



To: Senate Committee on Natural Resources & Energy

Re: H.775 Section 9

May 12, 2026

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

On behalf of the Vermont Natural Resources Council, we would like to offer some considerations with regard to H.775, Section 9, related to how municipal sewer/water service areas are defined for the purposes of the HOME Act (Act 47).

The HOME Act mandates that areas served by municipal water and sewer allow higher density, by-right residential development, including: a minimum of five units per acre, up to fourplexes in residential zones, restricting parking requirements, and allowing increased density for affordable housing.

We appreciate the Senate Economic Development, Housing & General Affairs' work to clarify where water and sewer service is considered "available," and subsequent discussion in your committee, and we strongly support the underlying goal: directing housing - especially multi-family housing - to areas with existing infrastructure, while protecting Vermont's forests, farms, and rural landscapes.

After several revisions, S.328 ultimately passed the Senate with the current language now before you in H.775, though with no testimony on its potential impacts. This language strikes "state regulations or permits" in defining where sewer service area connections and expansions may be prohibited.

VNRC is concerned that this change could affect or undermine state regulations and permits that may manage such expansions under Vermont's Environmental Protection Rules, Act 250, and related public financing of proposed infrastructure.

For example:

- The state restricts wastewater connections on slopes exceeding 30%, which often prohibits expansion in steep, mountainous areas unless special, costly exceptions are granted.
- State funding for wastewater projects is generally limited to projects serving designated centers, unless extending the service is necessary to address significant existing health or environmental problems (like failing septic systems).

- Expansion is heavily restricted, and often prohibited, in areas that drain into Class A waters (pristine water sources) to prevent degradation.
- Act 250 and Wastewater Rules can prevent connecting new, small-lot subdivisions to public systems if the overall development does not make "efficient use of land" or if it causes "strip development."

With limited time for additional testimony and discussion, we would ask the Committee to consider whether this change would have a meaningful impact on sustainable and safe housing development this year, or whether the language may be amended to reduce unintended consequences.

Sincerely,

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