

Mar 11, 2026

Testimony Re: S.325
Senate Natural Resources and Energy Committee



Chair Watson and Members of the Senate Natural Resources and Energy Committee,

Thank you for the opportunity to testify today.

My name is Kati Gallagher, and I serve as the Sustainable Communities Program Director for the Vermont Natural Resources Council. VNRC has a long history of advocating for thriving communities through sustainable land use planning and development. We are eager to continue supporting the implementation of Act 181 to improve the effectiveness of Vermont's planning framework and its ability to support both development and conservation, where each is most appropriate.

As we shared in previous testimony, Act 181 represents an important evolution in how Vermont aligns local planning, regional coordination, and state land use policy. Getting the details right during implementation is critical to ensuring that the law delivers on its promise: more housing in the right places, strong natural resource protections, and a planning system that communities trust and can realistically administer.

As a monumental law, there are bound to be fixes and clarifications as we work through multiple new processes and programs. We are supporting extensions of several timelines to give us additional time for outreach and engagement, and time to shape thoughtful policies; and some technical corrections to make the law work as intended. We have appreciated the solutions-oriented collaboration that has continued to shape these conversations.

In general, VNRC is supportive of S.325 moving forward, with a few minor considerations based on recent testimony.

- **Extending dates.**
 - Extending implementation deadlines for the Road Rule, Tier 3, and Criterion 8C will help to ensure sufficient time for technical refinement of these rules and alignment with legislative intent before they impose new jurisdictional or review obligations.
 - Extending the interim housing exemptions will support maintaining regulatory continuity during the transition period and avoid unintended jurisdictional gaps while regional and municipal planning processes required by Act 181 are completed.
 - **Consideration:** Discussions around the development of Act 181 recommended initial sunsets of the interim exemptions with the intent of checking back to understand the impact on towns; if the committee chooses to extend the sunset to 2030, a report to the legislature in the interim may be helpful to identify any potential impacts on smaller towns that rely on Act 250, and identify measures to mitigate those impacts.
- **Expanding interim exemptions to include mixed-use development.** Mixed-use is an important component of healthy community centers; from an environmental perspective, mixed-use

development fosters compact, walkable communities that reduce rural sprawl and preserves open space. It also decreases vehicle miles traveled (VMT), leading to lower greenhouse gas emissions.

- **Expanding priority housing projects (PHPs).** PHPs have been a crucial tool to engage private developers in affordable housing development; this change will help to retain PHPs in communities that would benefit from affordable housing but are not ready for or interested in Tier 1.
- **Limiting Tier 3 criteria.** We believe this aligns with the intent of Act 181 and agree that more specific language (as opposed to “whether”) would be helpful. We are happy to provide recommended language if the committee is interested.
- **Clarifying permit enforcement in Tier 1A.** We believe the proposed changes make sense and would not deter from the goal of Act 181.
 - **Consideration:** We believe the proposed update to Tier 1A area guidelines (Section 8) is unnecessary given the included permit enforcement provisions, so this could be struck.
- **Studying appeals in Tier 1B.** Since the 2025 LURB appeals report did not address challenges related to appeals of municipal zoning permits for housing development, further study is needed to identify problems and potential solutions that balance predictability for housing and development with appropriate environmental and municipal oversight.
 - **Consideration:** Given the LURB's concerns with leading this report, and a lack of logical entities to convene such a study, a legislative study committee could be an effective approach to engage lawmakers in analyzing this issue and developing policy recommendations.

Additional proposed changes that VNRC supports including in S.325:

- Streamline the process for Tier 1B to allow for towns to opt-in outside of the full regional plan review process. This is important to ensure towns can opt-in to Tier 1B when they are ready.
- Add Smart Growth principles back into statute. The principles were inadvertently struck and are foundational to Vermont's planning framework.
- Extend expiration dates for regional plans expiring in 2026 to December 21, 2026. This would provide breathing room to ensure regional plan and mapping development and review is not unnecessarily rushed.
- Allow the LURB to apply only relevant Act 250 criteria for projects triggered by the Road Rule. Similarly to Tier 3, projects that would not otherwise trigger Act 250 may not need to have the full slate of Act 250 criteria applied to evaluate their impact on the specific natural resources the Road Rule is intended to address.

Thank you for the opportunity to testify, and for your thoughtful deliberation of the questions, concerns and recommendations shared over the past few weeks. We look forward to continue working with you on this legislation.

Sincerely,

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