



To: Chair Anne Watson, Senate Natural Resources and Energy Committee

Cc: Members of the Senate Natural Resources and Energy Committee

From: Josh Hanford, Director of Intergovernmental Relations; Samantha Sheehan, Municipal Policy and Advocacy Specialist

Date: March 11, 2026

RE: Implementation of Act 181 for the location-based jurisdiction of Act 250

Thank you for supporting and championing the interests of so many communities throughout Vermont. VLCT appreciates our partnership with you to help Vermont's cities and towns meet the obligations and functions of today's local government and take the action needed to solve the challenges of the 21st century.

In every annual VLCT membership survey conducted since 2021, local officials have reported that the availability and affordability of housing is their top concern. A [recent poll released](#) by Let's Build Homes shows that Vermonters feel the same, with 83% of respondents saying that there is not enough housing; 93% say the cost of renting or buying a home is a problem; and 75% say it is extremely or pretty important for the legislature to take action on housing.

VLCT has long advocated for an end to duplicative permitting (and appeal) for all types of development that are needed, envisioned, allowed for, and regulated in local zoning and bylaw. Act 181 presented a historic opportunity for local governments to plan for and realize relief from Act 250 in the areas we all agree new home construction is appropriate, however, under early drafts of the Tier 3 rule and new road rule jurisdiction, most communities in Vermont would experience sweeping new application of Act 250 for types of development as de minimis as ADUs, garages, septic installation, and telephone poles as well as for *all types of single family and multi-unit housing*.

VLCT urges legislative action this session to pass S.325 and allow for a slower, more discrete application of Act 250 permit review in the new jurisdictional areas with improved outreach and engagement and participation from local officials.

The purpose of this memo is to provide final recommended changes to S.325 as drafted 3/10/26 draft 2.2.

VLCT Recommendations

1. **Require Tier 3 Report to Legislature Prior to 2027 Legislative Session**: According to a recent update from the LURB, the next draft Tier 3 rule is anticipated in April with a final draft and public hearings in the summer. The LURB should be able to comply with a fall deadline to report the final draft of the rule, which would allow for legislative discussion and intervention if necessary.

Recommendation: Amend (c) The Board shall file a final proposed rule with the Secretary of State and the Legislative Committee on Administrative Rules on or before December 31, 2027 to December 31, 2026.

2. **Require Road Rule Guidance Prior to 2027 Legislative Session:** Act 181 does not require that the LURB issue Road Rule guidance prior to implementation, however, the LURB has indicated a plan to issue guidance later this month. The lack of clarity on this new, significant jurisdictional trigger and the downstream impacts on planned and already permitted developments is causing substantial concern among local zoning, planning, and permitting officials. The legislature should provide landowners and local officials with better certainty and a comparable opportunity to engage in the draft guidelines process (as with Tier 1 and Tier 3) for this sweeping new jurisdictional change well in advance of the implementation date.

Recommendation: Under Rulemaking, add a requirement that the LURB issue and report to the legislature Road Rule Guidelines on or before December 31, 2026.

3. **Refocus “Tier 1B appeals Study”:** The Tier1B appeals report should focus on housing and growth strategies that diminish appeal volume for all municipal permit types, not exclusively in Tier 1B. VAPDA has testified that 40% of the state’s housing targets must be met in areas outside of Tier 1B through rural infill strategies. Prior appeals studies have demonstrated that the vast majority of appeals against housing developments happen at the municipal level.

Recommendation:

- Change oversight to DHCD.
- Add Let’s Build Homes and Land Access Opportunity Board to advising organizations.
- Explicitly direct the report to consider strategies for administrative permitting and housing-by-right. These concepts are inclusive of 802 Homes, ROOT Zones, form-based code, and other programs that committee has heard testimony on.

Summary of dates requested by VLCT:

- Road Rule Guidance: December 31, 2026
- Tier 3 Draft Rule Report to Legislature: December 31, 2026
- Road Rule Implementation: December 31, 2027
- Tier 3 Implementation: December 31, 2027
- Temporary Act 250 Exemptions: January 1, 2030