meeting Exemption***

9 Sec. __. 3 V.S.A. § 312 is amended to read:

10 § 312. Right to attend meetings of public agencies

11 ***

12 (e) Nothing in this section or in section 313 of this title shall be
13 construed as extending to the Judicial Branch of the Government of Vermont
14 or of any part of the same or to the Public Utility Commission or the Land Use
15 Review Board established in 10 V.S.A. § 6021; nor shall it extend to the
16 deliberations of any public body in connection with a quasi-judicial
17 proceeding; nor shall anything in this section be construed to require the

1 making public of any proceedings, records, or acts which are specifically made
2 confidential by the laws of the United States of America or of this State.

3 ***

4 * * * **WETLANDS REGULATORY REFORM** * * *

5 Chapter 37: Wetlands Protection and Water Resources Management

6 Sec. __ 10 V.S.A. §902 is amended to read:

7 §902. Definitions

8 Wherever used or referred to in this chapter, unless a different meaning
9 clearly appears from the context:

10 ***

11
12 (7) “Class II wetland” means a wetland other than a Class I or Class III
13 wetland that:

14 (A) is a mapped wetland identified on the Vermont significant
15 wetlands inventory maps; or

16 (B) is an unmapped wetland the Secretary determines to merit
17 protection, pursuant to section 914 of this title, based upon an evaluation of the
18 extent to which it serves the functions and values set forth in subdivision
19 905b(18)(A) of this title and the rules of the Department.

20 (8) “Class III wetland” means a wetland that is neither a Class I
21 wetland nor a Class II wetland.

22 (9) “Buffer zone” means an area contiguous to a significant wetland
23 that protects the wetland’s functions and values. The buffer zone for a Class I
24 wetland shall extend at least 100 feet from the border of the wetland, unless the
25 Department determines otherwise under section 915 of this title. The buffer
26 zone for a Class II wetland shall extend at least 50 feet from the border of the

1 wetland unless the Secretary determines otherwise under section 914 of this
2 title. Notwithstanding this section, the buffer zone of a Class II wetland shall
3 be 25 feet in: industrial parks as defined in section 212(7) of this Title and
4 permitted under Chapter 151 of this Title; and Downtowns, Village Centers,
5 New Town Centers, Growth Centers and Neighborhood Development Areas
6 designated by the Agency of Commerce and Community Development; and
7 Tier 1A and Tier 1B areas approved by the Land Use Review Board and
8 locations meeting the requirements established in subsection 6081(z) of this
9 Title to be eligible for an interim exemption from the permit or permit
10 amendment requirements of Chapter 151 of this Title.

11 ~~——(10) “Panel” means the Water Resources Panel of the Agency of~~
12 ~~Natural Resources.~~

13 ~~——(11) (10) “Significant wetland” means any Class I or Class II wetland.~~

14 ~~——(12) (11) “Secretary” means the Secretary of Natural Resources or the~~
15 ~~Secretary’s authorized representative.~~

16 ***

17 10 V.S.A § 913. is amended to read:

18 10 V.S.A § 913. Prohibition

19 (a) Except for allowed uses adopted by the Department by rule, no
20 person shall conduct or allow to be conducted an activity in a significant

1 wetland or buffer zone of a significant wetland except in compliance with a
2 permit, conditional use determination, or order issued by the Secretary.

3 (b) A permit shall not be required under this section for:

4 (1) any activity that occurred before the effective date of this
5 section unless the activity occurred within:

6 (A) an area identified as a wetland on the Vermont
7 significant wetlands inventory maps;

8 (B) a wetland that was contiguous to an area identified
9 as a wetland on the Vermont significant wetlands inventory maps;

10 (C) the buffer zone of a wetland referred to in
11 subdivision (A) or (B) of this subdivision (1);

12 (2) any construction within a wetland that is identified on the
13 Vermont significant wetlands inventory maps or within the buffer zone of such
14 a wetland, provided that the construction was completed prior to February 23,
15 1992, and no action for which a permit is required under the rules of the
16 Department was taken or caused to be taken on or after February 23, 1992; or

17 (3) Any construction or activity in an unmapped Class II
18 wetland located in industrial parks as defined in section 212(7) of this Title and
19 under Chapter 151 of this Title; and Downtowns, Village Centers, New Town
20 Centers, Growth Centers and Neighborhood Development Areas designated by
21 the Agency of Commerce and Community Development; and Tier 1A and Tier
22 1B areas approved by the Land Use Review Board and locations meeting the
23 requirements established in subsection 6081(z) of this Title to be eligible for an

1 interim exemption from the permit or permit amendment requirements of

2 Chapter 151 of this Title.

3 ***

4 10 V.S.A § 914. Is amended to read:

5 §914. Wetlands determinations

6 (a) The Secretary may, upon a petition or on his or her own motion,
7 determine whether any wetland is a Class II or Class III wetland. Such
8 determinations shall be based on an evaluation of the functions and values set
9 forth in subdivision 905b(18)(A) of this title and the rules of the Department.

10 (b) The Secretary may establish the necessary width of the buffer zone
11 of any Class II wetland as part of any wetland determination pursuant to the
12 rules of the Department; except that the buffer zone of a Class II wetland shall
13 be 25 feet in: existing industrial parks as defined in section 212(7) of this Title
14 that hold a state land use permit under Chapter 151 of this Title; and
15 Downtowns, Village Centers, New Town Centers, Growth Centers and
16 Neighborhood Development Areas designated by the Agency of Commerce
17 and Community Development; and Tier 1A and Tier 1B areas approved by the
18 Land Use Review Board and locations meeting the requirements established in

1 subsection 6081(z) of this Title to be eligible for an interim exemption from
2 the permit or permit amendment requirements of Chapter 151 of this Title .

3 (c) The provisions of chapter 170 of this title shall apply to issuance of
4 determinations under this section.

5 ***

6 10 V.S.A. § 918 is amended to read:

7 § 918. Net gain of wetlands; State goal; rulemaking

8 (a) On or before July 1, ~~2025~~ 2026, the Secretary of Natural Resources shall
9 amend the Vermont Wetlands Rules pursuant to 3 V.S.A. chapter 25 to clarify
10 that the goal of wetlands regulation and management in the State is the net gain
11 of wetlands to be achieved through protection of existing wetlands and
12 restoration of wetlands that were previously adversely affected. ~~This condition~~
13 ~~shall not apply to wetland, river, and flood plain restoration projects, including~~
14 ~~dam removals.~~

15 (b) The Vermont Wetlands Rules shall prioritize the protection of
16 existing intact wetlands from adverse effects. Where a permitted activity in a
17 wetland will cause more than 5,000 square feet of adverse effects that cannot
18 be avoided, the Secretary shall mandate that the permit applicant restore,
19 enhance, or create wetlands or buffers to compensate for the adverse effects on
20 a wetland. The amount of wetlands to be restored, enhanced, or created shall
21 be calculated, at a minimum, by determining the acreage or square footage of
22 wetlands permanently drained or filled as a result of the permitted activity and
23 multiplying that acreage or square footage by two, to result in a ratio of 2:1
24 restoration to wetland loss; except that a ratio of 1:1 restoration to wetland loss
25 shall be applicable to existing industrial parks as defined in section 212(7) of
26 this Title that hold a state land use permit under Chapter 151 of this Title;

1 Downtowns, Village Centers, New Town Centers, Growth Centers and
2 Neighborhood Development Areas designated by the Agency of Commerce
3 and Community Development; Tier 1A and Tier 1B areas approved by the
4 Land Use Review Board; and locations meeting the requirements established
5 in subsection 6081(z) of this Title to be eligible for an interim exemption from
6 the permit or permit amendment requirements of Chapter 151 of this Title.

7 Establishment of a buffer zone contiguous to a wetland shall not substitute for
8 the restoration, enhancement, or creation of wetlands. Adverse impacts to
9 wetland buffers shall be compensated for based on the effects of the impact on
10 wetland function.

11 ***

12 10 V.S.A. § 919 is amended to read:

13 § 919. Wetlands program reports

14 (a) On or before April 30, 2025, and annually thereafter, the Secretary of
15 Natural Resources shall submit to the House Committee on Environment ~~and~~
16 ~~Energy~~ and to the Senate Committee on Natural Resources and Energy a report
17 on annual losses and gains of significant wetlands in the State. The report shall
18 include:

19 (1) the location and acreage of Class II wetland and buffer losses
20 permitted by the Agency in accordance with section 913 of this title, for which
21 construction of the permitted project has commenced;

22 (2) the acreage of Class II wetlands and buffers gained through
23 permit-related enhancement and restoration, and an estimate of wetlands
24 gained through wetland, river, and flood plain restoration projects, including
25 dam removals.

26 ***

1 (b) On or before April 30, 2027, and every five years thereafter, the
2 Agency of Natural Resources shall submit to the House Committee on
3 Environment ~~and Energy~~ and to the Senate Committee on Natural Resources
4 and Energy a comprehensive report on the status of wetlands in the State. The
5 report shall include:

6 ***

7 (c) On or before December 15, 2025, the Agency of Natural Resources
8 shall publish on its website and submit to the House Committee on
9 Environment and to the Senate Committee on Natural Resources and Energy
10 wetland guidance on the mitigation and compensation sequence contemplated
11 in Vermont Wetland Rule Sections 9.5.b and c; guidance shall clearly identify
12 the process applicants should follow and the information and proof necessary
13 to demonstrate a project has practicably avoided and minimized wetland
14 impacts and is eligible for mitigation during the state wetland permit
15 application process.

16 ***

17 * * * **REGULATORY REFORMS – 24 V.S.A. CHAPTER 117** * * *

18 Sec. __ 24 V.S.A. § 4348 is amended to read:

19 § 4348. Adoption and amendment of regional plan

20 ***

21 (g) A regional plan or amendment shall be adopted by not less than a
22 60 percent vote of the commissioners representing municipalities, in
23 accordance with the bylaws of the regional planning commission. A regional
24 plan shall be effective upon adoption for regional purposes and will remain

1 effective for purposes other than future land use mapping if not approved by
2 the Land Use Review Board.

3 ***

4 (p) Regional planning commissions shall adopt a regional plan in
5 conformance with this title after July 1, 2025, and on or before December 31,
6 2026.

7 * * *

8 ***Consistency of Flood Planning requirements***

9 Sec. ____ 24 V.S.A. § 4348a (12)(B) is amended as follows:

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

17 ***

18 * * * Community Investment Board Transition * * *

19 Sec. __. 24 V.S.A. § 5802 is amended to read:

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

22 ***

23 (6) to assume authority over any remaining powers and
24 responsibilities of the former Downtown Board under 24 V.S.A. Chapter 76A.

1 The Community Investment Board is the successor entity of the Downtown
2 Board with all due rights, duties, and authority transferred thereto.

3 * * *

4 ***Designations Transition***

5 Sec. ____ 24 V.S.A. Chapter 139 shall be amended as follows:

6 § 5803. Designated Downtown and Village Centers

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

15 ***

16 (e) Transition. All designated downtowns, village centers, or new town
17 centers existing as of December 31, 2025 will retain current benefits until
18 December 31, ~~2026~~ 2027 or until approval of the regional future land use maps
19 by the LURB, whichever comes first. All existing designations in effect
20 December 31, 2025 will expire December 31, ~~2026~~ 2027 if the regional plan
21 does not receive LURB approval under this chapter. All benefits for unexpired
22 designated downtowns, village centers, and new town centers that are removed
23 under this chapter shall remain in effect until July 1, ~~2034~~ 2035. Prior to June
24 30, ~~2026~~ 2027, no check-in or renewals shall be required for the preexisting
25 designations. New applications for downtowns, villages, and new town centers
26 may be approved by the State Board prior to the first public hearing on a

1 regional future land use map or until December 31, 2025, whichever comes
2 first.

3 (f) Benefits Steps. A center may receive the benefits associated with the
4 steps in this section by meeting the established requirements. The Department
5 shall review applications from municipalities to advance from Step One to
6 Two and from Step Two to Three and issue written decisions. The Department
7 shall issue a written administrative decision within 30 days following an
8 application. If a municipal application is rejected by the Department, the
9 municipality may appeal the administrative decision to the State Board. To
10 maintain a downtown approved under chapter 76A after December 31, ~~2026~~
11 2035, the municipality shall apply for renewal following a regional planning
12 approval by the LURB and meet the program requirements. Step Three
13 designations that are not approved for renewal revert to Step Two. The
14 municipality may appeal the administrative decision of the Department to the
15 State Board. Appeals of administrative decisions shall be heard by the State
16 Board at the next meeting following a timely filing stating the reasons for the
17 appeal. The State Board's decision is final. The Department shall issue
18 guidance to administer these steps.

19 ***

20 § 5804. Designated Neighborhood

21 ***

22 (b) Transition. All designated growth center or neighborhood
23 development areas existing as of December 31, 2025 will retain current
24 benefits until December 31, ~~2026~~ 2027 or upon approval of the regional plan
25 future land use maps, whichever comes first. All existing neighborhood
26 development area and growth center designations in effect on December 31,

1 2025 will expire on December 31, ~~2026~~ 2027 if the regional plan future land
2 use map is not approved. All benefits that are removed for unexpired
3 neighborhood development areas and growth centers under this chapter shall
4 remain active with prior designations existing as of December 31, 2025 until
5 December 31, ~~2034~~ 2035. Prior to December 31, ~~2026~~ 2027, no check-ins or
6 renewal shall be required for the existing designations. New applications for
7 neighborhood development area designations may be approved by the State
8 Board prior to the first hearing for a regional plan adoption or until December
9 31, 2025, whichever comes first.

10 ***

11 *** APPEALS ***

12 ***Priority for hearing of Act 250 and LURB Appeals***

13 10 V.S.A. § 6089. Appeals is amended to read:

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

21 (b) Except as to cases the court considers of greater importance,
22 proceedings involving development of residential housing before the
23 Environmental Division of the Superior Court, as authorized by this section,
24 and appeals there from, take precedence on the docket over all cases and shall
25 be assigned for hearing and trial or for argument at the earliest practicable date
26 and expedited in every way.

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26

Municipal Zoning Appeals

Sec. __. 24 V.S.A. § 4465. APPEALS OF DECISIONS OF THE ADMINISTRATIVE OFFICER

24 V.S.A. § 4465 is amended to read:

* * *

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

* * *

(4) Any ~~20~~ persons equal to a minimum of 20 percent of the most recent U.S. Census Bureau population estimate of the municipality who may be any combination of voters, residents, or real property owners within a municipality listed in subdivision (2) of this subsection who, by signed petition to the appropriate municipal panel of a municipality, the plan or a bylaw of which is at issue in any appeal brought under this title, allege that any relief requested by a person under this title, if granted, will not be in accord with the policies, purposes, or terms of the plan or bylaw of that municipality. This petition to the appropriate municipal panel must designate one person to serve as the representative of the petitioners regarding all matters related to the appeal. For purposes of this subdivision, an appeal shall not include the character of the area affected if the project has a residential component that includes affordable housing.

(d) A party appealing a land use decision must demonstrate a clear and substantial departure from the comprehensive plan or land use regulation that directly affects their property.

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26

*** Priority for hearing of Housing Appeals ***

Sec. __. 24 V.S.A. §4471. Appeal to Environmental Division
24 V.S.A. §4471 is amended to read:

(f) Except as to cases the court considers of greater importance, proceedings involving development of residential housing before the Environmental Division of the Superior Court, as authorized by this section, and appeals there from, take precedence on the docket over all cases and shall be assigned for hearing and trial or for argument at the earliest practicable date and expedited in every way.

(g) A party appealing a land use decision must demonstrate a clear and substantial departure from the comprehensive plan or land use regulation that directly affects their property.

*** Environmental Division Housing Appeals***

10 V.S.A. § 8504 is amended to read:
§ 8504. APPEALS TO THE ENVIRONMENTAL DIVISION

(4) it shall be the goal of the Environmental Division to hear cases involving development of residential housing within 60 days and to issue a decision on a case involving development of residential housing or regarding an appeal of an appropriate municipal panel decision under 24 V.S.A. chapter 117 within 90 days following the close of the hearing.

Attorney's Fees and Costs

Sec. __. 10 V.S.A. Chapter 220: Consolidated Environmental Appeals. §8507 is added:
§ 8507. Legal Fees and Associated Costs of Appeal:

1 (a) If an aggrieved person elects to appeal the judgment of the
 2 appropriate municipal panel on an approved application for a project involving
 3 residential housing to the court under this chapter, and court rules in favor of
 4 the applicant, the court shall require the aggrieved person to compensate, in a
 5 sufficient sum as the court directs, the permit applicant for an amount not to
 6 exceed \$50,000 consisting of: (1) the permit applicant’s reasonable attorney’s
 7 fees; (2) tangible costs incurred by the permit applicant in defending the
 8 permit, such as costs of studies and other analysis.

9 (b) The court may grant dispensation from the compensation required
 10 in section (a) for aggrieved persons that can demonstrate undue hardship due to
 11 income status or other factors in the court’s discretion.

12 ***

13 * * * **PROGRAMS** * * *

14 * * * Vermont Rental Housing Improvement Program * * *

15 Sec. __. 10 V.S.A. § 699 is amended to read:

16 § 699. VERMONT RENTAL HOUSING IMPROVEMENT PROGRAM

17 (a) Creation of Program.

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

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

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

4 (4) The Department may utilize a reasonable percentage, up to a cap of
5 five percent, of appropriations made to the Department for the Program to
6 administer the Program.

7 (5) The Department may cooperate with and subgrant funds to State
8 agencies and governmental subdivisions and public and private organizations
9 in order to carry out the purposes of this subsection.

10 (A) Entities, including grantees, subgrantees, and contractors of the
11 State of Vermont, carrying out the purposes of this subdivision are exempt
12 from 8 V.S.A. Chapter 073, the Vermont Licensed Lenders Law.

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

15 (1) Non-code compliant.

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

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

20 (i) that prohibit permanent, involuntary displacement of the current
21 residents;

22 (ii) that provide for the temporary relocation of the current
23 residents if necessary to perform the rehabilitation; and

24 (iii) that ensure that the landlord complies with the affordability
25 requirements of the Program following the rehabilitation.

26 (2) New units. The unit will be:

1 (A) a newly created accessory dwelling unit that meets the requirements
2 of 24 V.S.A. § 4412(1)(E);

3 (B) a newly created unit within an existing structure;

4 (C) a newly created residential structure that is a single unit; or

5 (D) a newly created unit within a newly created structure that contains
6 five or fewer residential units.

7 (c) Administration. The Department shall require a housing organization
8 that receives funding under the Program to adopt:

9 (1) a standard application form that describes the application process and
10 includes instructions and examples to help landlords apply;

11 (2) an award process that ensures equitable selection of landlords,
12 subject to a housing organization's exercise of discretion based on the factors
13 adopted by the Department pursuant to subsection (a) of this section; and

14 (3) a grant and loan management system that ensures accountability for
15 funds awarded.

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

17 (1)(A) A grant or loan shall not exceed:

18 ~~(i) \$70,000.00 per unit, for rehabilitation or creation of an~~
19 ~~eligible rental housing unit meeting the applicable building accessibility~~
20 ~~requirements under the Vermont Access Rules; or~~

21 ~~(ii) (i) \$50,000.00 per unit, for rehabilitation or creation of any~~
22 other eligible rental housing unit.

23 (ii) Up to an additional \$20,000 per unit may be made available for
24 specific elements that collectively bring the unit to the Visitable standard
25 outlined in the Vermont Access Rules.

1 (B) In determining the amount of a grant or loan, a housing
2 organization shall consider the number of bedrooms in the unit, whether the
3 unit is being rehabilitated or newly created, whether the project includes
4 accessibility improvements, and whether the unit is being converted from
5 nonresidential to residential purposes.

6 (2) A landlord shall contribute matching funds or in-kind services that
7 equal or exceed 20 percent of the value of the grant or loan.

8 (3) A project may include a weatherization component.

9 (4) A project shall comply with applicable building, housing, and health
10 laws.

11 (5) The terms and conditions of a grant or loan agreement apply to the
12 original recipient and to a successor in interest for the period the grant or loan
13 agreement is in effect.

14 (6) The identity of a recipient, the amount of a grant or forgivable loan,
15 the year in which the grant or forgivable loan was extended, and the year in
16 which any affordability covenant ends are public records that shall be available
17 for public copying and inspection and the Department shall publish this
18 information at least quarterly on its website.

19 (7) A project for rehabilitation or creation of an accessible unit may
20 apply funds to the creation of a parking spot for individuals with disabilities.

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

24 (1) A landlord shall coordinate with nonprofit housing partners and local
25 ~~coordinated entry homelessness~~ service organizations approved by the
26 Department to identify potential tenants.

1 (2)(A) Except as provided in subdivision (2)(B) of this subsection (e), a
2 landlord shall lease the unit to a household that is:

3 (i) exiting homelessness, including any individual under 25 years
4 of age who secures housing through a master lease held by a youth service
5 provider on behalf of individuals under 25 years of age;

6 (ii) actively working with an immigrant or refugee resettlement
7 program; or

8 (iii) composed of at least one individual with a disability who
9 receives or is eligible-approved to receive Medicaid-funded home and
10 community based services or Social Security Disability Insurance (SSDI).

11 (iv) an organization that will hold a Master Lease that explicitly
12 states the unit will be used in service of the populations described in this
13 subsection and is approved by the Department in writing.

14 (B) If, upon petition of the landlord, the Department or the housing
15 organization that issued the grant determines that a household under
16 subdivision (A) of this subdivision (e)(2) is not available to lease the unit, then
17 the landlord shall lease the unit:

18 (i) to a household with an income equal to or less than 80 percent
19 of area median income; or

20 (ii) if such a household is unavailable, to another household with
21 the approval of the Department or housing organization.

22 (3)(A) A landlord shall accept any housing vouchers that are available to
23 pay all, or a portion of, the tenant's rent and utilities.

24 (B) If no housing voucher or federal or State subsidy is available, the
25 total cost of rent for the unit, including utilities not covered by rent payments,

1 shall not exceed the applicable fair market rent established by the Department
2 of Housing and Urban Development.

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

5 (B) A landlord who converts a grant to a forgivable loan shall receive
6 a ~~10-percent~~ pro-rated credit for loan forgiveness for each year in which the
7 landlord participates in the Program.

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

11 (1)(A) Rent charged for each unit assisted by the Program shall not
12 exceed HUD Fair Market Rent for rent and utilities for the duration of the loan
13 period.

14 (B) Except, a landlord may accept a housing voucher that exceeds
15 HUD Fair Market Rent if available.

16 ~~(1) A landlord shall coordinate with nonprofit housing partners and local~~
17 ~~coordinated entry organizations to identify potential tenants.~~

18 ~~(2)(A) Except as provided in subdivision (2)(B) of this subsection (f), a~~
19 ~~landlord shall lease the unit to a household that is:~~

20 ~~———— (i) exiting homelessness, including any individual under 25 years~~
21 ~~of age who secures housing through a master lease held by a youth service~~
22 ~~provider on behalf of individuals under 25 years of age;~~

23 ~~———— (ii) actively working with an immigrant or refugee resettlement~~
24 ~~program; or~~

25 ~~———— (iii) composed of at least one individual with a disability who is~~
26 ~~eligible to receive Medicaid-funded home and community-based services.~~

1 ~~———(B) If, upon petition of the landlord, the Department or the housing~~
2 ~~organization that issued the grant determines that a household under~~
3 ~~subdivision (2)(A) of this subsection (f) is not available to lease the unit, then~~
4 ~~the landlord shall lease the unit:~~

5 ~~——(i) to a household with an income equal to or less than 80 percent~~
6 ~~of area median income; or~~

7 ~~(ii) if such a household is unavailable, to another household with~~
8 ~~the approval of the Department or housing organization.~~

9 ~~(3)(A) A landlord shall accept any housing vouchers that are available to~~
10 ~~pay all, or a portion of, the tenant's rent and utilities.~~

11 ~~———(B) If no housing voucher or federal or State subsidy is available, the~~
12 ~~cost of rent for the unit, including utilities not covered by rent payments, shall~~
13 ~~not exceed the applicable fair market rent established by the Department of~~
14 ~~Housing and Urban Development.~~

15 ~~(4)(2)~~ The Department shall forgive 10 percent of the amount of a
16 forgivable loan for each year a landlord participates in the loan program.

17 (g) [Repealed.]

18 (h) Lien priority. A lien for a grant converted to a loan or for a forgivable
19 loan issued pursuant to this section is subordinate to:

20 (1) a lien on the property in existence at the time the lien for
21 rehabilitation and weatherization of the rental housing unit is filed in the land
22 records; and

23 (2) a first mortgage on the property that is refinanced and recorded after
24 the lien for rehabilitation and weatherization of the rental housing unit is filed
25 in the land records.

1 (i) Creation of The Vermont Rental Housing Improvement Program Revolving
2 Fund.

3 (1) Funds repaid or returned to the Department of Housing and Community
4 Development from forgivable loans or grants funded by the Program shall
5 return to the Vermont Rental Housing Improvement Revolving Fund to be
6 used for program expenditures, and administrative costs at the discretion of the
7 Department.

8 * * * MHIR * * *

9 Sec. __ 10 V.S.A. 700 is created and amended to read:

10 § 700. VERMONT MANUFACTURED HOME IMPROVEMENT AND
11 REPAIR PROGRAM

12 (a) Creation of Program.

13 (1) There is created within The Department of Housing and Community
14 Development (the Department) the Manufactured Home Improvement and
15 Repair Program (the Program). The Department shall design and implement
16 the Program through which the Department shall award funding to statewide or
17 regional nonprofit housing organizations, or both, to provide financial
18 assistance or awards to manufactured homeowners and manufactured home
19 park owners to improve existing homes, incentivize new slab placement for
20 prospective homeowners, and incentivize park improvements for infill of more
21 homes.

22 (2) The Program shall consist of three eligible project types:

23 (A) Manufactured Home Community Infill Awards. The
24 Department may award up to \$20,000 for owners of manufactured housing
25 communities to complete small-scale capital needs to help infill vacant lots
26 with homes, which may include projects such as disposal of abandoned homes.

1 lot grading/preparation, site electrical box issues/upgrades, E911 safety issues,
2 legal fees, transporting homes out of flood zones, individual septic system, and
3 marketing to help make it easier for home-seekers to find vacant lots around
4 the State.

5 (B) Manufactured home repair grants. The Department may award
6 funding to manufactured homeowners for which the home is their primary
7 residence, to address habitability and accessibility issues for homes that can be
8 brought up to a safe living condition.

9 (C) New manufactured home foundation grants. The Department may
10 award not more than \$15,000.00 per grant for a homeowner to pay for a
11 foundation or HUD-approved slab, site preparation, skirting, tie-downs, and
12 utility connections on vacant lots within manufactured home communities.

13 (3) The Department may develop additional rules, policy, and guidelines
14 to aid in enacting the program.

15 ***

16 *** Downtown and Village Center Tax Credits ***

17 Sec. __ 32 V.S.A. § 5930ee is amended to read:

18 § 5930ee. LIMITATIONS

19 Beginning in fiscal year 2010 and thereafter, the State Board may award tax
20 credits to all qualified applicants under this subchapter, provided that:

21 (1) the total amount of tax credits awarded annually, together with sales
22 tax reallocated under section 9819 of this title, does not exceed ~~\$3,000,000.00~~
23 \$5,000,000;

24 ***

25 *** STRATEGIC PROJECTS FOR ADVANCING RURAL COMMUNITIES

26 (SPARC)***

1 Sec. __ 24 V.S.A. Subchapter 5: Strategic Project for Advancing Rural

2 Communities is created:

3 §1905. Definitions

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

5 (1) “Committed” means pledged and appropriated for the purpose of
6 the current and future payment of SPARC financing and related costs as
7 defined in this section.

8 (2) “Coordinating agency” means any public or private entity from
9 outside the municipality’s departments or offices and not employing the
10 municipality’s staff, which has been designated by a municipality to administer
11 and coordinate a project during creation, public hearing process, approval
12 process, or administration and operation during the life of the project,
13 including overseeing infrastructure development, real property development
14 and redevelopment, assisting with reporting, and ensuring compliance with
15 statute and rule.

16 (3) “Community agreement” means a binding legal contract negotiated
17 between a municipality and a community investment partner.

18 (4) “Community investment partner” means an individual or entity that
19 enters into a community agreement with a municipality to initiate a SPARC
20 project.

21 (5) “Financing” means debt incurred, including principal, interest, and
22 any fees or charges directly related to that debt, or other instruments or
23 borrowing used by a municipality to pay for improvements and related costs
24 for the approved project. Payment for eligible related costs may also include
25 direct payment by the municipality consistent with the terms of the community

1 agreement. If interfund loans within the municipality are used as the method of
2 financing, no interest shall be charged.

3 (6) “Improvements” means the installation, new construction, or
4 reconstruction that will serve a public purpose, including but not limited to
5 housing, flood resiliency, flood mitigation, brownfield remediation, utilities,
6 digital infrastructure, transportation, public recreation, commercial and
7 industrial facilities, public facilities and amenities, land and property
8 acquisition and demolition, and site preparation. For remediation of a
9 brownfield, this shall include the cost of the site preparation needed to
10 stimulate development or redevelopment in the SPARC site as identified in
11 clean-up documentation approved by the Vermont Agency of Natural
12 Resources. “Improvements” also means the funding of debt service interest
13 payments.

14 (7) “Legislative body” means the mayor and alderboard, the city
15 council, the selectboard, and the president and trustees of an incorporated
16 village, as appropriate.

17 (8) “Municipality” means a city, town, or incorporated village.

18 (9) “Original taxable value” means the total valuation as determined in
19 accordance with 32 V.S.A. chapter 129 of all taxable real property located
20 within the SPARC site and adjoining parcels as of the creation date, provided
21 that no parcel within the project shall be divided or bisected.

22 (10) “SPARC project” means an improvement, as defined in
23 subdivision (6) of this subsection (a). A SPARC project must meet one of the
24 following six criteria:

1 (i) The development will improve flood resiliency by protecting
2 the functions of watersheds, adapting critical infrastructure or
3 enhancing emergency preparedness.

4 (ii) The development will include the purchase and
5 improvement of flood-prone property or mitigate flood damage by
6 elevating, floodproofing or relocating existing structures or creating
7 new, elevated, comparable structures.

8 (iii) The development includes new or rehabilitated housing.

9 (iv) The project will affect the remediation and redevelopment
10 of a Brownfield. As used in this section, “brownfield” means an area in
11 which a hazardous substance, pollutant, or contaminant is or may be
12 present, and that situation is likely to complicate the expansion,
13 development, redevelopment, or reuse of the property.

14 (v) The development will include at least one entirely new
15 business or business operation or expansion of an existing business
16 within the project, and this business will provide new, quality, full-time
17 jobs that meet or exceed the prevailing wage for the region as reported
18 by the Department of Labor.

19 (vi) The development will enhance transportation and public
20 recreation by creating improved traffic patterns and flow or creating or
21 improving public transportation systems including development of
22 recreational trail systems.

23 (11) “Related costs” means expenses incurred and paid by the
24 municipality or a community investment partner consistent with the

1 community agreement, exclusive of the actual cost of constructing and
2 financing improvements, that are directly related to the creation and
3 implementation of the project, including reimbursement of sums previously
4 advanced by the municipality or a community investment partner for those
5 purposes and use of a coordinating agency. Related costs do not include direct
6 municipal or community investment partner expenses such as departmental or
7 personnel costs.

8 (12) “SPARC site” means an area and adjoining parcels where
9 approved development or redevelopment is occurring.

10 ***

11 §1906. Program Creation, General Authority, and Operation.

12 (a) The Vermont Economic Progress Council is authorized to approve
13 SPARC projects to finance municipal investments or to provide financing to a
14 community investment partner consistent with the terms of the community
15 agreement.

16 (b) General authority. Under this program established in subsection (a) of
17 this section, a municipality, upon approval of the community agreement by its
18 legislative body, may apply to the Vermont Economic Progress Council to use
19 SPARC financing for a project.

20 (c) Approval process. The Vermont Economic Progress Council shall do all
21 of the following to approve an application:

22 (1)(A) Review each application to determine that the infrastructure
23 improvements proposed to serve the project and the proposed development in
24 the project would not have occurred as proposed in the application, or would

1 have occurred in a significantly different and less desirable manner than as
2 proposed in the application, but for the proposed utilization of the incremental
3 tax revenues.

4 (B) The review shall take into account:

5 (i) the amount of additional time, if any, needed to
6 complete the proposed development for the project and the
7 amount of additional cost that might be incurred if the project
8 were to proceed without SPARC financing;

9 (ii) the lack of new construction in the municipality,
10 indicated by a stagnant or declining grand list value as
11 determined by the Department of Taxes, considering both the
12 total full listed value and the equalized education grand list
13 value, or the documented need for housing in the municipality
14 as stated in the most recent housing needs assessment; and

15 (iii)(I) the amount of additional tax revenue expected to
16 be generated as a result of the proposed project;

17 (II) the sufficiency of that incremental revenue to
18 cover the incurred debt;

19 (III) the percentage of that revenue that shall be
20 paid to the Education Fund;

21 (IV) the percentage that shall be paid to the
22 municipality; and

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24

(V) the percentage of the revenue paid to the municipality that shall be used to pay financing incurred for development of the project and related costs.

(2) Process requirements. Determine that each application meets all of the following requirements:

(A) The municipality held public hearings and established a project.

(B) The municipality has developed a financing project plan, including a project description; a development financing plan; a pro forma projection of expected costs; a projection of revenues; evidence that the municipality is actively seeking or has obtained other sources of funding and investment; and a development schedule that includes a list, a cost estimate, and a schedule for public improvements and projected private development to occur as a result of the improvements. The life of the project begins at 12:01 a.m. on April 1 of the calendar year the Vermont Economic Progress Council approves the SPARC project plan according to the terms set forth in subsection (f)(3) and subsection (g) of this section.

(C) the municipality has approved or pledged the utilization of incremental municipal tax revenues for the purposes of the project in the proportion set forth in subsection (g)(2) of this section.

(3) The Vermont Economic Progress Council shall determine there is a relationship between the improvement and the expected development and redevelopment for the SPARC project and expected outcomes.

1 (d) Incurring indebtedness.

2 (1) A municipality approved under the process set forth in subsection
3 (c) of this section may incur indebtedness against revenues to provide funding
4 to pay for improvements and related costs for the project development.

5 (2) Notwithstanding any provision of any municipal charter, the
6 municipality shall only require one authorizing vote to incur debt through one
7 instance of borrowing to finance or otherwise pay for the tax increment
8 financing project improvements and related costs; provided, however, that a
9 municipality may present one or more subsequent authorization votes in the
10 event a vote fails. The municipality shall be authorized to incur indebtedness
11 only after the legal voters of the municipality, by a majority vote of all voters
12 present and voting on the question at a special or annual municipal meeting
13 duly warned for the purpose, authorize the legislative body to pledge the credit
14 of the municipality, borrow, or otherwise secure the debt for the specific
15 purposes so warned.

16 (3) Any and all indebtedness shall be incurred within five years from
17 the date of approval by the Vermont Economic Progress Council. A bond
18 anticipation note is not considered a first or last incurrence of debt. The
19 Vermont Economic Progress Council may extend the period of time to incur
20 debt for a period not to exceed three years.

21 (e) Original taxable value. As of the date the project is approved by the
22 Vermont Economic Progress Council, the lister or assessor for the municipality
23 shall certify the original taxable value and shall certify to the Vermont
24 Economic Progress Council in each year thereafter during the life of the
25 project the amount by which the total valuation as determined in accordance

1 with 32 V.S.A. chapter 129 of all taxable real property located within the
2 project has increased or decreased relative to the original taxable value.

3 (f) Incremental community enhancements.

4 (1) In each year following the approval of the project, the lister or
5 assessor shall include not more than the original taxable value of the real
6 property in the assessed valuation upon which the treasurer computes the rates
7 of all taxes levied by the municipality and every other taxing district in which
8 the project is situated, but the treasurer shall extend all rates so determined
9 against the entire assessed valuation of real property for that year. In each year,
10 the municipality shall hold apart, rather than remit to the taxing districts, that
11 proportion of all taxes paid that year on the real property within the project that
12 the excess valuation bears to the total assessed valuation. The amount held
13 apart each year is the “incremental community enhancement” for that year. Not
14 more than the percentages established pursuant to subsection (g) of this section
15 of the municipal and State education tax increments received with respect to
16 the project and committed for the payment for financing for improvements and
17 related costs shall be segregated by the municipality in a special SPARC
18 financing project account and in its official books and records until all capital
19 indebtedness of the project has been fully paid. The final payment shall be
20 reported to the treasurer, who shall thereafter include the entire assessed
21 valuation of the project in the assessed valuations upon which municipal and
22 other tax rates are computed and extended and thereafter no taxes from the
23 project shall be deposited in the project’s SPARC financing project account.

24 (2) In each year, a municipality shall remit not less than the aggregate
25 original taxable value to the Education Fund.

1 (3) Notwithstanding any charter provision or other provision, all
2 property taxes assessed within a project shall be subject to the provision of
3 subdivision (1) of this subsection. Special assessments levied under 24 V.S.A.
4 chapters 76A or 87 or under a municipal charter shall not be considered
5 property taxes for the purpose of this section if the proceeds are used
6 exclusively for operating expenses related to properties within the project.

7 (4) Amounts held apart under subdivision (1) of this subsection shall
8 only be used for financing and related costs as defined in subsection (a) of this
9 section.

10 (g) Use of incremental community enhancement.

11 (1) Education property tax increment. For only debt incurred within the
12 period permitted under subdivision (d)(3) of this section after approval of the
13 project, up to 100 percent of the education tax increment may be retained to
14 service the debt and related costs, beginning with the first year in which debt is
15 incurred for the project. Upon incurring the first debt, a municipality shall
16 notify the Department of Taxes and the Vermont Economic Progress Council
17 of the beginning of the retention period of the education tax increment.

18 (2) Use of the municipal property tax increment. For only debt incurred
19 within the period permitted under subdivision (d)(3) of this section after
20 approval of the project, not less than 100 percent of the municipal tax
21 increment shall be retained to service the debt and related costs, beginning the
22 first year in which debt is incurred for the project.

23 (3) Retention of tax increment shall continue until all debt is retired.

1 (h) Distribution. Of the municipal and education tax increments received in
2 any tax year that exceed the amounts committed for the payment of the
3 financing for improvements and related costs for the project, equal portions of
4 each increment may be retained for the following purposes: prepayment of
5 principal and interest on the financing, placed in a special account required by
6 subdivision (f)(1) of this section and used for future financing payments, or
7 used for defeasance of the financing. Any remaining portion of the excess
8 municipal tax increment shall be distributed to the city, town, or village
9 budget, in the proportion that each budget bears to the combined total of the
10 budgets, unless otherwise negotiated by the city, town, or village, and any
11 remaining portion of the excess education tax increment shall be distributed to
12 the Education Fund.

13 (i) Information reporting. Every municipality with an approved project
14 pursuant to this section shall:

15 (1) Develop a system, segregated for the project, to identify, collect,
16 and maintain all data and information necessary to fulfill the reporting
17 requirements of this section, including performance measures as outlined in the
18 community agreement.

19 (2) Provide, as required by events, notification to the Vermont
20 Economic Progress Council and the Department of Taxes regarding any
21 SPARC financing development project debt obligations, public votes, or votes
22 by the municipal legislative body immediately following such obligation or
23 vote on a form prescribed by the Council, including copies of public notices,
24 agendas, minutes, vote tally, and a copy of the information provided to the
25 public in accordance with 24 V.S.A. § 1894(i).

1 (3) Annually:

2 (A) Ensure that the SPARC financing project account required
3 by subdivision (f)(1) is subject to the annual audit prescribed in
4 subsection (j) of this section. Procedures must include verification of
5 the original taxable value and annual and total municipal and education
6 tax increments generated, expenditures for debt and related costs, and
7 current balance.

8 (j) Audit; financial reports. Annually, until the year following the end of the
9 period for retention of education tax increment, a municipality with an
10 approved project under this section shall on or before April 1, ensure that the
11 project is subject to the annual audit prescribed in 24 V.S.A. § 1681 or 1690
12 and submit a copy to the Vermont Economic Progress Council. In the event
13 that the audit is only subject to the audit under 24 V.S.A. § 1681, the Vermont
14 Economic Progress Council shall ensure a process is in place to subject the
15 project to an independent audit. Procedures for the audit must include
16 verification of the original taxable value and annual and total municipal and
17 education tax increments generated, expenditures for debt and related costs,
18 and current balance.

19 (k) Authority to issue decisions.

20 (1) The Vermont Economic Progress Council, after reasonable notice to
21 a municipality, is authorized to issue decisions to a municipality on questions
22 and inquiries concerning the administration of projects, statutes, rules,
23 noncompliance with this section, and any instances of noncompliance. The
24 Vermont Economic Progress Council will deliberate and vote and may consult

1 with the Commissioner of Taxes, the Attorney General, and the State

2 Treasurer.

3 Sec. [x]. EFFECTIVE DATE

4 This act shall take effect on July 1, 2025.

5 Sec. ___24 V.S.A. §1891 is amended to read:

6 (4) “Improvements” means the installation, new construction, or
7 reconstruction of infrastructure of municipal capital assets that will serve a
8 public purpose and fulfill the purpose of tax increment financing districts as
9 stated in section 1893 of this subchapter, including utilities, transportation,
10 public facilities and amenities, land and property acquisition and demolition,
11 and site preparation. “Improvements” also means the funding of debt service
12 interest payments for a period of up to (4) four ~~two~~ years, beginning on the
13 date on which the first debt is incurred.

14 Sect. ___24 V.S.A. 1891 is amended to read:

15 (7) “Financing” means debt incurred, including principal, interest, and any
16 fees or charges directly related to that debt, or other instruments or borrowing
17 used by a municipality to pay for improvements in a tax increment financing
18 district, only if authorized by the legal voters of the municipality in accordance
19 with section 1894 of this subchapter. Payment for the cost of district
20 improvements may also include direct payment by the municipality using the
21 district increment. However, such payment is also subject to a vote by the legal
22 voters of the municipality in accordance with section 1894 of this subchapter
23 and, if not included in the tax increment financing plan approved under
24 subsection 1894(d) of this subchapter, is also considered a substantial change

1 and subject to the review process provided by subdivision 1901(2)(B) of this
2 subchapter. If interfund loans within the municipality are used as the method
3 of financing, no interest shall be charged. Bond anticipation notes may be used
4 as a method of financing; provided, however, that bond anticipation notes shall
5 not be considered a first or last incurrence of debt pursuant to subsection
6 1894(a) of this subchapter.

7 ***

8 Sect. ___24 VSA 1892 is amended to read:

9 (b) When adopted by the act of the legislative body of that municipality, the plan
10 shall be recorded with the municipal clerk and lister or assessor. The plan shall
11 be presented to the Vermont Economic Progress Council for approval, and the
12 creation of the district shall occur at 12:01 a.m. on April 1 of the calendar year
13 so voted by the Vermont Economic Progress Council ~~municipal legislative body~~.

14 Sect. ___24 VSA §1892 is repealed.

15 ~~(e) On or before January 15, 2018, the Joint Fiscal Office, with the assistance of~~
16 ~~the consulting Legislative Economist, the Department of Taxes, the State~~
17 ~~Auditor, and the Agency of Commerce and Community Development in~~
18 ~~consultation with the Vermont Economic Progress Council, shall examine and~~
19 ~~report to the General Assembly on the use of both tax increment financing~~
20 ~~districts and other policy options for State assistance to municipalities for~~
21 ~~funding infrastructure in support of economic development and the capacity of~~
22 ~~Vermont to utilize TIF districts moving forward.~~

23 ~~(f) The report shall include:~~

- 1 ~~(1) a recommendation for a sustainable statewide capacity level for TIFs or~~
2 ~~comparable economic development tools and relevant permitting criteria;~~
- 3 ~~(2) the positive and negative impacts on the State's fiscal health of TIFs and~~
4 ~~other tools, including the General Fund and Education Fund;~~
- 5 ~~(3) the economic development impacts on the State of TIFs and other tools,~~
6 ~~both positive and negative;~~
- 7 ~~(4) the mechanics for ensuring geographic diversity of TIFs or other tools~~
8 ~~throughout the State; and~~
- 9 ~~(5) the parameters of TIFs and other tools in other states.~~

10 Sect. ___24 VSA § 1894 (a) is amended to read:

11 (a) Incurring indebtedness.

12 (1) A municipality approved under 32 V.S.A. § 5404a(h) may incur
13 indebtedness against revenues of the tax increment financing district at any
14 time during a period of up to five years following the creation of the district.
15 If no debt is incurred during this five-year period, the district shall terminate,
16 unless the Vermont Economic Progress Council grants an extension to a
17 municipality pursuant to subsection (d) of this section. However, if any
18 indebtedness is incurred within the first five years after the creation of the
19 district, then the district has a total of ten years after the creation of the district
20 to incur any additional debt.

21 (2) Any indebtedness incurred under subdivision (1) of this subsection may be
22 retired over any period authorized by the legislative body of the municipality.

1 (3) The district shall continue until the date and hour the indebtedness is retired
2 or, if no debt is incurred, five years following the creation of the district.

3 (4) Debt is incurred upon final execution of any and all debt instruments.

4 Sect.____ 24 VSA §1896 is amended to read:

5 (a) In each year following the creation of the district, the listers or assessor shall
6 include not more than the original taxable value of the real property in the
7 assessed valuation upon which the treasurer computes the rates of all taxes levied
8 by the municipality and every other taxing district in which the tax increment
9 financing district is situated; but the treasurer shall extend all rates so determined
10 against the entire assessed valuation of real property for that year. In each year,
11 the municipality shall hold apart, rather than remit to the taxing districts, that
12 proportion of all taxes paid that year on the real property in the district that the
13 excess valuation bears to the total assessed valuation. The amount held apart
14 each year is the “tax increment” for that year. Not more than the percentages
15 established pursuant to section 1894 of this subchapter of the municipal and
16 State education tax increments received with respect to the district and
17 committed for the payment for financing for improvements and related costs
18 shall be segregated by the municipality in a special tax increment financing
19 account and in its official books and records until all capital indebtedness of the
20 district financed through education increment has been fully paid. The final
21 payment shall be reported to the treasurer, who shall thereafter include the entire
22 assessed valuation of the district in the assessed valuations upon which
23 municipal and other tax rates are computed and extended and thereafter no taxes
24 from the district shall be deposited in the district’s tax increment financing
25 account.

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23

Sec. __24 VSA §1898 is amended to read:

(f) Such bonds may be sold at not less than par at public or private sales held after notice published prior to such sale in a newspaper having a general circulation in the municipality. If bonds are sold above par, or a bond premium is generated, the proceeds may not be used for improvements until the additional amount has been approved by VEPC by filing a substantial change request.

Sec. __32 VSA §5405 is amended to read:

(f) A municipality that establishes a tax increment financing district under 24 V.S.A. chapter 53, subchapter 5 shall collect all property taxes on properties contained within the district and apply not more than 70 percent of the State education property tax increment, and not less than 85 percent of the municipal property tax increment, to repayment of financing of the improvements and related costs for up to 20 years pursuant to 24 V.S.A. § 1894, if approved by the Vermont Economic Progress Council pursuant to this section, ~~subject to the following:~~

~~(1) In a municipality with one or more approved districts, the Council shall not approve an additional district until the municipality retires the debt incurred for all of the districts in the municipality.~~

~~(2) The Council shall not approve more than six districts in the State, and not more than two per county, provided:~~

~~(A) The districts listed in 24 V.S.A. § 1892(d) shall not be counted against the limits imposed in this subdivision (2).~~

1 ~~(B) The Council shall consider complete applications in the order they are~~
2 ~~submitted, except that if during any calendar month the Council receives~~
3 ~~applications for more districts than are actually available in a county, the~~
4 ~~Council shall evaluate each application and shall approve the application~~
5 ~~that, in the Council's discretion, best meets the economic development~~
6 ~~needs of the county.~~

7

8

9

Sec. ___32 VSA § 5405 is amended to read:

10 (3) Location criteria. Determine that each application meets at least two of the
11 following ~~three~~four criteria:

12 (A) The development is:

13 (i) Compact;

14 (ii) high density; or

15 (iii) located in or near existing industrial areas.

16 (B) The development is within an approved growth center, designated
17 downtown, designated village center, new town center, or neighborhood
18 development area.

19 (C) The development will occur in an area that is economically distressed,
20 which for the purposes of this subdivision means that the municipality in
21 which the area is located has at least one of the following:

1 (i) a median family income that is not more than 80 percent of the
2 statewide median family income as reported by the Vermont Department
3 of Taxes for the most recent year for which data are available;

4 (ii) an annual average unemployment rate that is at least one percent
5 greater than the latest annual average statewide unemployment rate as
6 reported by the Vermont Department of Labor; or

7 (iii) a median sales price for residential properties under six acres that is
8 not more than 80 percent of the statewide median sales price for residential
9 properties under six acres as reported by the Vermont Department of
10 Taxes.

11 (D) ~~Repealed.~~ The development will occur within areas exempt from whole
12 or partial Act 250 jurisdiction codified in 10 V.S.A. §6081.

13 Sect. ____32 VSA §5405 is amended to read:

14 (4) Project criteria. Determine that the proposed development within a tax
15 increment financing district will accomplish at least three of the following
16 ~~five~~six (6) criteria:

17 (A) The development within the tax increment financing district clearly
18 requires substantial public investment over and above the normal municipal
19 operating or bonded debt expenditures.

20 (B) The development includes new or rehabilitated housing.

21 (C) The project will affect the remediation and redevelopment of a
22 brownfield located within the district. As used in this section, “brownfield”
23 means an area in which a hazardous substance, pollutant, or contaminant is
24 or may be present, and that situation is likely to complicate the expansion,
25 development, redevelopment, or reuse of the property.

1 (D) The development will include at least one entirely new business or
2 business operation or expansion of an existing business within the district,
3 and this business will provide new, quality, full-time jobs that meet or
4 exceed the prevailing wage for the region as reported by the Department of
5 Labor.

6 (E) The development will enhance transportation by creating improved
7 traffic patterns and flow or creating or improving public transportation
8 systems.

9 (F) The project will affect the mitigation and redevelopment of a flood prone
10 area. As used in this section, “flood prone area” means an area in which
11 significant residential or commercial property lies within the flood plain.
12 “Mitigation and redevelopment” mean the project will mitigate flood risks
13 within that area or will relocate development previously destroyed by flooding
14 from a flood prone area to another area within the municipality where flood risks
15 are significantly lower.

16 Sect. 32 VSA § 5405 is amended to read:

17 (l) The State Auditor of Accounts shall conduct performance audits of all tax
18 increment financing districts. ~~The cost of conducting each audit shall be~~
19 ~~considered a “related cost” as defined in 24 V.S.A. § 1891(6) and shall be~~
20 ~~billed back to the municipality pursuant to subsection 168(b) of this title. The~~
21 cost of conducting each audit will be borne by the State Auditor of Accounts
22 and will be included in their annual budget request. Audits conducted pursuant
23 to this subsection shall include a review of a municipality’s adherence to
24 relevant statutes and rules adopted by the Vermont Economic Progress Council
25 pursuant to subsection (j) of this section, an assessment of record keeping

1 related to revenues and expenditures, and a validation of the portion of the tax
2 increment retained by the municipality and used for debt repayment and the
3 portion directed to the Education Fund.

4 ***

5 *** Tax Value Freeze ***

6 32 V.S.A. chapter 125, subchapter 3 is amended to read:

7 § 3870. DEFINITIONS

8 ***

9 ~~(v) located in an area that was declared a federal disaster between~~
10 ~~July 1, 2023 and October 15, 2023 that was eligible for Individual Assistance~~
11 ~~from the Federal Emergency Management Agency or located in Addison or~~
12 ~~Franklin county. [Repealed.]~~

13 ***

14 § 3871. EXEMPTION

15 ***

16 (d) Exemption period.

17 ***

18 (2) An exemption under this subchapter shall remain in effect for ~~three~~
19 five years, provided the property continues to comply with the requirements of
20 this subchapter. When the exemption period ends, the property shall be taxed
21 at its most recently appraised grand list value.

22 ***

23 *** WATER/SEWER CONNECTIONS***

24 Sec. ____ 3 V.S.A. Chapter 51 § 2822(4) is amended to read:

1 §2822. Budget and report; powers

2 ***

3 (j) In accordance with subsection (i) of this section, the following fees
4 are established for permits, licenses, certifications, approvals, registrations,
5 orders, and other actions taken by the Agency of Natural Resources.

6 ***

7 (4) For potable water supply and wastewater permits issued
8 under 10 V.S.A. chapter 64. Projects under this subdivision include: a
9 wastewater system, including a sewerage connection; and a potable water
10 supply, including a connection to a public water supply:

11 ***

12 (E) Projects permitted under a municipal water or
13 wastewater connection general permit as established in 10 V.S.A. 1973(i)(1) or
14 as adopted by rule per 10 V.S.A. 1973(i)(2): \$500.

15 ***

16 Sec. __ 10 V.S.A. § 1971 is amended to read:

17 §1971. Purpose

18 It is the purpose of this chapter to:

19 ***

20 ~~(6) allow delegation of the permitting program created by this chapter~~
21 ~~to municipalities demonstrating the capacity to administer the chapter. Allow~~
22 delegation to municipalities for technical review of municipal water and
23 wastewater connections pursuant to the rules adopted under this chapter.

24 ***

25 10 V.S.A. § 1972 is amended to read:

26 §1972. Definitions

1 (6) “Potable water supply” means the source, treatment, and
 2 conveyance equipment used to provide water used or intended to be used for
 3 human consumption, including drinking, washing, bathing, the preparation of
 4 food, or laundering. This definition includes a service connection to a public
 5 water system of any size. This definition does not include any internal piping
 6 or plumbing, except for mechanical systems, such as pump stations and storage
 7 tanks or lavatories, that are located inside a building or structure and that are
 8 integral to the operation of a potable water system. This definition also does
 9 not include a potable water supply that is subject to regulation under chapter 56
 10 of this title.

11 ***

12 10 V.S.A. § 1973 is amended to read:

13 §1973. Permits

14 (i)(1) The Secretary shall issue a general permit for municipal water
 15 and wastewater connections that are reviewed by municipalities with authority
 16 delegated pursuant to section 1976 of this chapter.

17 (2) The Secretary may issue general permits for other activities
 18 permitted under this subsection via rulemaking pursuant to 3 V.S.A., Chapter
 19 25.

20 ~~(i)~~(j) Notwithstanding section 1-407 of the State Wastewater System
 21 and Potable Water Supply Rules, effective August 16, 2002, a lot that
 22 contained two single family residences, as of January 1, 1999, but did not have
 23 the State permit required at that time is eligible for a permit for the subdivision
 24 of improved lots under subdivision 1-407(a)(2) of those rules, provided that the
 25 subdivision of the lot would only create a boundary between the two single
 26 family residences and thereby place each residence on its own lot.

1 ~~and the enforcement provisions of chapter 201 of this title relating to this~~
2 ~~chapter, provided that the Secretary is satisfied that the municipality:~~

3 ~~_____ (A) has established a process for accepting, reviewing, and~~
4 ~~processing applications and issuing permits, that shall adhere to the rules~~
5 ~~established by the Secretary for potable water supplies and wastewater~~
6 ~~systems, including permits, by rule, for sewerage connections;~~

7 ~~_____ (B) has hired, appointed, or retained on contract, or will hire,~~
8 ~~appoint, or retain on contract, a licensed designer to perform technical work~~
9 ~~that must be done by a municipality under this section to grant permits;~~

10 ~~_____ (C) will take timely and appropriate enforcement actions~~
11 ~~pursuant to the authority of chapter 201 of this title;~~

12 ~~_____ (D) commits to reporting annually to the Secretary on a form~~
13 ~~and date determined by the Secretary;~~

14 _____ (a)(1) The Secretary may delegate to a municipality authority to
15 conduct technical review of municipal water and wastewater connections
16 provided that the water main and sanitary sewer collection line that the water
17 service line and sanitary sewer service line are connected to are owned and
18 controlled by the delegated municipality.

19 _____ (2) If a municipality submits a request for delegation of this
20 subsection, the Secretary shall delegate authority to the municipality to
21 implement and administer provisions of this chapter governing municipal
22 water and wastewater connections provided that the municipality:

23 _____ (A) is qualified to perform the technical review as determined
24 by the Secretary;

25 _____ (B) receives authorization from the municipal legislative body
26 to administer the local technical review program;

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26

***** Vermont Infrastructure Sustainability Fund *****

24 V.S.A. Chapter 119: Vermont Bond Bank; Subchapter 6: SPECIAL FUNDS §4678a is added :

§4678a. Vermont Infrastructure Sustainability Fund

(a) Creation. There is created the Vermont Infrastructure Sustainability Fund within the Vermont Bond Bank.

(b) Purpose. The purpose of the Fund is to provide capital to extend and increase capacity of water and sewer service, and other public infrastructure in municipalities where lack of extension or capacity is a barrier to housing development.

(c) Administration. The Bond Bank may administer the Program in coordination with and support from other State agencies, government component parts, and quasi-governmental agencies.

(d) Program parameters.

(1) The Vermont Bond Bank, in consultation with the Department of Housing and Community Development, shall develop program guidelines to effectively implement the Fund.

(2) The program shall provide low interest loans or bonds to municipalities to expand infrastructure capacity. Eligible activities include, but are not limited to:

(i) preliminary engineering and Planning;

(ii) engineering design and bid specifications;

(iii) construction for municipal water and wastewater systems;

(iv) transportation investments, including those required by municipal regulation, the municipality's official map, designation

1 requirements, or other planning or engineering identifying complete streets and
2 transportation- and transit-related improvements, including improvements to
3 existing streets

4 _____ (v) other eligible activities as determined by the
5 guidelines produced by the Vermont Bond Bank in consultation with the
6 Department of Housing and Community Development.

7 _____ (3) Application Requirements. Eligible project applications
8 must demonstrate:

9 _____ (i) the project will create reserve capacity necessary for
10 new housing unit development;

11 _____ (ii) the project has a direct link to housing unit
12 production;

13 _____ (iii) the municipality has a commitment to own and
14 operate the project throughout its useful life.

15 _____ (4) Application Criteria. The administering entity shall evaluate
16 the following application criteria, in addition to any criteria developed in the
17 program guidelines;

18 _____ (i) Impact on Housing Production: direct connection to
19 proposed or in-progress housing development with demonstrable progress
20 toward regional housing target;

21 _____ (ii) Location: Expansion of existing system and/or
22 proximity to Designated Area;

23 _____ (iii) Project timeline: project readiness and estimated
24 time until use of financing;

25 _____ (iv) Ranking on Vermont Department of Finance and
26 Management, Vermont Community Index;

1 (v) Demonstration of Complete Financing of Project or
2 Project Component.

3 (5) Award Terms. The Vermont Bond Bank, in consultation
4 with the Department of Housing and Community Development, will establish
5 award terms which may include, but are not limited to the following:

6 (i) The maximum loan or bond amount.

7 (ii) The maximum term of the loan or bond.

8 (iii) The time by which amortization shall commence.

9 (iv) The maximum interest rate.

10 (v) Whether loans may be forgiven, and if so up to what
11 percentage or amount.

12 (vi) The necessary security for the loan or bond.

13 (vii) Any additional covenants encumbering the
14 improved properties to further secure the loan or bond.

15 (e) Revolving Fund. Any funds repaid or returned from the original
16 Infrastructure Sustainability Fund shall deposited into the Infrastructure
17 Sustainability Fund and shall be used to continue the administration of the
18 program.

19 ***

20 ***Tax Department Housing Data Access***

21 32 V.S.A. § 5404(b) is amended to read:

22 §5404. Determination of education property tax grand list

23 (b) Annually, on or before August 15, the clerk of a municipality, or the
24 supervisor of an unorganized town or gore, shall transmit to the Director in an
25 electronic or other format as prescribed by the Director: education and
26 municipal grand list data, including exemption information and grand list

1 abstracts; tax rates; an extract of the assessor database also referred to as a
2 Computer Assisted Mass Appraisal (CAMA) system or Computer Assisted
3 Mass Appraisal database; and the total amount of taxes assessed in the town or
4 unorganized town or gore. The data transmitted shall identify each parcel by a
5 parcel identification number assigned under a numbering system prescribed by
6 the Director. Municipalities may continue to use existing numbering systems in
7 addition to, but not in substitution for, the parcel identification system
8 prescribed by the Director. If changes or additions to the grand list are made by
9 the listers or other officials authorized to do so after such abstract has been so
10 transmitted, such clerks shall forthwith certify the same to the Director.

11 ***

12 *** Vermont Community Development Program – Environmental Review***

13 Sec. __ 10 V.S.A. Chapter 29: Community Development, Subchapter 1:

14 Community Development Act

15 10 V.S.A. §690b. is added to read:

16 §690b. Environmental Review Services

17 (a) All agencies, departments, and component parts of the State, federal
18 entities, and non-state entities such as non-profit and privately held companies
19 that receive services from the Vermont Department of Housing and
20 Community Development under the Vermont Agency of Commerce and
21 Community Development for projects funded in whole or in part by the U.S.
22 Department of Housing and Urban Development (HUD) or other federal
23 funding requiring environmental review pursuant to 24 CFR Part 58, may be
24 charged for environmental review services through an assessment payable to
25 the Department of Housing and Community Development on a basis

established by the Commissioner of the Department of Housing and Community and with the approval of the Secretary of Administration.

(b) The Department of Housing and Community Development may render these services solely in its discretion. The Department shall not charge for environmental review associated with HUD funding the Department issues directly, such as Community Development Block Grant (CDBG) funding.

(c) The Department may utilize these funds for administrative costs associated with providing environmental review services, and other administrative costs of the Vermont Community Development Program.



APPROPRIATIONS

* * *

***** Base Funding *****

10 V.S.A. §699. Vermont Rental Housing Improvement Program

(a) The establishment of two (2) new positions are authorized at the Department of Housing and Community Development. The Department of Housing and Community Development shall be annually appropriated:

- (1) \$300,000 for two (2) Full Time Employees (FTE); and
- (2) \$4,000,000 for program funding for continued operation of the Vermont Rental Housing Improvement Program established in 10 V.S.A. §699.

* * *

10 V.S.A. §700. Manufactured Home Improvement and Repair program

(a) The establishment of one (1) new position is authorized at the Department of Housing and Community Development. The Department shall be annually appropriated:

1 (1) \$150,000 for one (1) Full Time Employee (FTE); and
 2 (2) \$2,000,000 for program funding for continued operation of
 3 the Manufactured Home Improvement and Repair program established in 10
 4 V.S.A. §700.

* * *

*** * * One Time Appropriations * * ***

DHCD Housing Development Technical Assistance and Data Coordinator

Limited Service Positions:

9 DHCD is appropriated funding to fund two (2) existing limited service
 10 positions for FY26-FY27. The Department shall be appropriated \$300,000 for:
 11 one (1) Limited Service Full Time Employee (FTE) to provide technical
 12 assistance to municipalities, non-profit organizations, and private developers to
 13 aid in the development of infill and missing-middle housing through the
 14 Homes for All initiative; and one (1) Limited Service Full Time Employee
 15 (FTE) to coordinate funding distribution amongst State entities, and to gather
 16 and analyze housing data to ensure efficient use of funds.

* * *

Brownfields:

19 In fiscal year 2026, the amount of \$2,000,000 General Fund is appropriated
 20 to the Department of Economic Development for Brownfields redevelopment
 21 consistent with Sec. XX of this act.

Sec. XX BROWNFIELDS FUNDING; USE IN FISCAL YEAR 2026

23 (a) The Department of Economic Development shall use the funds
 24 appropriated in Sec. XX Brownfields redevelopment for the assessment,
 25 remediation, and redevelopment of brownfield sites to be used in the same

1 manner as the Brownfields Revitalization Fund established by 10 V.S.A. §
2 6654 except, notwithstanding the grant limitations in 10 V.S.A. § 6654,
3 projects supported by this appropriation shall not be limited to a maximum
4 amount per site. The Agency of Commerce and Community Development may
5 award up to the amount of \$1,000,000 in fiscal year 2026 to regional planning
6 commissions for the purposes of brownfields assessment. In awarding funds
7 under this section, the Secretary, in consultation with the Vermont Association
8 of Planning and Development Agencies, shall select one regional planning
9 commission to administer these funds. To ensure statewide availability, the
10 selected regional planning commission shall subgrant to regional planning
11 commissions with brownfield programs, with not more than 10 percent of the
12 funds being used for administrative purposes.

13 * * *

14 **3 V.S.A. Chapter 51. Water/Sewer Database**

15 The Agency of Natural Resources, Department of Environmental
16 Conservation is appropriated \$50,000 to develop a database and administer the
17 amendments made to 3 V.S.A. Chapter 51.

18 ***

19 **VHFA Middle Income Homeownership Development**

20 The Department of Housing and Community Development is
21 appropriated \$15,000,000 to grant to the Vermont Housing Finance Agency to
22 continue implementation of the Middle Income Homeownership Development
23 Program.

24 ***

25 **VHFA Rental Housing Revolving Loan Fund**

