

TO THE HONORABLE SENATE:

The Committee on Natural Resources and Energy to which was referred Senate Bill No. 325 entitled “An act relating to studying the creation of model bylaws” respectfully reports that it has considered the same and recommends that the bill be amended by striking out all after the enacting clause and inserting in lieu thereof the following:

Sec. 1. LEGISLATIVE INTENT

The General Assembly finds that 2024 Acts and Resolves No. 181 represented a substantial restructuring of Vermont’s land use review framework. This act is intended to provide technical clarification, transitional certainty, and implementation alignment, consistent with the intent of 2024 Acts and Resolves No. 181 and without altering its underlying policy goals.

Sec. 2. 10 V.S.A. § 6001(3) is amended to read:

(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.

* * *

(III) For the purpose of determining the length of any road and associated driveways, the length of all other roads and driveways within the tract of land constructed after ~~July 1, 2026~~ December 31, 2027 shall be included.

* * *

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

* * *

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

* * *

(III) Notwithstanding any other provision of law to the contrary, until ~~January June 1, 2027,~~ January 1, 2028, the construction of a priority housing project or related subdivision located entirely within areas of a designated downtown development district, designated neighborhood development area, or a designated growth center; ~~areas with permanent zoning and subdivision bylaws that have been mapped as downtown centers, village centers, village areas, or planned growth areas;~~ or within one-half mile around such designated center with permanent zoning and subdivision bylaws served by public sewer or water services or soils that are adequate for wastewater disposal. For purposes of this subdivision (III), in order for a parcel to qualify for the

Commented [LURB1]: Recommend striking; adds administrative complexity.

21 exemption, at least 51 percent of the parcel shall be located within one-half
1 mile of the designated center boundary. If the one-half mile around the
2 designated center extends into an adjacent municipality, the legislative body of
3 the adjacent ~~municipal~~ municipality may inform the Board that it does not
4 want the exemption to extend into that area. This exemption shall not apply to areas
within mapped river corridors and floodplains except those areas containing preexisting
development in areas suitable for infill development as defined in 29-201 of the
Vermont Flood Hazard Area and River Corridor Rule in a municipality that has adopted
flood hazard and river corridor bylaws, applicable to the entire municipality, that are
consistent with the standards established pursuant to 10 V.S.A. 755b (flood hazard) and
10 V.S.A. 1428(b) (river corridor).

Commented [LURB2]: This language addresses the environmental justice concern of priority housing projects being located in flood plains, and it is identical to the other interim housing exemptions in 6081(dd).

Commented [LURB3]: We recommend adding this language from Title 24 consistently for all interim housing exemptions.

5 Sec. 3. 10 V.S.A. § 6081 is amended to read:

6 § 6081. PERMITS REQUIRED; EXEMPTIONS

7 * * *

8 (z)(1) Notwithstanding any other provision of this chapter to the contrary,
9 no permit or permit amendment is required for any subdivision, development,
10 or change to an existing project that is located entirely within a Tier 1A area
11 under section 6034 of this chapter.

12 * * *

13 (3) Upon receiving notice and a copy of the permit issued by an
14 appropriate municipal panel pursuant to 24 V.S.A. § 4460(g), a previously
15 issued permit for a development or subdivision located in a Tier 1A area shall

16 remain attached to the property. However, neither the Board nor the Agency
17 of Natural Resources shall enforce the permit or assert amendment jurisdiction
18 on the tract or tracts of land unless the designation is revoked or the
19 municipality has not taken any reasonable action to enforce the conditions of
20 the permit.

21 * * *

Commented [LURB4]: LURB recommends restoring this language to allow enforcement of untransferred permits in Tier 1A areas.

1 (bb) Until ~~July~~ January 1, ~~2028~~ 2029, no permit or permit amendment is
2 required for the construction of improvements for one accessory dwelling unit
3 constructed within or appurtenant to a single-family dwelling. Units
4 constructed pursuant to this subsection shall not count towards the total units
5 constructed in other projects.

6 (cc) Until ~~July~~ January 1, ~~2028~~ 2029, no ~~permit or~~ permit amendment is required for
7 the construction of improvements for converting a structure used for a
8 commercial purpose to 29 or fewer housing units.

8 (dd) Interim housing exemptions.

9 (1) Notwithstanding any other provision of law to the contrary, until
10 January 1, ~~2027~~ 2028 2029, no permit or permit amendment is required for the
11 subdivision for or the construction of housing projects and mixed-use
12 development such as cooperatives, condominiums, dwellings, or mobile
13 homes, with 75 units or fewer, constructed or maintained on a tract or tracts of
14 land, located entirely within the areas of a designated new town center, a
15 designated growth center, or a designated neighborhood development area
16 served by public sewer or water services or soils that are adequate for
17 wastewater disposal. Housing units constructed pursuant to this subdivision
18 shall not count towards the total units constructed in other areas. This
19 exemption shall not apply to areas within mapped river corridors and
20 floodplains except those areas containing preexisting development in areas
21

suitable for infill development as defined in 29-201 of the Vermont Flood Hazard Area and River Corridor Rule.

(2)(A) Notwithstanding any other provision of law to the contrary, until ~~July~~ January 1, 2027 ~~2028~~, no permit or permit amendment is required for the subdivision for or the construction of housing projects and mixed-use development such as cooperatives, condominiums, dwellings, or mobile homes, with 50 or fewer units, constructed or maintained on a tract or tracts of land of 10 acres or less, located entirely within:

(i) areas of a designated village center and within one-quarter mile of its boundary with permanent zoning and subdivision bylaws and served by public sewer or water services or soils that are adequate for wastewater disposal; or

(ii) areas of a municipality that are within a census-designated urbanized area with over 50,000 residents and within one-quarter mile of a transit route.

* * *

(3) Notwithstanding any other provision of law to the contrary, until ~~January June 1, 2027~~, January 1, 2029, no permit or permit amendment is required for the

subdivision for or the construction of housing projects and mixed-use development such as cooperatives, condominiums, dwellings, or mobile homes, constructed or maintained on a tract or tracts of land, located entirely

1 within a designated downtown development district with permanent zoning
2 and subdivision bylaws served by public sewer or water services or soils that
3 are adequate for wastewater disposal. Housing units constructed pursuant to
4 this subdivision shall not count towards the total units constructed in other
5 areas. This exemption shall not apply to areas within mapped river corridors
6 and floodplains except those areas containing preexisting development in areas
7 suitable for infill development as defined in 29-201 of the Vermont Flood
8 Hazard Area and River Corridor Rule.

9 Sec. 4. 2024 Acts and Resolves No. 181, Sec. 22 is amended to read:

10 Sec. 22. TIER 3 RULEMAKING

11 * * *

12 (c) The Board shall file a final proposed rule with the Secretary of State
13 and the Legislative Committee on Administrative Rules on or before ~~February~~
September 1, 2026 2027. After the Land Use Review Board files the rule with the
14 Legislative Committee on Administrative Rules, it shall submit a report
15 describing the rules and the issues reviewed under this section to the House
16 Committee on Environment ~~and Energy~~ and the Senate Committee on Natural
17 Resources and Energy.

19 * * *

1 Sec. 5. 24 V.S.A. § 4460 is amended to read:

2 § 4460. APPROPRIATE MUNICIPAL PANELS

3 * * *

4 (g)(1) This subsection shall apply to a subdivision or development that:

5 (A) was previously permitted pursuant to 10 V.S.A. chapter 151;

6 (B) is located in a Tier 1A area pursuant to 10 V.S.A. § 6034; and

7 (C) has applied for a permit or permit amendment required by zoning
8 regulations or bylaws adopted pursuant to this subchapter.

9 (2) The appropriate municipal panel reviewing a municipal permit or
10 permit amendment pursuant to this subsection shall include conditions
11 contained within a permit previously issued pursuant to 10 V.S.A. chapter 151
12 unless the panel determines that the permit condition pertains to any of the
13 following:

14 (A) the construction phase of the project that has already been
15 constructed;

16 (B) compliance with another State permit that has independent
17 jurisdiction;

18 (C) federal or State law that is no longer in effect or applicable;

19 (D) an issue that is addressed by municipal regulation and the project
20 will meet the municipal standards; or

1 (E) a physical or use condition that is no longer in effect or
2 applicable or that will no longer be in effect or applicable once the new project
3 is approved.

4 (3) After issuing or amending a permit containing conditions pursuant to
5 this subsection, the appropriate municipal panel shall provide notice and a
6 copy of the permit to the Land Use Review Board.

7 (4) The appropriate municipal panel shall comply with the notice and
8 hearing requirements provided in subdivision 4464(a)(1) of this title. In
9 addition, notice shall be provided to those persons requiring notice under
10 10 V.S.A. § 6084(b) and shall explicitly reference the existing Act 250 permit.

11 (5) The appropriate municipal panel's decision shall be issued in
12 accordance with subsection 4464(b) of this title and shall include specific
13 findings with respect to its determinations pursuant to subdivision (2) of this
14 subsection.

15 (6) Any final action by the appropriate municipal panel affecting a
16 condition of a permit previously issued pursuant to 10 V.S.A. chapter 151 shall
17 be recorded in the municipal land records.

18 (h) Within a Tier 1A area, the appropriate municipal panel shall enforce
19 any existing permits issued under 10 V.S.A. chapter 151 that has ~~not~~ had its
20 permit conditions transferred to a municipal permit pursuant to subsection (g)
21 of this section.

Commented [LURB5]: This is a part of the Tier 1A permit enforcement fix discussed with the Committee.

~~Sec. 6. TIER 1A AREA GUIDELINES~~

~~On or before October 1, 2026, the Land Use Review Board shall update its
Tier 1A area guidelines to set procedural standards to ensure consistent
application of requirements across municipalities.~~

Sec. 7. 2024 Acts and Resolves No. 181, Sec. 114 is amended to read:

Sec. 114. EFFECTIVE DATES

This act shall take effect on passage, except that:

(1) Secs. 12 (10 V.S.A. § 6001), 13 (10 V.S.A. § 6086(a)(8)), and 21
(10 V.S.A. § 6001) shall take effect on ~~December 31, 2026~~ July 1, 2027 January 1, 2028;

(2) Sec. 19 (10 V.S.A. § 6001(3)(A)(xii)) shall take effect on ~~July 1, 2026~~ 2027 January 1, 2028;

* * *

~~Sec. 8. TIER 1B APPEALS; REPORT~~

~~On or before January 15, 2027, the Land Use Review Board, after
consultation with the Vermont Association of Planning and Development
Agencies, the Vermont Leagues of Cities and Towns, in consultation with the Land
Use Review Board, the Vermont Association of Planning and Development
Agencies, the Vermont Natural
Resources Council, and the Vermont Planners Association, shall report to the
General Assembly on recommendations for how to limit the number of appeals
of municipal zoning permits that can be brought against housing projects~~

Commented [LURB6]: LURB recommends striking here and relocating this report to an appeals bill.

~~located within Tier 1B areas. The Board shall identify mechanisms for
limiting appeals that allow municipalities to address legitimate concerns with
projects. The report shall also identify the most commonly raised issues on
appeal; evaluate statutory or procedural tools to limit duplicative or non-
material appeals; and recommend legislative action needed, if any. The report
shall be submitted to the House Committee on Environment and the Senate
Committee on Natural Resources and Energy.~~

6

7 Sec. 10. 2024 Acts and Resolves No. 181, Sec. 22 is amended to read:

8 (a) The Land Use Review Board, in consultation with the Secretary of Natural
Resources, shall adopt rules to implement the requirements for the administration of
10 V.S.A. § 6001(3)(A)(xiii) and 10 V.S.A. § 6001(46) and (19). It is the intent of
the General Assembly that these rules identify critical natural resources for
protection. The Board shall review the definition of Tier 3 area; determine the
critical natural resources that shall be included in Tier 3, giving due consideration to
river corridors, headwater streams, habitat connectors of statewide significance,
riparian areas, class A waters, and natural communities; any additional critical
natural resources that should be added to the definition; measures to ensure that no
municipality or region is disproportionately impacted by Tier 3 designation that
would limit reasonable opportunities for Tier 1 or Tier 2 designations; whether to
allow for review under fewer than all the criteria under 10 V.S.A. § 6086(a)(1)-(10);
and how to define the boundaries. Rules adopted by the Board shall include:

Commented [LURB7]: Gives LURB ability to discuss Tier 3 and Act 250 criteria

(1) any necessary clarifications to how the Tier 3 definition is used in 10 V.S.A. chapter 151, including whether and how subdivisions would be covered under the jurisdiction of Tier 3;

(2) any necessary changes to how 10 V.S.A. § 6001(3)(A)(xiii) should be administered and when jurisdiction should be triggered to protect the functions and values of resources of critical natural resources;

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

(4) any necessary changes to how 10 V.S.A. § 6086 should be administered for permits issued in Tier 3 areas;

(4~~5~~) other policies or programs that shall be developed to review development impacts to Tier 3 areas if they are not included in 10 V.S.A. § 6001(46); and

(~~5~~6) if a critical natural resource area is not recommended for protection under Tier 3, it shall be identified in the rule, and a rationale shall be provided as to why the critical resource was not selected for Tier 3 protection.

Sec. 8. 10 V.S.A. § 6034 is amended to read:

(b) Tier 1A area status requirements.

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

(G) The municipality has identified and planned for the maintenance of significant natural communities, ~~rare~~, threatened, and endangered species located in the Tier 1A area or excluded those areas from the Tier 1A area.

Commented [JR8]: This is a request from ANR to align Tier 1A with existing Act 250/ANR requirements.

LURB RECOMMENDATIONS 2/26/2026

Sec. 9. EFFECTIVE DATE

This act shall take effect on passage.

and that after passage the title of the bill be amended to read: “An act relating
to Act 250 Tier jurisdiction”

(Committee vote: _____)

Senator _____

FOR THE COMMITTEE