In response to the request made in the Committee last week to assist with language in Draft No. 1.1 – S.328 dated 2/23/2026; here are some framing thoughts and options. I am not taking a position on these options but outlining different options based on some possible intents.

1. **OPTION 1** - If the intent is to allow quadplexes anywhere in the State (subject to zoning, subdivision, water, and wastewater requirements); an option would be to amend 24 V.S.A. § 4412(1)(D)

   (D) Bylaws shall designate appropriate districts and reasonable regulations for multiunit or multifamily dwellings. No bylaw shall have the effect of excluding these multiunit or multifamily dwellings from the municipality. In any district that allows year-round residential development, quadplexes ~~duplexes~~ shall be an allowed use with dimensional standards that are not more restrictive than is required for a single-unit dwelling, including no additional land or lot area than would be required for a single-unit dwelling. In any district that is served by municipal sewer and water infrastructure that allows residential development, multiunit dwellings with four or fewer units shall be a permitted use on the same size lot as single-unit dwelling, unless that district specifically requires multiunit structures to have more than four dwelling units.

2. **OPTION 2 -** If the intent is to allow for property owners to have the opportunity to work with their town on connecting to water/sewer outside of the current service areas; it may be helpful to keep it within the areas mapped for growth in the regional plan future land use maps that have been mutually agreed upon by the town, regional planning commission, and the LURB on behalf of the State. Here is what that edit might look like highlighted in the current proposed edit to 24 V.S.A. § 4303(42)(A)(i)

   (42)(A) An area "served by municipal sewer and water infrastructure" means an area within one-quarter mile of a road with water and sewer lines that is mapped in the regional plan as a downtown or village center, planned growth area or village area and where there is capacity or capacity is being added imminently to accommodate housing or:

3. **OPTION 3 -** If the intent is to allow for property owners to have the opportunity to work with their town on connecting to water/sewer; it may be clearer to take the initially proposed concept and apply it to 24 V.S.A. § 4303(42)(A)(i)

(42)(A) An area "served by municipal sewer and water infrastructure" means:

(i) an area where residential connections and expansions are available to a parcel, or portion of a parcel, within a distance of 1300 (or 1000, 500 or 100) feet to municipal water and direct and indirect discharge wastewater systems and not prohibited by:

(I) State regulations or permits;

(II) identified capacity constraints; or

(III) municipally adopted service and capacity agreements; or

(ii) an area established by the municipality by ordinance or bylaw where residential connections and expansions are available to municipal water and direct and indirect discharge wastewater systems and which may exclude:

(I) flood hazard or inundation areas as established by statute, river corridors or fluvial erosion areas as established by statute, shorelands, areas within a zoning district or overlay district the purpose of which is natural resource protection, and wherever year-round residential development is not allowed;

(II) areas with identified service limits established by State regulations or permits, identified capacity constraints, or municipally adopted service and capacity agreements;

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

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

(V) areas serving an industrial site or park;

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

(VII) areas that, through an approved Planned Unit Development under section 4417 of this title or Transfer of Development Rights under section 4423 of this title, prohibit year-round residential development.

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

4. **OPTION 4 -** If the intent is to incentivize or require municipalities to allow connections outside of the area where the municipality would otherwise consider service available; changes should be considered in one of the water and/or wastewater chapters of statute (Chapters 89 to 105 all touch on this topic). While I

Commented [CB1]: Giving some distance options. There will be concern from municipalities and DEC at the higher numbers creating unrealistic expectations for the potential of connecting to water/sewer lines.

couldn't find any reference to water or sewer service areas directly in those chapters, the closest section seemed to be 24 V.S.A. § 3625 below. Perhaps new language could be added under subsection (c) in this section. Please note that this option could have significant concerns raised from DEC, municipalities, and engineers if it negatively impacts the designs and operating conditions of water and wastewater systems.

§ 3625. Allocation of sewage capacity

(a) When capacity under an original or amended discharge permit under 10 V.S.A. § 1263 is or has been granted to any municipality, as defined in 1 V.S.A. § 126, except existing town school districts or incorporated school districts, that capacity shall be allocated, in a manner consistent with a municipality's obligation to its bondholders to establish rates and apply the proceeds as set forth in section 3616 of this title, pursuant to one of the following, whether in the form as adopted, or as later amended:

(1) An ordinance adopted under sections 1972 and 1973 of this title. This ordinance may authorize the municipality to include, in any specific allocation, phasing provisions and other conditions intended to implement provisions of a municipal plan adopted under section 4385 of this title or bylaws adopted under section 4442 of this title.

(2) Bylaws adopted under section 4442 of this title.

(3) Interim bylaws adopted under section 4415 of this title.

(b) Until an ordinance, interim bylaw, or bylaw for allocation of capacity is adopted by a municipality that grants zoning permits pursuant to the provisions of section 4449 of this title:

(1) Capacity may be allocated in amounts not to exceed 6,500 gallons per day, per recipient, and only upon granting of such a permit.

(2) Capacity allocated in conjunction with a permit granted pursuant to the provisions of section 4443 of this title shall revert to the municipality if the permit recipient has failed to initiate construction within one year of the issuance of the permit or has failed to complete construction within three years of the issuance of the permit. At the end of the three-year period, the reserve capacity associated with any unconstructed portion of the project, as determined by the legislative body of the municipality, shall revert to the issuing municipality unless that municipality has specifically required that construction proceed over a period longer than three years.

(3) The legislative body of the municipality shall make the final determination with respect to whether construction has been initiated or completed.

(c) Until an ordinance for allocation of capacity is adopted by a municipality that does not grant zoning permits pursuant to the provisions of section 4449 of this title:

(1) Capacity may be allocated only in amounts not to exceed 6,500 gallons per day, per recipient, and only upon granting of capacity by the municipal legislative body during a duly warned meeting.

(2) Capacity allocated under this subsection shall revert to the municipality if the capacity recipient has failed to initiate construction within one year of the issuance of the allocation or has failed to complete construction within three years of the issuance of the allocation. At the end of the three-year period, the reserve capacity associated with any unconstructed portion of the project, as determined by the legislative body of the municipality, shall revert to the issuing municipality unless that municipality has specifically required that construction proceed over a period longer than three years.

(3) The legislative body of the municipality shall make the final determination with respect to whether construction has been initiated or completed.

(d) When a municipality is not a town, city, or incorporated village, the towns, cities, or incorporated villages in which the municipality is located shall allocate capacity within their corporate boundaries in accordance with the provisions of this section.

(e) This section shall not apply to capacity that is committed or allocated before July 1, 1989. Capacity is committed by a town, city, incorporated village, or fire district when, following issuance of an original or amended discharge permit, formal action to commit is taken by the legislative body at a duly warned meeting. Capacity obtained by a municipality through an intermunicipal contract that existed on July 1, 1989, shall be treated as capacity granted to that municipality, and shall be distributed by that municipality according to the provisions of this section.