

1 S.234

2 Introduced by Senators Bray, Balint, Clarkson and Lyons

3 Referred to Committee on Natural Resources and Energy

4 Date: January 12, 2022

5 Subject: Conservation and development; land use; Act 250

6 Statement of purpose of bill as introduced: This bill proposes to make
7 multiple amendments to the State land use and development law, Act 250,
8 including: creating designated smart growth areas that will be exempt from
9 Act 250 and providing grants to municipalities to assist them in achieving this
10 new designation, requiring municipalities to respond to Act 250 requests
11 within 90 days, adding new criteria for forest blocks and connecting habitat,
12 adding a jurisdictional trigger for roads, clarifying permit conditions for wood
13 product manufacturers, clarifying Act 250 jurisdiction in one-acre towns, and
14 creating a committee to study the governance and administration of the Act
15 250 program.

16 An act relating to changes to Act 250

1 It is hereby enacted by the General Assembly of the State of Vermont:

2 ~~*** Smart Growth Designation ***~~

3 Sec. 1. 10 V.S.A. § 6001(43) is added to read:

4 (43) “Smart growth designation” means the process by which a
5 designated center demonstrates that the center has satisfied the requirements of
6 24 V.S.A. § 2793f. The term shall also refer to the resulting status.

7 Sec. 2. 10 V.S.A. § 6081 is amended to read:

8 § 6081. PERMITS REQUIRED; EXEMPTIONS

9 * * *

10 (y) No permit or permit amendment is required for any subdivision or
11 development located in a smart growth designation area. If the smart growth
12 designation is terminated, a development or subdivision within the designated
13 center must receive a permit, if applicable.

14 Sec. 3. 24 V.S.A. § 2793f is added to read:

15 § 2793f. SMART GROWTH DESIGNATION

16 (a) Application and approval. A municipality, by resolution of its
17 legislative body, may apply to the Natural Resources Board for a smart growth
18 designation for any designated downtown development district or designated
19 neighborhood development area. The Natural Resources Board shall issue an
20 affirmative determination on finding that the municipality meets the
21 requirements of subsection (b) of this section.

1 ~~(b) Smart growth designation requirements~~

2 ~~(1) To obtain a smart growth designation under this section, a~~

3 ~~municipality must demonstrate that it has each of the following:~~

4 ~~(A) an approved designated downtown development district or~~

5 ~~designated neighborhood development area;~~

6 ~~(B) a municipal plan that is approved in accordance with section~~

7 ~~4350 of this title;~~

8 ~~(C) a housing element in its town plan in accordance with~~

9 ~~subdivision 4382(10) of this title that achieves the purposes of subdivision~~

10 ~~4302(11) of this title and that includes clear implementation steps for~~

11 ~~achieving mixed income housing, including affordable housing, a timeline for~~

12 ~~implementation, responsibility for each implementation step, and potential~~

13 ~~funding sources;~~

14 ~~(D) adopted one of the following to promote the availability of~~

15 ~~affordable housing opportunities in the municipality:~~

16 ~~(i) inclusionary zoning as provided in subdivision 4414(7) of this~~

17 ~~title;~~

18 ~~(ii) a restricted housing trust fund with designated revenue~~

19 ~~streams;~~

20 ~~(iii) a housing commission as provided in section 4433 of this~~

21 ~~title, or~~

1 ~~(iv) impact fee exemptions or reductions for affordable housing as~~
2 provided in section 5205 of this title;

3 (E) municipal flood hazard planning, applicable to the entire
4 municipality, in accordance with subdivision 4382(12) of this title and the
5 guidelines issued by the Department pursuant to subsection 2792(d) of this
6 title;

7 (F) flood hazard and river corridor bylaws, applicable to the entire
8 municipality, that are consistent with the standards established pursuant to
9 10 V.S.A §§ 755(b) (flood hazard) and 1428(b) (river corridor);

10 (G) a capital budget and program pursuant to section 4430 of this
11 title that make substantial investments in the ongoing development of the
12 designated area, are consistent with the plan's implementation program, and
13 are consistent with the smart growth principles defined in subdivision
14 2791(13) of this title;

15 (H) municipal bylaws that do not include broad exemptions
16 excluding significant private or public land development from requiring a
17 municipal land use permit; and

18 (I) adequate municipal staff to support coordinated comprehensive
19 capital planning, development review, and zoning administration.

1 ~~(2) Designated downtown development districts seeking enhanced~~
2 ~~designation shall, in addition to the requirements of subdivisions (c)(1)–(6) of~~
3 ~~this section, also have:~~

4 ~~(A) urban form bylaws for the enhanced designated center that~~
5 ~~further the smart growth principles of this chapter and adequately regulate the~~
6 ~~physical form and scale of development and conform to the guidelines~~
7 ~~established by the Department; and~~

8 ~~(B) historic preservation bylaws for established design review~~
9 ~~districts, historic districts, or historic landmarks pursuant to subdivisions~~
10 ~~4414(1)(E) and (F) of this title for the enhanced designated center that meet~~
11 ~~State historic preservation guidelines issued by the Department pursuant to~~
12 ~~subsection 2792(d) of this title.~~

13 ~~(3) Designated neighborhood development areas seeking enhanced~~
14 ~~designation shall have, in addition to the requirements of this subsection,~~
15 ~~wildlife habitat planning bylaws for the enhanced designated center that~~
16 ~~comply with standards established by the Department of Fish and Wildlife.~~

17 ~~(4) If any party entitled to notice under subdivision (4)(A) of subsection~~
18 ~~(c) of this section or any resident of the municipality raises concern about the~~
19 ~~municipality’s compliance with the requirements for the underlying~~
20 ~~designation, those concerns must be addressed as part of the municipality’s~~
21 ~~application.~~

1 (c) Process for issuing smart growth designation

2 (1) A preapplication meeting shall be held with Department staff to
3 review the program requirements. The meeting shall be held in the
4 municipality unless another location is agreed to by the municipality.

5 (2) An application by the municipality must include the information and
6 analysis required by the Department's guidelines established pursuant to
7 section 2792 of this title on how to meet the requirements of subsection (b) of
8 this section.

9 (3) The Department shall establish a procedure for submission of a draft
10 application that involves review and comment by all the parties to be noticed
11 in subdivision (4)(A) of this subsection and shall issue a preapplication memo
12 incorporating the comments to the applicant after receipt of a draft preliminary
13 application.

14 (4) After receipt of a complete final application, the Natural Resources
15 Board shall convene a public hearing in the municipality to consider whether
16 to issue a determination of smart growth designation under this section.

17 (A) Notice.

18 (i) At least 35 days in advance of the Board's meeting, the
19 Department shall provide notice to the municipality and post it on the
20 Agency's website.

1 ~~(ii) The municipality shall publish notice of the meeting at least~~
2 ~~30 days in advance of the Board's meeting in a newspaper of general~~
3 ~~circulation in the municipality, and deliver physically or electronically, with~~
4 ~~proof of receipt or by certified mail, return receipt requested to the Agency of~~
5 ~~Natural Resources; the State Downtown Board; the Division for Historic~~
6 ~~Preservation; the Agency of Agriculture, Food and Markets; the Agency of~~
7 ~~Transportation; the regional planning commission; the regional development~~
8 ~~corporations; and the entities providing educational, police, and fire services to~~
9 ~~the municipality.~~

10 ~~(iii) The notice shall also be posted by the municipality in or near~~
11 ~~the municipal clerk's office and in at least two other designated public places~~
12 ~~in the municipality and on the websites of the municipality and the Agency of~~
13 ~~Commerce and Community Development.~~

14 ~~(iv) The municipality shall also certify in writing that the notice~~
15 ~~required by this subdivision (c)(4)(A) has been published, delivered, and~~
16 ~~posted within the specified time.~~

17 ~~(B) No defect in the form or substance of any requirements of this~~
18 ~~subsection (c) shall invalidate the action of the Board where reasonable efforts~~
19 ~~are made to provide adequate posting and notice. However, the action shall be~~
20 ~~invalid when the defective posting or notice was materially misleading in~~
21 ~~content. If an action is ruled to be invalid by the Superior Court or by the~~

1 ~~Board itself, the Department shall provide and the municipality shall issue new~~
2 ~~posting and notice, and the Board shall hold a new hearing and take a new~~
3 ~~action.~~

4 (5) ~~The Board may recess the proceedings on any application pending~~
5 ~~submission of additional information. The Board shall close the proceedings~~
6 ~~promptly after all parties have submitted the requested information.~~

7 (6) ~~The Board shall issue its determination in writing. The~~
8 ~~determination shall include explicit findings on each of the requirements in~~
9 ~~subsection (b) of this section.~~

10 (d) ~~Review of smart growth designation status.~~

11 (1) ~~Length of designation. Initial determination of a smart growth~~
12 ~~designation may be made at any time. Thereafter, review of the smart growth~~
13 ~~designation shall be concurrent with the next periodic review of the underlying~~
14 ~~designated downtown or neighborhood development area.~~

15 (2) ~~The Board, on its motion, may review compliance with the smart~~
16 ~~growth designation requirements at more frequent intervals.~~

17 (3) ~~If at any time the Board determines that the designated smart growth~~
18 ~~area no longer meets the standards for the designation, it shall take one of the~~
19 ~~following actions:~~

20 (A) ~~require corrective action within a reasonable time frame; or~~

21 ~~(B) terminate the smart growth designation.~~

1 ~~(4) If the underlying designation is terminated, the smart growth~~
2 ~~designation also shall terminate.~~

3 ~~(e) Appeal.~~

4 ~~(1) An interested person may appeal any act or decision of the Board~~
5 ~~under this section to the Environmental Division of the Superior Court within~~
6 ~~30 days following the act or decision.~~

7 ~~(2) As used in this section, an "interested person" means any one of the~~
8 ~~following:~~

9 ~~(A) A person owning a title to or occupying property within or~~
10 ~~abutting the designated center.~~

11 ~~(B) The municipality making the application or a municipality that~~
12 ~~adjoins the municipality making the application.~~

13 ~~(C) The regional planning commission for the region that includes~~
14 ~~the designated center or a regional planning commission whose region adjoins~~
15 ~~the municipality in which the designated center is located.~~

16 ~~(D) Any 20 persons who, by signed petition, allege that the decision~~
17 ~~is not in accord with the requirements of this chapter and who own or occupy~~
18 ~~real property located within the municipality in which the designated center is~~
19 ~~located or an adjoining municipality. The petition must designate one person~~
20 ~~to serve as the representative of the petitioners regarding all matters related to~~

1 ~~the appeal. The designated representative must have participated in the public~~
2 hearing described in subdivision (c)(4) of this section.

3 Sec. 4. 24 V.S.A. § 2792 is amended to read:

4 § 2792. Vermont Downtown Development Board

5 (a) A “Vermont Downtown Development Board,” also referred to as the
6 “State Board,” is created to administer the provisions of this chapter. The
7 State Board shall be composed of the following members or their designees:

8 * * *

9 (12) The executive director of the Vermont Housing and Conservation
10 Board or designee.

11 * *

12 Sec. 5. 24 V.S.A. § 4306 is amended to read:

13 § 4306. MUNICIPAL AND REGIONAL PLANNING FUND

14 (a)(1) The Municipal and Regional Planning Fund for the purpose of
15 assisting municipal and regional planning commissions to carry out the intent
16 of this chapter is hereby created in the State Treasury.

17 (2) The Fund shall be composed of 17 percent of the revenue from the
18 property transfer tax under 32 V.S.A. chapter 231 and any monies from time to
19 time appropriated to the Fund by the General Assembly or received from any
20 ~~other source, private or public. All balances at the end of any fiscal year shall~~

1 ~~be carried forward and remain in the Fund. Interest earned by the Fund shall~~
2 ~~be deposited in the Fund.~~

3 (D) Of the revenues in the Fund, each year:

4 (A) 10 percent shall be disbursed to the Vermont Center for
5 Geographic Information;

6 (B) 70 percent shall be disbursed to the Secretary of Commerce and
7 Community Development for performance contracts with regional planning
8 commissions to provide regional planning services pursuant to section 4341a
9 of this title; and

10 (C) 20 percent shall be disbursed to municipalities.

11 * * *

12 (d) New funds allocated to municipalities under this section may take the
13 form of special purpose grants in accordance with section 4307 of this title.

14 Sec. 6. 24 V.S.A. § 4307 is added to read:

15 § 4307. MUNICIPAL SMART GROWTH DESIGNATION GRANTS

16 (a) There are created Municipal Bylaw Modernization Grants to assist
17 municipalities in updating their land use and development bylaws to achieve a
18 smart growth designation under section 2793f of this title. The Grants shall be
19 funded by monies allocated from the municipality allocation of the Municipal
20 and Regional Planning Fund established in subdivision 4306(a)(3)(C) of this
21 title and any other monies appropriated for this purpose.

1 ~~(b) A municipality that receives a grant shall use the funds for the adoption~~
2 ~~of bylaws that are required under section 2793f of this title to achieve the~~
3 ~~smart growth designation. Funding may be used for mapping, the cost of~~
4 ~~regional planning commission staff or consultant time, carrying out the~~
5 ~~provisions of subchapters 5–10 of this chapter, and any other purpose~~
6 ~~approved by the Department.~~

7 (c) Disbursement to municipalities shall be administered by the
8 Department of Housing and Community Development through a competitive
9 process, providing the opportunity for all regions and any eligible municipality
10 to compete regardless of size. The Department shall, to the extent reasonably
11 possible, ensure that grants are awarded with the intent of achieving
12 geographic distribution across the State.

13 (d) On or before September 1, 2022, the Department shall adopt guidelines
14 to assist municipalities applying for grants under this section.

15 * * * Municipal Response to Act 250 Requests * * *

16 Sec. 7. 10 V.S.A. 6086(g) is added to read:

17 (g) If a municipality fails to respond to a request by the applicant within
18 90 days as to the impacts related to subdivision (a)(6) or (7) of this section, the
19 application will be presumed not to have an unreasonable burden on
20 educational, municipal, or governmental services.

~~*** Forest Blocks ***~~

~~Sec. 8. 10 V.S.A. § 6001 is amended to read:~~

~~§ 6001. DEFINITIONS~~

~~As used in this chapter:~~

~~***~~

~~(44) “Connecting habitat” means land or water, or both, that links patches of habitat within a landscape, allowing the movement, migration, and dispersal of wildlife and plants and the functioning of ecological processes. A connecting habitat may include features including recreational trails and improvements constructed for farming, logging, or forestry purposes.~~

~~(45) “Forest block” means a contiguous area of forest in any stage of succession and not currently developed for nonforest use. A forest block may include features including recreational trails, wetlands, or other natural features that do not themselves possess tree cover and improvements constructed for farming, logging, or forestry purposes.~~

~~(46) “Fragmentation” means the division or conversion of a forest block or connecting habitat by the separation of a parcel into two or more parcels; the construction, conversion, relocation, or enlargement of any building or other structure or of any mining, excavation, or landfill; and any change in the use of any building or other structure, or land, or extension of use of land.~~

~~However, “fragmentation” does not include the division or conversion of a~~

1 ~~forest block or connecting habitat by a recreational trail or by improvements~~
2 constructed for farming, logging, or forestry purposes below the elevation of
3 2,500 feet.

4 (47) "Habitat" means the physical and biological environment in which
5 a particular species of plant or wildlife lives.

6 Sec. 9. 10 V.S.A. § 6086(a)(8) is amended to read:

7 (8) Ecosystem protection; scenic beauty; historic sites.

8 (A) Aesthetics. Will not have an undue adverse effect on the scenic
9 or natural beauty of the area, aesthetics, historic sites or rare and irreplaceable
10 natural areas.

11 (A)(B) Necessary wildlife habitat and endangered species. A permit
12 will not be granted if it is demonstrated by any party opposing the applicant
13 that a development or subdivision will destroy or significantly imperil
14 necessary wildlife habitat or any endangered species; and:

15 (i) the economic, social, cultural, recreational, or other benefit to
16 the public from the development or subdivision will not outweigh the
17 economic, environmental, or recreational loss to the public from the
18 destruction or imperilment of the habitat or species; or

19 (ii) all feasible and reasonable means of preventing or lessening
20 the destruction, diminution, or imperilment of the habitat or species have not
21 been or will not continue to be applied, or

1 ~~(iii) a reasonably acceptable alternative site is owned or controlled~~
2 by the applicant ~~which~~ that would allow the development or subdivision to
3 fulfill its intended purpose.

4 (C) Forest blocks and connecting habitat. Will not result in an undue
5 adverse impact on forest blocks and connecting habitat. If a project as
6 proposed would result in an undue adverse impact, a permit may only be
7 granted if effects are avoided, minimized, and mitigated in accordance with
8 rules adopted by the Board.

9 Sec. 10. CRITERION 8(C) RULEMAKING

10 (a) The Natural Resources Board (Board), in consultation with the Agency
11 of Natural Resources, shall adopt rules to implement the requirements for the
12 administration of 10 V.S.A. § 6086(a)(8)(C). Rules adopted by the Board shall
13 include:

14 (1) How forest blocks and connecting habitat are further defined,
15 including their size, location, and function, which may include:

16 (A) information that will be available to the public to determine
17 where forest blocks and connecting habitat are located; or

18 (B) advisory mapping resources, how they will be made available,
19 how they will be used, and how they will be updated.

20 (2) Standards establishing how impacts can be avoided, minimized, or
21 mitigated, including how fragmentation of forest blocks or connecting habitat

1 ~~is avoided or minimized, which may include steps to promote proactive site~~
2 design of buildings, roadways and driveways, utility location, and location
3 relative to existing features such as roads, tree lines, and fence lines.

4 (3) Criteria to identify when a forest block or connecting habitat is
5 eligible for mitigation.

6 (4) Standards for how impacts to a forest block or connecting habitat
7 may be mitigated. Standards may include:

8 (A) appropriate ratios for compensation;

9 (B) appropriate forms of compensation such as conservation
10 easements, fee interests in land, and other forms of compensation; and

11 (C) appropriate uses of on-site and off-site mitigation.

12 (b) The Board shall convene a working group to provide input to the rule
13 prior to pre-filing with the Interagency Committee on Administrative Rules.

14 The Board shall convene the working group on or before February 1, 2023.

15 (c) The Board shall file a final proposed rule with the Secretary of State
16 and Legislative Committee on Administrative Rules on or before June 15,

17 2023.

18 Sec. 11. 10 V.S.A. § 127 is amended to read:

19 § 127. RESOURCE MAPPING

20 (a) ~~On or before January 15, 2013, the~~ The Secretary of Natural Resources
21 ~~shall complete and maintain~~ resource mapping based on the Geographic

1 ~~Information System (GIS) or other technology. The mapping shall identify~~
2 natural resources throughout the State, including forest blocks, that may be
3 relevant to the consideration of energy projects and projects subject to chapter
4 151 of this title. The Center for Geographic Information shall be available to
5 provide assistance to the Secretary in carrying out the ~~GIS-based~~ resource
6 mapping.

7 (b) The Secretary of ~~Natural Resources~~ shall consider the ~~GIS-based~~
8 resource maps developed under subsection (a) of this section when providing
9 evidence and recommendations to the Public Utility Commission under
10 30 V.S.A. § 248(b)(5) and when commenting on or providing
11 recommendations under chapter 151 of this title to District Commissions on
12 other projects.

13 (c) The Secretary shall establish and maintain written procedures that
14 include a process and science-based criteria for updating resource maps
15 developed under subsection (a) of this section. Before establishing or revising
16 these procedures, the Secretary shall provide opportunities for affected parties
17 and the public to submit relevant information and recommendations.

18 * * * Roads * * *

19 Sec. 12. 10 V.S.A. § 6001 is amended to read:

20 § 6001. DEFINITIONS

21 ~~As used in this chapter.~~

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(3)(A) "Development" means each of the following:

* * *

(xi) The construction of a road, roads, driveway, or driveways, which in combination is greater than 2,000 feet, to provide access to or within a tract or tracts of land of more than one acre owned or controlled by a person.

(I) For the purposes of determining jurisdiction under this subdivision (xi), any tract or tracts of land that will be provided access by the road or driveway is involved land.

(II) As used in this subdivision (xi), "road" shall include any new road or upgrade of a class 4 highway by a person other than a municipality, including a road that will be transferred to or maintained by a municipality after its construction or upgrade. For the purposes of this subdivision (II), routine maintenance of a class 4 highway or stormwater improvement required pursuant to section 1264 of this title shall not constitute an "upgrade."

(aa) Routine maintenance shall include replacing a culvert or ditch, applying new stone, grading, or making repairs after adverse weather.

(bb) Routine maintenance shall not include changing the size of the road, changing the location or layout of the road, or adding pavement.

1 ~~(III) For the purpose of determining the length under this~~
2 ~~subdivision (xi), the length of all roads and driveways within the tract or tracts~~
3 ~~of land constructed within any continuous period of 10 years after October 1,~~
4 ~~2020 shall be included.~~

5 ~~(IV) This subdivision (xi) shall not apply to:~~

6 ~~(a) a road constructed for a municipal, county, or State~~
7 ~~purpose; a utility corridor of an electric transmission or distribution company;~~
8 ~~or a road located entirely within a designated downtown or neighborhood~~
9 ~~development area; and~~

10 ~~(bb) a road used primarily for farming or forestry purposes~~
11 ~~unless used for a residential purpose.~~

12 * * *

13 * * * Wood Products Manufacturers * * *

14 Sec. 13. 10 V.S.A. § 6001 is amended to read:

15 § 6001. DEFINITIONS

16 * * *

17 ~~(48) “Wood products manufacturer” means a manufacturer that~~
18 ~~aggregates wood products from forestry operations and adds value through~~
19 ~~processing or marketing in the wood products supply chain or directly to~~
20 ~~consumers through retail sales. “Wood products manufacturer” includes~~
21 ~~sawmills, veneer mills, pulp mills, pellet mills, producers of firewood,~~

1 ~~woodchips, mulch, and fuel wood; and log and pulp concentration yards.~~
2 “Wood products manufacturer” does not include facilities that purchase,
3 market, and resell finished goods, such as wood furniture, wood pellets, and
4 milled lumber, without first receiving wood products from forestry operations.

5 (49) “Wood product” means logs, pulpwood, veneer wood, bolt wood,
6 wood chips, stud wood, poles, pilings, biomass, fuel wood, maple sap, and
7 bark.

8 Sec. 14. 10 V.S.A. § 6086(c) is amended to read:

9 (c)(1) Permit conditions. A permit may contain such requirements and
10 conditions as are allowable proper exercise of the police power and ~~which that~~
11 are appropriate within the respect to subdivisions (a)(1) through (10) of this
12 section, including those set forth in 24 V.S.A. §§ 4414(4), 4424(a)(2),
13 4414(1)(D)(i), 4463(b), and 4464, the dedication of lands for public use, and
14 the filing of bonds to ensure compliance. The requirements and conditions
15 incorporated from Title 24 may be applied whether or not a local plan has been
16 adopted. General requirements and conditions may be established by rule of
17 the Natural Resources Board.

18 (2) Permit conditions on a wood products manufacturer.

19 (A) A permit condition that sets hours of operation for a wood
20 products manufacturer shall only be imposed to mitigate an impact under
21 subdivision (a)(1), (3), or (8) of this section.

1 ~~(B) If an adverse impact under subdivision (a)(1), (5), or (8) of this~~
2 ~~section would result, a permit with conditions shall allow the manufacturer to~~
3 ~~operate while mitigating these impacts. A permit with conditions that mitigate~~
4 ~~these impacts shall allow for deliveries of wood products from forestry~~
5 ~~operations to the manufacturer outside permitted hours of operation, including~~
6 ~~nights, weekends, and holidays, for the number of days demonstrated by the~~
7 ~~manufacturer as necessary to enable business operations, not to exceed 90 days~~
8 ~~per year.~~

9 (3) Permit with conditions on the delivery of wood heat fuels. A permit
10 with conditions issued to a wood products manufacturer that produces wood
11 chips, pellets, cord wood, or other fuel wood used for heat shall allow
12 shipment of that fuel wood from the manufacturer to the end user outside
13 permitted hours of operation, including nights, weekends, and holidays, from
14 October 1 through April 30 of each year. Permits with conditions shall
15 mitigate the undue adverse impacts while enabling the operations of the
16 manufacturer.

17 (4) Permit amendments. A wood products manufacturer holding a
18 permit may request an amendment to existing permit conditions related to
19 hours of operation and seasonal restrictions to be consistent with subdivisions
20 (2) and (3) of this subsection. Requests for condition amendments under this
21 subsection shall not be subject to Act 250 Rule 34(E).

1 *** One acre towns ***

2 Sec. 15. 10 V.S.A. § 6001 is amended to read:

3 § 6001. DEFINITIONS

4 * * *

5 (3)(A) "Development" means each of the following:

6 (i) The construction of improvements on a tract or tracts of land,
7 owned or controlled by a person, involving more than 10 acres of land within a
8 radius of five miles of any point on any involved land, for commercial or
9 industrial purposes in a municipality that has adopted permanent zoning and
10 subdivision bylaws.

11 (ii) The construction of improvements on a tract or tracts of land,
12 owned or controlled by a person, involving more than one acre of land within
13 a radius of five miles of any point on any involved land, for commercial or
14 industrial purposes ~~on more than one acre of land~~ within a municipality that
15 has not adopted permanent zoning and subdivision bylaws.

16 * * *

17 * * * Study Committee; Effective Date * * *

18 Sec. 16. STUDY COMMITTEE; NATURAL RESOURCES BOARD

19 STRUCTURE

20 (a) There is created a study committee on the structure and function of the
21 Natural Resources Board. The group shall consist of eight members, four

1 ~~appointed by the Speaker of the House and four appointed by the Committee~~
2 ~~on Committees.~~

3 ~~(b) The group shall hear from various stakeholder groups on how to~~
4 ~~enhance the administration of the Act 250 program, including considerations~~
5 ~~of:~~

6 ~~(1) the membership of the Board;~~

7 ~~(2) the appointment process;~~

8 ~~(3) grounds for removing a member from the Board;~~

9 ~~(4) the responsibilities and authorities of the Board and District~~

10 ~~Commissions;~~

11 ~~(5) funding of the operation of the Board, District Commissions, and the~~
12 ~~Act 250 program; and~~

13 ~~(6) the handling of appeals issued by the District Commissions and the~~
14 ~~Board.~~

15 ~~(c) On or before December 31, 2022, the group shall report back to the~~
16 ~~General Assembly with any proposed changes to the structure and function of~~
17 ~~the Natural Resources Board.~~

18 * * * Effective Date * * *

19 Sec. 17. EFFECTIVE DATE

20 ~~This act shall take effect on July 1, 2022.~~

~~* * * Municipal Zoning * * *~~

~~Sec. 1. 24 U.S.A. § 2793 is amended to read:~~

~~§ 2793c. NEIGHBORHOOD PLANNING AREAS, DESIGNATION OF
NEIGHBORHOOD DEVELOPMENT AREAS~~

~~(a) Purpose. This section is intended to encourage a municipality to plan for new and infill housing in the area including and immediately encircling its designated downtown, village center, new town center, or within its designated growth center in order to provide needed housing and to further support the commercial establishments in the designated center. To support this goal, this section sets out a two-component process.~~

~~* * *~~

~~(b) Definitions.~~

~~(1) "Neighborhood planning area" means an automatically delineated area including and encircling a downtown, village center, or new town center designated under this chapter or within a growth center designated under this chapter. A neighborhood planning area is used for the purpose of identifying locations suitable for new and infill housing that will support a development pattern that is compact, oriented to pedestrians, and consistent with smart growth principles. To ensure a compact settlement pattern, the outer boundary of a neighborhood planning area shall be located entirely within the boundaries of the applicant municipality, unless a joint application is submitted by more than one municipality, and shall be determined:~~

~~* * *~~

~~(c) Application for designation of a neighborhood development area. The State Board shall approve a neighborhood development area if the application demonstrates and includes all of the following elements:~~

~~* * *~~

~~(5) The proposed neighborhood development area consists of those portions of the neighborhood planning area that are appropriate for new and infill housing, excluding identified flood hazard and fluvial erosion areas, 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 determining what areas are most suitable for new and infill housing, the municipality shall balance local goals for future land use, the availability of land for housing within the neighborhood planning area, and the smart growth principles. Based on those considerations, the municipality shall select an area for neighborhood development area designation that:~~

~~(A) Avoids or ~~that~~ minimizes to the extent feasible the inclusion of "important natural resources" as defined in subdivision 2791(14) of this title.~~

~~an "important natural resource" is included within a proposed neighborhood development area, the applicant shall identify the resource, explain why the resource was included, describe any anticipated disturbance to such resource, and describe why the disturbance cannot be avoided or minimized. If the neighborhood development area includes flood hazard areas or river corridors, the local bylaws shall contain provisions consistent with the Agency of Natural Resources' rules required under 10 V.S.A. § 754(a) to ensure that new infill development within a neighborhood development area occurs outside the flood hazard area and will not cause or contribute to fluvial erosion hazards within the river corridor. If the neighborhood development area includes flood hazard areas or river corridors, local bylaws shall also contain provisions to protect river corridors outside the neighborhood development area consistent with the Agency of Natural Resources' rules required under 10 V.S.A. § 754(a).~~

~~***~~

~~(6) The neighborhood development area is served by:~~

~~(A) municipal sewer infrastructure; or~~

~~(B) a community or alternative wastewater system approved by the Agency of Natural Resources. [Repealed.]~~

~~(7) The municipal bylaws allow minimum net residential densities within the neighborhood development area greater than or equal to four single-family detached dwelling units per acre for all identified residential uses or residential building types, exclusive of accessory dwelling units, or not fewer than the average existing density of the surrounding neighborhood, whichever is greater. The methodology for calculating density shall be established in the guidelines developed by the Department pursuant to subsection 2792(d) of this title.~~

~~***~~

~~Sec. 2. 24 V.S.A. § 2793b is amended to read:~~

~~§ 2793b. DESIGNATION OF NEW TOWN CENTER DEVELOPMENT DISTRICTS~~

~~***~~

~~(b) Within 45 days of receipt of a completed application, the State Board shall designate a new town center development district if the State Board finds, with respect to that district, the municipality has:~~

~~***~~

~~(2) Provided a community investment agreement that has been executed~~

~~by authorized representatives of the municipal government, businesses and property owners within the district, and community groups with an articulated purpose of supporting downtown interests, and contains the following:~~

~~***~~

~~(B) Regulations enabling high densities that are greater not less than four dwelling units, including all identified residential uses or residential building types, per acre and not less than those allowed in any other part of the municipality not within an area designated under this chapter.~~

~~***~~

~~Sec. 3. 24 V.S.A. § 4449 is amended to read:~~

~~§ 4449. ZONING PERMIT, CERTIFICATE OF OCCUPANCY, AND MUNICIPAL LAND USE PERMIT~~

~~(a) Within any municipality in which any bylaws have been adopted:~~

~~***~~

~~(4) No municipal land use permit issued by an appropriate municipal panel or administrative officer, as applicable, for a site plan or conditional use shall be considered abandoned or expired unless more than two years has passed since the permit approval was issued.~~

~~*** Act 250 ***~~

~~Sec. 4. 10 V.S.A. § 6001 is amended to read:~~

~~§ 6001. DEFINITIONS~~

~~As used in this chapter:~~

~~***~~

~~(3)(A) "Development" means each of the following:~~

~~***~~

~~(iv) The construction of housing projects such as cooperatives, condominiums, or dwellings, or construction or maintenance of mobile homes or mobile home parks, with 10 or more units, constructed or maintained on a tract or tracts of land, owned or controlled by a person, within a radius of five miles of any point on any involved land and within any continuous period of five years. However:~~

~~(I) A priority housing project shall constitute a development under this subdivision (iv) only if the number of housing units in the project is:~~

~~(aa) [Repealed.]~~

~~(bb) [Repealed.]~~

~~(cc) 75 or more, in a municipality with a population of 6,000 or more but less than 10,000.~~

~~(dd) 50 or more, in a municipality with a population of 3,000 or more but less than 6,000.~~

~~(ee) 25 or more, in a municipality with a population of less than 3,000. [Repealed.]~~

~~(ff) Notwithstanding subdivisions (cc) through (ee) of this subdivision (3)(A)(iv)(I), 10 or more if the construction involves the demolition of one or more buildings that are listed on or eligible to be listed on the State or National Register of Historic Places. However, demolition shall not be considered to create jurisdiction under this subdivision (ff) if the Division for Historic Preservation has determined that the proposed demolition will have no adverse effect, will have no adverse effect if specified conditions are met, or will have an adverse effect that will be adequately mitigated. Any imposed conditions shall be enforceable through a grant condition, deed covenant, or other legally binding document.~~

~~***~~

~~(D) The word "development" does not include:~~

~~***~~

~~(IV) Notwithstanding any other provision of this chapter to the contrary, the construction of a priority housing project funded primarily by the American Rescue Plan Act of 2021 only if the mixed income housing project to be constructed contains at least 60 percent of the housing units with a duration of affordability of not less than 30 years.~~

~~***~~

~~(6) "Floodway" means the channel of a watercourse that is expected to flood on an average of at least once every 100 years and the adjacent land areas that are required to carry and discharge the flood of the watercourse, as determined by the Secretary of Natural Resources with full consideration given to upstream impoundments and flood control projects "Flood hazard area" has the same meaning as under section 752 of this title.~~

~~(7) "Floodway fringe" means an area that is outside a floodway and is flooded with an average frequency of once or more in each 100 years, as determined by the Secretary of Natural Resources with full consideration given to upstream impoundments and flood control projects "River corridor" has the same meaning as under section 752 of this title.~~

~~***~~

~~(27) "Mixed income housing" means a housing project in which the following apply:~~

~~(A) Owner-occupied housing. At the option of the applicant, owner-occupied housing may be characterized by either of the following:~~

~~(i) at least 15 percent of the housing units have a purchase price that at the time of first sale does not exceed 85 percent of the new construction, targeted area purchase price limits established and published annually by the Vermont Housing Finance Agency; or~~

~~(ii) at least 20 percent of the housing units have a purchase price that at the time of first sale does not exceed 90 percent of the new construction, targeted area purchase price limits established and published annually by the Vermont Housing Finance Agency meet the requirements of affordable owner-occupied housing under subdivision (29)(A) of this section, adjusted for the number of bedrooms, as established and published annually by the Vermont Housing Finance Agency.~~

~~(B) Rental housing. At least 20 percent of the housing units that are rented constitute affordable housing and have a duration of affordability of For not less than 15 years following the date that rental housing is initially placed in service, at least 20 percent of the housing units meet the requirements of affordable rental housing under subdivision (29)(B) of this section, adjusted for the number of bedrooms, as established and published annually by the Vermont Housing Finance Agency.~~

~~***~~

~~Sec. 5. 10 V.S.A. § 6086 is amended to read:~~

~~§ 6086. ISSUANCE OF PERMIT; CONDITIONS AND CRITERIA~~

~~(a) Before granting a permit, the District Commission shall find that the subdivision or development:~~

~~***~~

~~(D) ~~Floodways~~ Flood hazard areas; river corridors. A permit will be granted whenever it is demonstrated by the applicant that, in addition to all other applicable criteria:~~

~~(i) the development or subdivision of lands within a floodway flood hazard area or river corridor will not restrict or divert the flow of flood waters floodwaters, cause or contribute to fluvial erosion, and endanger the health, safety, and welfare of the public or of riparian owners during flooding; and~~

~~(ii) the development or subdivision of lands within a floodway fringe will not significantly increase the peak discharge of the river or stream within or downstream from the area of development and endanger the health, safety, or welfare of the public or riparian owners during flooding.~~

~~***~~

~~*** Municipal Response to Act 250 Requests ***~~

~~Sec. 6. 10 V.S.A. 6086(g) is added to read:~~

~~(g) If a municipality fails to respond to a request by the applicant within 90 days as to the impacts related to subdivision (a)(6) or (7) of this section, the application will be presumed not to have an unreasonable burden on educational, municipal, or governmental services.~~

~~*** Forest Blocks ***~~

~~Sec. 7. 10 V.S.A. § 6001 is amended to read:~~

~~§ 6001. DEFINITIONS~~

~~As used in this chapter:~~

~~***~~

~~(43) “Connecting habitat” means land or water, or both, that links patches of habitat within a landscape, allowing the movement, migration, and dispersal of wildlife and plants and the functioning of ecological processes. A connecting habitat may include features including recreational trails and improvements constructed for farming, logging, or forestry purposes.~~

~~(44) “Forest block” means a contiguous area of forest in any stage of succession and not currently developed for nonforest use. A forest block may include features including recreational trails, wetlands, or other natural features that do not themselves possess tree cover and improvements constructed for farming, logging, or forestry purposes.~~

~~(45) “Habitat” means the physical and biological environment in which a particular species of plant or wildlife lives.~~

~~Sec. 8. 10 V.S.A. § 6086(a)(8) is amended to read:~~

~~(8) Ecosystem protection; scenic beauty; historic sites.~~

~~(A) Aesthetics. Will not have an undue adverse effect on the scenic or natural beauty of the area, aesthetics, or historic sites or rare and irreplaceable natural areas.~~

~~(A)(B) Necessary wildlife habitat and endangered species. A permit will not be granted if it is demonstrated by any party opposing the applicant~~

~~that a development or subdivision will destroy or significantly imperil necessary wildlife habitat or any endangered species; and:~~

~~(i) the economic, social, cultural, recreational, or other benefit to the public from the development or subdivision will not outweigh the economic, environmental, or recreational loss to the public from the destruction or imperilment of the habitat or species; or~~

~~(ii) all feasible and reasonable means of preventing or lessening the destruction, diminution, or imperilment of the habitat or species have not been or will not continue to be applied; or~~

~~(iii) a reasonably acceptable alternative site is owned or controlled by the applicant which that would allow the development or subdivision to fulfill its intended purpose.~~

~~(C) Forest blocks and connecting habitat. Will not result in an undue adverse impact on forest blocks, connecting habitat, or rare and irreplaceable natural areas. If a project is proposed would result in an undue adverse impact, a permit may only be granted if effects are avoided, minimized, and mitigated in accordance with rules adopted by the Board.~~

~~Sec. 9. CRITERION 8(C) RULEMAKING~~

~~(a) The Natural Resources Board (Board), in consultation with the Agency of Natural Resources, shall adopt rules to implement the requirements for the administration of 10 V.S.A. § 6086(a)(8)(C). Rules adopted by the Board shall include:~~

~~(1) How forest blocks and connecting habitat are further defined, including their size, location, and function, which may include:~~

~~(A) information that will be available to the public to determine where forest blocks and connecting habitat are located; or~~

~~(B) advisory mapping resources, how they will be made available, how they will be used, and how they will be updated.~~

~~(2) Standards establishing how impacts can be avoided, minimized, or mitigated, including how fragmentation of forest blocks or connecting habitat is avoided or minimized, which may include steps to promote proactive site design of buildings, roadways and driveways, utility location, and location relative to existing features such as roads, tree lines, and fence lines.~~

~~(3) Criteria to identify when a forest block or connecting habitat is eligible for mitigation.~~

~~(4) Standards for how impacts to a forest block or connecting habitat may be mitigated. Standards may include:~~

~~(A) appropriate ratios for compensation;~~

~~(B) appropriate forms of compensation such as conservation easements, fee interests in land, and other forms of compensation; and~~

~~(C) appropriate uses of on-site and off-site mitigation.~~

~~(b) The Board shall convene a working group to provide input to the rule prior to profiling with the Interagency Committee on Administrative Rules. The Board shall convene the working group on or before June 1, 2023.~~

~~(c) The Board shall file a final proposed rule with the Secretary of State and Legislative Committee on Administrative Rules on or before June 15, 2024.~~

~~Sec. 10. 10 V.S.A. § 127 is amended to read:~~

~~§ 127. RESOURCE MAPPING~~

~~(a) On or before January 15, 2013, the The Secretary of Natural Resources shall complete and maintain resource mapping based on the Geographic Information System (GIS) or other technology. The mapping shall identify natural resources throughout the State, including forest blocks, that may be relevant to the consideration of energy projects and projects subject to chapter 151 of this title. The Center for Geographic Information shall be available to provide assistance to the Secretary in carrying out the GIS-based resource mapping.~~

~~(b) The Secretary of Natural Resources shall consider the GIS-based resource maps developed under subsection (a) of this section when providing evidence and recommendations to the Public Utility Commission under 30 V.S.A. § 248(b)(5) and when commenting on or providing recommendations under chapter 151 of this title to District Commissioners on other projects.~~

~~(c) The Secretary shall establish and maintain written procedures that include a process and science-based criteria for updating resource maps developed under subsection (a) of this section. Before establishing or revising these procedures, the Secretary shall provide opportunities for affected parties and the public to submit relevant information and recommendations.~~

~~*** Roads ***~~

~~Sec. 11. 10 V.S.A. § 6001 is amended to read:~~

~~§ 6001. DEFINITIONS~~

~~As used in this chapter:~~

~~***~~

~~(3)(A) Development means each of the following.~~

* * *

(xi) The construction of a road, roads, driveway, or driveways, which as a single road or driveway is greater than 800 feet, or which in combination is greater than 2,000 feet, to provide access to or within a tract or tracts of land of more than one acre owned or controlled by a person.

(I) For the purposes of determining jurisdiction under this subdivision (xi), any tract or tracts of land that will be provided access by the road or driveway is involved land.

(II) As used in this subdivision (xi), "road" shall include any new road or upgrade of a class 4 highway by a person other than a municipality, including a road that will be transferred to or maintained by a municipality after its construction or upgrade. For the purposes of this subdivision (II), routine maintenance of a class 4 highway or stormwater improvement required pursuant to section 1264 of this title shall not constitute an "upgrade."

(aa) Routine maintenance shall include replacing a culvert or ditch, increasing the size or configuration of an existing drainage structure to improve resiliency, applying new stone, grading, or making repairs after adverse weather.

(bb) Routine maintenance shall not include changing the size of the road, changing the location or layout of the road, or adding pavement unless undertaken to improve the function of an existing drainage structure.

(III) For the purpose of determining the length under this subdivision (xi), the length of all roads and driveways within the tract or tracts of land constructed within any continuous period of 10 years after October 1, 2020 shall be included.

(IV) This subdivision (xi) shall not apply to:

(aa) a road constructed for a municipal, county, or State purpose; a utility corridor of an electric transmission or distribution company; or a road located entirely within a designated downtown or neighborhood development area; and

(bb) a road used primarily for farming or forestry purposes unless used for a residential purpose.

* * *

* * * Wood Products Manufacturers * * *

Sec. 12, 10 V.S.A. § 6001 is amended to read:

~~§ 6001. DEFINITIONS~~

~~***~~

~~(47) “Wood products manufacturer” means a manufacturer that aggregates wood products from forestry operations and adds value through processing or marketing in the wood products supply chain or directly to consumers through retail sales. “Wood products manufacturer” includes sawmills; veneer mills; pulp mills; pellet mills; producers of firewood, woodchips, mulch, and fuel wood; and log and pulp concentration yards. “Wood products manufacturer” does not include facilities that purchase, market, and resell finished goods, such as wood furniture, wood pellets, and milled lumber, without first receiving wood products from forestry operations.~~

~~(48) “Wood product” means logs, pulpwood, veneer wood, bolt wood, wood chips, stud wood, poles, pilings, biomass, fuel wood, maple sap, and bark.~~

~~Sec. 13. 10 V.S.A. § 6086(c) is amended to read:~~

~~(c)(1) Permit conditions. A permit may contain such requirements and conditions as are allowable proper exercise of the police power and which that are appropriate within the respect to subdivisions (a)(1) through (10) of this section, including those set forth in 24 V.S.A. §§ 4414(4), 4424(a)(2), 4414(1)(D)(i), 4463(b), and 4464, the dedication of lands for public use, and the filing of bonds to ensure compliance. The requirements and conditions incorporated from Title 24 may be applied whether or not a local plan has been adopted. General requirements and conditions may be established by rule of the Natural Resources Board.~~

~~(2) Permit conditions on a wood products manufacturer.~~

~~(A) A permit condition that sets hours of operation for a wood products manufacturer shall only be imposed to mitigate an impact under subdivision (a)(1), (5), or (8) of this section.~~

~~(B) If an adverse impact under subdivision (a)(1), (5), or (8) of this section would result, a permit with conditions shall allow the manufacturer to operate while mitigating these impacts. A permit with conditions that mitigate these impacts shall allow for deliveries of wood products from forestry operations to the manufacturer outside permitted hours of operation, including nights, weekends, and holidays, for the number of days demonstrated by the manufacturer as necessary to enable business operations, not to exceed 90 days per year.~~

~~(3) Permit with conditions on the delivery of wood heat fuels. A permit with conditions issued to a wood products manufacturer that produces wood~~

~~chips, pellets, cord wood, or other fuel wood used for heat shall allow shipment of that fuel wood from the manufacturer to the end user outside permitted hours of operation, including nights, weekends, and holidays, from October 1 through April 30 of each year. Permits with conditions shall mitigate the undue adverse impacts while enabling the operations of the manufacturer.~~

~~(4) Permit amendments. A wood products manufacturer holding a permit may request an amendment to existing permit conditions related to hours of operation and seasonal restrictions to be consistent with subdivisions (2) and (3) of this subsection. Requests for condition amendments under this subsection shall not be subject to Act 250 Rule 34(E).~~

~~*** One-acre towns ***~~

~~Sec. 14. 10 V.S.A. § 6001 is amended to read:~~

~~§ 6001. DEFINITIONS~~

~~***~~

~~(3)(A) "Development" means each of the following:~~

~~(i) The construction of improvements on a tract or tracts of land, owned or controlled by a person, involving more than 10 acres of land within a radius of five miles of any point on any involved land, for commercial or industrial purposes in a municipality that has adopted permanent zoning and subdivision bylaws.~~

~~(ii) The construction of improvements on a tract or tracts of land, owned or controlled by a person, involving more than one acre of land within a radius of five miles of any point on any involved land, for commercial or industrial purposes on more than one acre of land within in a municipality that has not adopted permanent zoning and subdivision bylaws.~~

~~***~~

~~*** Reports ***~~

~~Sec. 15. REPORT; ACT 250 JURISDICTION OVER AGRICULTURAL BUSINESSES~~

~~On or before January 15, 2023, the Natural Resources Board shall submit to the General Assembly a report with recommendations on how Act 250 jurisdiction should be applied to agricultural businesses, including those located on properties already operating as farms. The report shall address the current land use planning requirements for farms and farms with accessory on-farm businesses and whether different types of businesses associated with farms and farming require different levels of review. The report may consider~~

~~whether or not the location of such businesses is relevant and may consider the designation or adoption of agricultural business innovation zones with different levels of review.~~

~~*** Study Committee; Effective Date ***~~

~~Sec. 16. STUDY COMMITTEE; NATURAL RESOURCES BOARD
STRUCTURE~~

~~(a) There is created a study committee on the structure and function of the Natural Resources Board. The group shall consist of eight Legislative members, four appointed by the Speaker of the House and four appointed by the Committee on Committees.~~

~~(b) The group shall hear from various stakeholder groups on how to enhance the administration of the Act 250 program, including considerations of:~~

~~(1) the membership of the Board;~~

~~(2) the appointment process;~~

~~(3) grounds for removing a member from the Board;~~

~~(4) the responsibilities and authorities of the Board and District Commissions;~~

~~(5) funding of the operation of the Board, District Commissions, and the Act 250 program; and~~

~~(6) the handling of appeals issued by the District Commissions and the Board.~~

~~(c) On or before December 31, 2022, the group shall report back to the General Assembly with any proposed changes to the structure and function of the Natural Resources Board.~~

~~*** Effective Dates ***~~

~~Sec. 17. EFFECTIVE DATES~~

~~This act shall take effect on July 1, 2022, except that Sec. 8 (10 V.S.A. § 6086(c)(8)) shall take effect on September 1, 2024.~~

** * * Municipal Zoning * * **

Sec. 1. 24 V.S.A. § 2793e is amended to read:

*§ 2793e. NEIGHBORHOOD PLANNING AREAS; DESIGNATION OF
NEIGHBORHOOD DEVELOPMENT AREAS*

(a) Purpose. This section is intended to encourage a municipality to plan for new and infill housing in the area including and immediately encircling its designated downtown, village center, new town center, or within its designated growth center in order to provide needed housing and to further support the commercial establishments in the designated center. To support this goal, this section sets out a two-component process.

** * **

(b) Definitions.

(1) “Neighborhood planning area” means an automatically delineated area including and encircling a downtown, village center, or new town center designated under this chapter or within a growth center designated under this chapter. A neighborhood planning area is used for the purpose of identifying locations suitable for new and infill housing that will support a development pattern that is compact, oriented to pedestrians, and consistent with smart growth principles. To ensure a compact settlement pattern, the outer boundary of a neighborhood planning area shall be located entirely within the boundaries of the applicant municipality, unless a joint application is submitted by more than one municipality, and shall be determined:

** * **

(c) Application for designation of a neighborhood development area. The State Board shall approve a neighborhood development area if the application demonstrates and includes all of the following elements:

** * **

(5) The proposed neighborhood development area consists of those portions of the neighborhood planning area that are appropriate for new and infill housing, excluding identified flood hazard and fluvial erosion areas, 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 determining what areas are most suitable for new and infill housing, the municipality shall balance local goals for future land use, the availability of land for housing within the neighborhood planning area, and the smart growth principles. Based on those considerations, the municipality shall select an area for neighborhood development area designation that:

(A) Avoids or ~~that~~ minimizes to the extent feasible the inclusion of “important natural resources” as defined in subdivision 2791(14) of this title. If an “important natural resource” is included within a proposed neighborhood development area, the applicant shall identify the resource, explain why the resource was included, describe any anticipated disturbance to such resource, and describe why the disturbance cannot be avoided or minimized. If the neighborhood development area includes flood hazard areas or river corridors, the local bylaws shall contain provisions consistent with the Agency of Natural Resources’ rules required under 10 V.S.A. § 754(a) to ensure that new infill development within a neighborhood development area occurs outside the floodway and will not cause or contribute to fluvial erosion hazards within the river corridor. If the neighborhood development area includes flood hazard areas or river corridors, local bylaws shall also contain provisions to protect river corridors outside the neighborhood development area consistent with the Agency of Natural Resources’ rules required under 10 V.S.A. § 754(a).

* * *

(6) ~~The neighborhood development area is served by:~~

~~(A) municipal sewer infrastructure; or~~

~~(B) a community or alternative wastewater system approved by the Agency of Natural Resources. [Repealed.]~~

(7) The municipal bylaws allow minimum net residential densities within the neighborhood development area greater than or equal to four ~~single-family detached~~ dwelling units per acre for all identified residential uses or residential building types, exclusive of accessory dwelling units, or ~~no~~ not fewer than the average existing density of the surrounding neighborhood, whichever is greater. The methodology for calculating density shall be established in the guidelines developed by the Department pursuant to subsection 2792(d) of this title.

* * *

Sec. 2. 24 V.S.A. § 2793b is amended to read:

§ 2793b. DESIGNATION OF NEW TOWN CENTER DEVELOPMENT DISTRICTS

* * *

(b) Within 45 days of receipt of a completed application, the State Board shall designate a new town center development district if the State Board finds, with respect to that district, the municipality has:

* * *

(2) Provided a community investment agreement that has been executed by authorized representatives of the municipal government, businesses and property owners within the district, and community groups with an articulated purpose of supporting downtown interests, and contains the following:

* * *

(B) Regulations enabling high densities that are greater not less than four dwelling units, including all identified residential uses or residential building types, per acre and not less than those allowed in any other part of the municipality not within an area designated under this chapter.

* * *

Sec. 3. 24 V.S.A. § 4449 is amended to read:

§ 4449. ZONING PERMIT, CERTIFICATE OF OCCUPANCY, AND MUNICIPAL LAND USE PERMIT

(a) Within any municipality in which any bylaws have been adopted:

* * *

(4) No municipal land use permit issued by an appropriate municipal panel or administrative officer, as applicable, for a site plan or conditional use shall be considered abandoned or expired unless more than two years has passed since the permit approval was issued.

** * * Municipal Bylaw Grants * * **

Sec. 4. 24 V.S.A. § 4306 is amended to read:

§ 4306. MUNICIPAL AND REGIONAL PLANNING FUND

(a)(1) The Municipal and Regional Planning Fund for the purpose of assisting municipal and regional planning commissions to carry out the intent of this chapter is hereby created in the State Treasury.

(2) The Fund shall be composed of 17 percent of the revenue from the property transfer tax under 32 V.S.A. chapter 231 and any monies from time to time appropriated to the Fund by the General Assembly or received from any other source, private or public. All balances at the end of any fiscal year shall be carried forward and remain in the Fund. Interest earned by the Fund shall be deposited in the Fund.

(3) Of the revenues in the Fund, each year:

(A) 10 percent shall be disbursed to the Vermont Center for Geographic Information;

(B) 70 percent shall be disbursed to the Secretary of Commerce and Community Development for performance contracts with regional planning commissions to provide regional planning services pursuant to section 4341a of this title; and

(C) 20 percent shall be disbursed to municipalities.

** * **

(c) Funds allocated to municipalities shall be used for the purposes of:

** * **

(4) reasonable and necessary costs of administering the Fund by the Department of Housing and Community Development, not to exceed six percent of the municipality allocation.

(d) New funds allocated to municipalities under this section may take the form of municipal bylaw modernization grants in accordance with section 4307 of this title.

Sec. 5. 24 V.S.A. § 4307 is added to read:

§ 4307. MUNICIPAL BYLAW MODERNIZATION GRANTS

(a) There are created Municipal Bylaw Modernization Grants to assist municipalities in updating their land use and development bylaws. Bylaws updated under this section shall increase housing choice, affordability, and opportunity in areas planned for smart growth. The Grants shall be funded by monies allocated from the municipality allocation of the Municipal and Regional Planning Funds established in subdivision 4306(a)(3)(C) of this title and any other monies appropriated for this purpose.

(b) Disbursement to municipalities shall be administered by the Department of Housing and Community Development through a competitive process providing the opportunity for all regions and any eligible municipality to compete regardless of size.

(c) Funds may be disbursed by the Department in installments to ensure the municipal bylaw updates meet the goals of this section.

(d) Funding may be used for the cost of regional planning commission staff or consultant time and any other purpose approved by the Department.

(e) A municipality grantee shall use the funds to prepare amendments to bylaws to increase housing choice, affordability, and opportunity and that support a neighborhood development pattern that is pedestrian oriented in areas planned for smart growth consistent with the smart growth principles

established in section 2791 of this title and that prioritize projects in designated areas in accordance with chapter 76A of this title.

(f) To receive the grant, the municipality shall:

(1) identify municipal water and wastewater disposal infrastructure, municipal water and sewer service areas, and the constraints on that infrastructure based on the best available data;

(2) increase allowed housing types and uses, which may include duplexes to the same extent as single-family homes;

(3) include parking waiver provisions in areas planned for smart growth consistent with smart growth principles as defined in section 2791 of this title and appropriate situations;

(4) review and modify street standards that implement the complete streets principles as described in 19 V.S.A. § 309d and that are oriented to pedestrians;

(5) reduce nonconformities by making the allowed standards principally conform to the existing settlement within any area designated under chapter 76A of this title and increase allowed lot/building/dwelling unit density by adopting dimensional, use, parking, and other standards that allow compact neighborhood form and support walkable lot and dwelling unit density, which may be achieved with a standard allowing at least four units per acre or allowing the receipt of a State or municipal water and wastewater permit to determine allowable density or by other means established in guidelines issued by the Department;

(6) restrict development of and minimize impact to important natural resources, including new development in flood hazard areas, undeveloped floodplains, and river corridor areas, unless lawfully allowed for infill development in §29-201 of the Vermont Flood Hazard Area and River Corridor Rule;

(7) update the municipal plan's housing element as provided in subdivision 4382(a)(10) of this title related to addressing lower- and moderate-income housing needs, implement that element of the plan including through the bylaw amendments, and demonstrate how those bylaws support the implementation of the housing element; and

(8) comply with State and Federal Fair Housing Act, including the fair housing provisions of Vermont's Planning and Development Act.

(g) On or before September 1, 2022, the Department shall adopt guidelines to assist municipalities applying for grants under this section.

Sec. 6. MUNICIPAL BYLAW MODERNIZATION GRANT FUNDING

Of the funds appropriated in fiscal year 2023 to the municipality allocation of the Municipal and Regional Planning Fund, up to \$650,000.00 shall be used for Municipal Bylaw Modernization Grants as established in 24 V.S.A. § 4307.

** * * Accessory Dwelling Units * * **

Sec. 7. 24 V.S.A. § 4414 is amended to read:

§ 4414. ZONING; PERMISSIBLE TYPES OF REGULATIONS

** * **

(4) Parking and loading facilities. A municipality may adopt provisions setting forth standards for permitted and required facilities for off-street parking and loading which may vary by district and by uses within each district. These bylaws may also include provisions covering the location, size, design, access, landscaping, and screening of those facilities. In determining the number and size of parking spaces required under these regulations, the appropriate municipal panel may take into account the existence or availability of employer “transit pass” and rideshare programs, public transit routes, and public parking spaces in the vicinity of the development. However, a municipality shall not require an accessory dwelling unit to have more than one parking space per bedroom.

** * **

** * * Act 250 * * **

Sec. 8. 10 V.S.A. § 6001 is amended to read:

§ 6001. DEFINITIONS

As used in this chapter:

** * **

(3)(A) “Development” means each of the following:

** * **

(iv) The construction of housing projects such as cooperatives, condominiums, or dwellings, or construction or maintenance of mobile homes or mobile home parks, with 10 or more units, constructed or maintained on a tract or tracts of land, owned or controlled by a person, within a radius of five miles of any point on any involved land and within any continuous period of five years. However:

(I) A priority housing project shall constitute a development under this subdivision (iv) only if the number of housing units in the project is:

(aa) [Repealed.]

(bb) [Repealed.]

(cc) 75 or more, in a municipality with a population of 6,000 or more but less than 10,000.

(dd) 50 or more, in a municipality with a population of 3,000 or more but less than 6,000.

(ee) ~~25 or more, in a municipality with a population of less than 3,000.~~ [Repealed.]

(ff) Notwithstanding subdivisions (cc) through (ee) of this subdivision (3)(A)(iv)(I), 10 or more if the construction involves the demolition of one or more buildings that are listed on or eligible to be listed on the State or National Register of Historic Places. However, demolition shall not be considered to create jurisdiction under this subdivision (ff) if the Division for Historic Preservation has determined that the proposed demolition will have no adverse effect, will have no adverse effect if specified conditions are met, or will have an adverse effect that will be adequately mitigated. Any imposed conditions shall be enforceable through a grant condition, deed covenant, or other legally binding document.

** * **

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

** * **

(6) ~~“Floodway” means the channel of a watercourse that is expected to flood on an average of at least once every 100 years and the adjacent land areas that are required to carry and discharge the flood of the watercourse, as determined by the Secretary of Natural Resources with full consideration given to upstream impoundments and flood control projects~~ “Flood hazard area” has the same meaning as under section 752 of this title.

(7) ~~“Floodway fringe” means an area that is outside a floodway and is flooded with an average frequency of once or more in each 100 years, as determined by the Secretary of Natural Resources with full consideration given to upstream impoundments and flood control projects~~ “River corridor” has the same meaning as under section 752 of this title.

** * **

(27) ~~“Mixed income housing” means a housing project in which the following apply:~~

~~(A) Owner-occupied housing. At the option of the applicant, owner-occupied housing may be characterized by either of the following:~~

~~(i) at least 15 percent of the housing units have a purchase price that at the time of first sale does not exceed 85 percent of the new construction, targeted area purchase price limits established and published annually by the Vermont Housing Finance Agency; or~~

~~(ii) at least 20 percent of the housing units have a purchase price that at the time of first sale does not exceed 90 percent of the new construction, targeted area purchase price limits established and published annually by the Vermont Housing Finance Agency meet the requirements of affordable owner-occupied housing under subdivision (29)(A) of this section, adjusted for the number of bedrooms, as established and published annually by the Vermont Housing Finance Agency.~~

~~(B) Rental housing. At least 20 percent of the housing units that are rented constitute affordable housing and have a duration of affordability of For not less than 15 years following the date that rental housing is initially placed in service, at least 20 percent of the housing units meet the requirements of affordable rental housing under subdivision (29)(B) of this section, adjusted for the number of bedrooms, as established and published annually by the Vermont Housing Finance Agency.~~

* * *

(35) ~~“Priority housing project” means a discrete project located on a single tract or multiple contiguous tracts of land that consists exclusively of:~~

~~(A) mixed income housing or mixed use, or any combination thereof, and is located entirely within a designated downtown development district, designated new town center, designated growth center, or designated village center that is also a designated neighborhood development area under 24 V.S.A. chapter 76A; or~~

~~(B) mixed income housing and is located entirely within a designated Vermont neighborhood or designated neighborhood development area under 24 V.S.A. chapter 76A.~~

* * *

Sec. 9. 10 V.S.A. § 6081(p) is amended to read:

~~(p)(1) No permit or permit amendment is required for any change to a project that is located entirely within a downtown development district~~

~~designated pursuant to 24 V.S.A. § 2793, if the change consists exclusively of any combination of mixed use and mixed income housing, and the cumulative changes within any continuous period of five years, commencing on or after May 28, 2002, remain below any applicable jurisdictional threshold specified in subdivision 6001(3)(A)(iv)(I) of this title.~~

~~(2) No permit or permit amendment is required for a priority housing project in a designated center other than a downtown development district if the project remains below any applicable jurisdictional threshold specified in subdivision 6001(3)(A)(iv)(I) of this title and will comply with all conditions of any existing permit or permit amendment issued under this chapter that applies to the tract or tracts on which the project will be located. If such a priority housing project will not comply with one or more of these conditions, an application may be filed pursuant to section 6084 of this title.~~

Sec. 10. 10 V.S.A. § 6084(f) is amended to read:

~~(f) This subsection concerns an application for a new permit amendment to change the conditions of an existing permit or existing permit amendment in order to authorize the construction of a priority housing project described in subdivision 6081(p)(2) of this title.~~

~~(1) The District Commission may authorize a district coordinator to issue such an amendment, without notice and a hearing, if the applicant demonstrates that all parties to the existing permit or existing permit amendment, which contains the condition or conditions proposed to be changed, or their successors in interest have consented to the proposed changes to conditions relative to the criteria for which the party obtained party status.~~

~~(2) If the applicant is not able to obtain the consent of a party or parties or their successors in interest with respect to one or more of the conditions in the existing permit or permit amendment proposed to be changed, the applicant shall file a permit application pursuant to this section. However, review by the District Commission shall be limited to whether the changes to conditions not consented to by the party or parties or their successors in interest enable positive findings to be made under subsection 6086(a) and are authorized under subsection 6086(e) of this title. [Repealed.]~~

* * * Criterion I(D) * * *

Sec. 11. 10 V.S.A. § 6086 is amended to read:

§ 6086. ISSUANCE OF PERMIT; CONDITIONS AND CRITERIA

(a) Before granting a permit, the District Commission shall find that the subdivision or development:

* * *

~~(D) Floodways Flood hazard areas; river corridors. A permit will be granted whenever it is demonstrated by the applicant that, in addition to all other applicable criteria:~~

~~(i) the development or subdivision of lands within a floodway flood hazard area or river corridor will not restrict or divert the flow of floodwaters floodwaters, cause or contribute to fluvial erosion, and endanger the health, safety, and welfare of the public or of riparian owners during flooding; and~~

~~(ii) the development or subdivision of lands within a floodway fringe will not significantly increase the peak discharge of the river or stream within or downstream from the area of development and endanger the health, safety, or welfare of the public or riparian owners during flooding.~~

* * *

* * * Municipal Response to Act 250 Requests * * *

Sec. 12. 10 V.S.A. § 6086(g) is added to read:

(g) If a municipality fails to respond to a request by the applicant within 90 days as to the impacts related to subdivision (a)(6) or (7) of this section, the application will be presumed not to have an unreasonable burden on educational, municipal, or governmental services.

* * * Forest Blocks * * *

Sec. 13. 10 V.S.A. § 6001 is amended to read:

§ 6001. DEFINITIONS

As used in this chapter:

* * *

(43) “Connecting habitat” means land or water, or both, that links patches of habitat within a landscape, allowing the movement, migration, and dispersal of wildlife and plants and the functioning of ecological processes. A connecting habitat may include features including recreational trails and improvements constructed for farming, logging, or forestry purposes.

(44) “Forest block” means a contiguous area of forest in any stage of succession and not currently developed for nonforest use. A forest block may include features including recreational trails, wetlands, or other natural features that do not themselves possess tree cover and improvements constructed for farming, logging, or forestry purposes.

(45) "Habitat" means the physical and biological environment in which a particular species of plant or wildlife lives.

Sec. 14. 10 V.S.A. § 6086(a)(8) is amended to read:

(8) Ecosystem protection; scenic beauty; historic sites.

(A) Aesthetics. Will not have an undue adverse effect on the scenic or natural beauty of the area, aesthetics, or historic sites ~~or rare and irreplaceable natural areas.~~

(A)(B) Necessary wildlife habitat and endangered species. A permit will not be granted if it is demonstrated by any party opposing the applicant that a development or subdivision will destroy or significantly imperil necessary wildlife habitat or any endangered species; and:

(i) the economic, social, cultural, recreational, or other benefit to the public from the development or subdivision will not outweigh the economic, environmental, or recreational loss to the public from the destruction or imperilment of the habitat or species; ~~or~~

(ii) all feasible and reasonable means of preventing or lessening the destruction, diminution, or imperilment of the habitat or species have not been or will not continue to be applied; or

(iii) a reasonably acceptable alternative site is owned or controlled by the applicant ~~which~~ that would allow the development or subdivision to fulfill its intended purpose.

(C) Forest blocks and connecting habitat. Will not result in an undue adverse impact on forest blocks, connecting habitat, or rare and irreplaceable natural areas. If a project as proposed would result in an undue adverse impact, a permit may only be granted if effects are avoided or minimized and mitigated in accordance with rules adopted by the Board.

Sec. 15. CRITERION 8(C) RULEMAKING

(a) The Natural Resources Board (Board), in collaboration with the Agency of Natural Resources, shall adopt rules to implement the requirements for the administration of 10 V.S.A. § 6086(a)(8)(C). Rules adopted by the Board shall include:

(1) How forest blocks and connecting habitat are further defined, including their size, location, and function, which may include:

(A) information that will be available to the public to determine where forest blocks and connecting habitat are located; or

(B) advisory mapping resources, how they will be made available, how they will be used, and how they will be updated.

(2) Standards establishing how impacts can be avoided or minimized, including how fragmentation of forest blocks or connecting habitat is avoided or minimized, which may include steps to promote proactive site design of buildings, roadways and driveways, utility location, and location relative to existing features such as roads, tree lines, and fence lines.

(3)(A) As used in this section “fragmentation” generally means dividing land that has naturally occurring vegetation and ecological processes into smaller and smaller areas as a result of land uses that remove vegetation and create physical barriers that limit species’ movement and interrupt ecological processes between previously connected natural vegetation. However, the rules shall further define “fragmentation” for purposes of avoiding, minimizing, and mitigating undue adverse impacts on forest blocks and connecting habitat. “Fragmentation” does not include the division or conversion of a forest block or connecting habitat by an unpaved recreational trail or by improvements constructed for farming, logging, or forestry purposes below the elevation of 2,500 feet.

(B) As used in this subsection, “recreational trail” has the same meaning as “trails” in 10 V.S.A. § 442.

(4) Criteria to identify the circumstances when a forest block or connecting habitat is eligible for mitigation.

(5) Standards for how impacts to a forest block or connecting habitat may be mitigated. Standards may include:

(A) appropriate ratios for compensation;

(B) appropriate forms of compensation such as conservation easements, fee interests in land, and other forms of compensation; and

(C) appropriate uses of on-site and off-site mitigation.

(b) The Board shall convene a working group of stakeholders to provide input to the rule prior to prefiling with the Interagency Committee on Administrative Rules. The Board shall convene the working group on or before June 1, 2023.

(c) The Board shall file a final proposed rule with the Secretary of State and Legislative Committee on Administrative Rules on or before June 15, 2024.

Sec. 16. 10 V.S.A. § 127 is amended to read:

§ 127. RESOURCE MAPPING

(a) ~~On or before January 15, 2013, the~~ The Secretary of Natural Resources shall complete and maintain resource mapping based on the Geographic Information System (GIS) or other technology. The mapping shall identify natural resources throughout the State, including forest blocks and connecting habitat, that may be relevant to the consideration of energy projects and projects subject to chapter 151 of this title. The Center for Geographic Information shall be available to provide assistance to the Secretary in carrying out the GIS-based resource mapping.

(b) ~~The Secretary of Natural Resources shall consider the GIS-based resource maps developed under subsection (a) of this section when providing evidence and recommendations to the Public Utility Commission under 30 V.S.A. § 248(b)(5) and when commenting on or providing recommendations under chapter 151 of this title to District Commissions on other projects.~~

(c) The Secretary shall establish and maintain written procedures that include a process and science-based criteria for updating resource maps developed under subsection (a) of this section. Before establishing or revising these procedures, the Secretary shall provide opportunities for affected parties and the public to submit relevant information and recommendations.

** * * Wood Products Manufacturers * * **

Sec. 17. 10 V.S.A. § 6001 is amended to read:

§ 6001. DEFINITIONS

** * **

(47) “Wood products manufacturer” means a manufacturer that aggregates wood products from forestry operations and adds value through processing or marketing in the wood products supply chain or directly to consumers through retail sales. “Wood products manufacturer” includes sawmills; veneer mills; pulp mills; pellet mills; producers of firewood, woodchips, mulch, and fuel wood; and log and pulp concentration yards. “Wood products manufacturer” does not include facilities that purchase, market, and resell finished goods, such as wood furniture, wood pellets, and milled lumber, without first receiving wood products from forestry operations.

(48) “Wood product” means logs, pulpwood, veneer wood, bolt wood, wood chips, stud wood, poles, pilings, biomass, fuel wood, maple sap, and bark.

Sec. 18. 10 V.S.A. § 6086(c) is amended to read:

(c)(1) Permit conditions. A permit may contain such requirements and conditions as are allowable proper exercise of the police power and which that are appropriate within the respect to subdivisions (a)(1) through (10) of this section, including those set forth in 24 V.S.A. §§ 4414(4), 4424(a)(2), 4414(1)(D)(i), 4463(b), and 4464, the dedication of lands for public use, and the filing of bonds to ensure compliance. The requirements and conditions incorporated from Title 24 may be applied whether or not a local plan has been adopted. General requirements and conditions may be established by rule of the Natural Resources Board.

(2) Permit conditions on a wood products manufacturer.

(A) When issuing a permit with conditions on wood products manufacturing and delivery, the District Commission shall account for the seasonal, weather-dependent, land-dependent, and varied conditions unique to the industry.

(B) A permit condition that sets hours of operation for a wood products manufacturer shall only be imposed to mitigate an impact under subdivision (a)(1), (5), or (8) of this section. If an adverse impact under would result, a permit with conditions shall allow the manufacturer to operate while allowing for flexible timing of deliveries of wood products from forestry operations to the manufacturer outside permitted hours of operation, including nights, weekends, and holidays, for the number of days demonstrated by the manufacturer as necessary to enable deliveries, not to exceed 90 days per year.

(C) Permit with conditions on the delivery of wood heat fuels. A permit with conditions issued to a wood products manufacturer that produces wood chips, pellets, cord wood, or other fuel wood used for heat shall allow for flexible delivery of that fuel wood from the manufacturer to the end user outside permitted hours of operation, including nights, weekends, and holidays, from October 1 through April 30 of each year. Permits with conditions shall mitigate the undue adverse impacts while enabling deliveries by the manufacturer.

(D) Permit amendments. A wood products manufacturer holding a permit may request an amendment to existing permit conditions related to hours of operation and seasonal restrictions to be consistent with subdivisions (2) and (3) of this subsection. Requests for condition amendments under this subsection shall not be subject to Act 250 Rule 34(E).

Sec. 19. 10 V.S.A. § 6093 is amended to read:

§ 6093. MITIGATION OF PRIMARY AGRICULTURAL SOILS

(a) Mitigation for loss of primary agricultural soils. Suitable mitigation for the conversion of primary agricultural soils necessary to satisfy subdivision 6086(a)(9)(B)(iv) of this title shall depend on where the project tract is located.

** * **

(5) Wood products manufacturers. Notwithstanding any provision of this chapter to the contrary, a conversion of primary agricultural soils by a wood products manufacturer shall be allowed to pay a mitigation fee computed according to the provisions of subdivision (1) of this subsection, except that it shall be entitled to a ratio of 1:1 protected acres to acres of affected primary agricultural soil.

** * * One-acre towns * * **

Sec. 20. INTENT; AMENDMENT OF 10 V.S.A. § 6001(3)(A)(ii)

The General Assembly's intent in the amendments to 10 V.S.A. §6001(3)(A)(ii) set forth in Sec. 21 of this act is to clarify the text to reflect the way jurisdiction over commercial and industrial development in towns without permanent zoning and subdivision bylaws has been determined since the passage of Act 250 in 1970. The General Assembly does not intend any provision of this act to be interpreted as a substantive change to determining jurisdiction under 10 V.S.A. § 6001(3)(A)(ii).

Sec. 21. 10 V.S.A. § 6001 is amended to read:

§ 6001. DEFINITIONS

** * **

(3)(A) "Development" means each of the following:

(i) The construction of improvements on a tract or tracts of land, owned or controlled by a person, involving more than 10 acres of land within a radius of five miles of any point on any involved land, for commercial or industrial purposes in a municipality that has adopted permanent zoning and subdivision bylaws.

(ii) The construction of improvements on a tract or tracts of land, owned or controlled by a person, involving more than one acre of land within a radius of five miles of any point on any involved land, for commercial or industrial purposes ~~on more than one acre of land within~~ in a municipality that has not adopted permanent zoning and subdivision bylaws.

* * *

* * * Reports * * *

Sec. 22. REPORT; ACT 250 JURISDICTION OVER AGRICULTURAL BUSINESSES

On or before January 15, 2023, the Natural Resources Board shall submit to the General Assembly a report with recommendations on how Act 250 jurisdiction should be applied to agricultural businesses, including those located on properties already operating as farms. The Board shall consult with the Agency of Agriculture, Food and Markets, the Vermont Planners Association, the regional planning commissions, and other interested stakeholders. The report shall include recommendations as to how to clarify what is and what is not an accessory on-farm business. The report shall address the current land use planning requirements for farms and farms with accessory on-farm businesses and whether different types of businesses associated with farms and farming require different levels of review. The report may consider whether or not the location of such businesses is relevant and may consider the designation or adoption of agricultural business innovation zones with different levels of review.

Sec. 23. DESIGNATED AREA REPORT; APPROPRIATION

(a) The sum of \$150,000.00 is appropriated from the General Fund to the Department of Housing and Community Development in fiscal year 2023 for the purpose of hiring a consultant to evaluate the State designation programs established in 24 V.S.A. chapter 76A pursuant to subsection (b) of this section.

(b)(1) The Department of Housing and Community Development shall hire an independent consultant to:

(A) review and assess the State designation programs and incentives established in 24 V.S.A. chapter 76A that recognize and invest in the vitality of Vermont's compact settlement areas; and

(B) conduct statewide stakeholder outreach to support the evaluation of and future improvements to the programs, including participation by State, regional, municipal, and advocacy and non-governmental organizations.

(2) The consultant shall make recommendations on how to:

(A) objectively define and map existing compact settlements as a basis for broader recognition;

(B) improve the consistency between and among regional plans and future land use maps;

(C) modernize these programs, including consideration of program reform or consolidation;

(D) make the designation programs and associated benefits more accessible to municipalities;

(E) apply regulatory and non-regulatory benefits;

(F) strengthen designation and incentives as a platform for place-based economic development, climate-action, complete streets, and equity and efficiency of public investment and service delivery;

(G) implement the smart growth principles established by 24 V.S.A. § 2791; and

(H) achieve the goals established in 24 V.S.A. § 4302.

(3) On or before July 15, 2023, the consultant shall submit a written report to the General Assembly with its findings and any recommendations for legislative action.

Sec. 24. REPORT; NATURAL RESOURCES BOARD

(a) On or before December 31, 2023, the Chair of the Natural Resources Board shall report to the House Committees on Natural Resources, Fish, and Wildlife and on Ways and Means and the Senate Committees on Finance and on Natural Resources and Energy on necessary updates to the Act 250 program.

(b) The report shall include:

(1) How to transition to a system in which Act 250 jurisdiction is based on location, which shall encourage development in designated areas, the maintenance of intact rural working lands, and the protection of natural resources of statewide significance, including biodiversity. Location-based jurisdiction would adjust the threshold for Act 250 jurisdiction based on the characteristics of the location. This section of the report shall consider whether to develop thresholds and tiers of jurisdiction as recommended in the Commission on Act 250: the Next 50 Years Report.

(2) How to use the Capability and Development Plan to meet the statewide planning goals.

(3) An assessment of the current level of staffing of the Board and District Commissions, including whether there should be a district coordinator located in every district.

(4) Whether the permit fees are sufficient to cover the costs of the program and, if not, a recommendation for a source of revenue to supplement the fees.

(5) Whether the permit fees are effective in providing appropriate incentives.

(6) Whether the Board should be able to assess their costs on applicants.

* * * Natural Resources Board * * *

Sec. 25. PURPOSE

The purpose of this act is to strengthen the administration of the Act 250 program by changing the structure, function, and name of the Natural Resources Board. This act requires that appeals of Act 250 permit decisions be heard by a five-member board called the Environmental Review Board. The Environmental Division of the Superior Court would continue to hear the other types of cases within its jurisdiction. The Environmental Review Board would keep the current duties of the Natural Resources Board in addition to hearing appeals. This change would allow the Act 250 program to return to how it was originally envisioned when enacted by being a citizen-friendly process. The Board would provide oversight, management, and training to the Act 250 program staff and District Commissions and develop Act 250 program policy through permit decisions and rulemaking.

Sec. 26. 10 V.S.A. § 6021 is amended to read:

§ 6021. BOARD; VACANCY; REMOVAL

(a) A Natural Resources Board established. The Environmental Review Board is created to administer the Act 250 program and hear appeals.

(1) The Board shall consist of five members appointed by the Governor, after review and approval by the Environmental Review Board Nominating Committee in accordance with subdivision (2) of this section and confirmed with the advice and consent of the Senate, so that one appointment expires in each year. The Chair shall be a full-time position, and the other four members shall be half-time positions. In making these appointments, the Governor and the Senate shall give consideration to candidates who have experience, expertise, or skills relating to the environment or land use one or more of the following areas: environmental science, natural resources law and policy, land use planning, community planning, or environmental justice.

~~(A) The Governor shall appoint a chair of the Board, a position that shall be a full-time position. The Governor shall ensure Board membership shall reflect, to the extent possible, the racial, ethnic, gender, and geographic diversity of the State. The Board shall not contain two members who reside in the same county.~~

~~(B) Following initial appointments, the members, except for the Chair, shall be appointed for terms of four five years. All terms shall begin on July 1 and expire on June 30. A member may continue serving until a successor is appointed. The initial appointments shall be for staggered terms.~~

~~(2) The Governor shall appoint up to five persons, with preference given to former Environmental Board, Natural Resources Board, or District Commission members, with the advice and consent of the Senate, to serve as alternates for Board members.~~

~~(A) Alternates shall be appointed for terms of four years, with initial appointments being staggered. The Environmental Review Board Nominating Committee shall advertise the position when a vacancy will occur on the Environmental Review Board.~~

~~(B) The Chair of the Board may assign alternates to sit on specific matters before the Board in situations where fewer than five members are available to serve. The Nominating Committee shall review the applicants to determine which are well-qualified for appointment to the Board and shall recommend those candidates to the Governor. The names of candidates shall be confidential.~~

~~(C) The Governor shall appoint, with the advice and consent of the Senate, a chair and four members of the Board from the list of well-qualified candidates sent to the Governor by the Committee.~~

~~(b) Any vacancy occurring in the membership of the Board shall be filled by the Governor for the unexpired portion of the term. Terms; vacancy; succession. The term of each appointment subsequent to the initial appointments described in subsection (a) of this section shall be five years. Any appointment to fill a vacancy shall be for the unexpired portion of the term vacated. A member may seek reappointment by informing the Governor. If the Governor decides not to reappoint the member, the Nominating Committee shall advertise the vacancy.~~

(c) Removal. Notwithstanding the provisions of 3 V.S.A. § 2004, members shall only be removable for cause only, except the Chair, who shall serve at the pleasure of the Governor by the remaining members of the Board in accordance with the Vermont Administrative Procedures Act. The Board shall adopt rules pursuant to 3 V.S.A. chapter 25 to define the basis and process for removal.

(d) Disqualified members. The Chair of the Board, upon request of the Chair of a District Commission, may appoint and assign former Commission members to sit on specific Commission cases when some or all of the regular members and alternates of the District Commission are disqualified or otherwise unable to serve.

(e) Retirement from office. When a Board member who hears all or a substantial part of a case retires from office before the case is completed, the member may remain a member of the Board, at the member's discretion, for the purpose of concluding and deciding that case and signing the findings and judgments involved. A retiring Chair shall also remain a member for the purpose of certifying questions of law if a party appeals to the Supreme Court. For the service, the member shall receive a reasonable compensation to be fixed by the remaining members of the Board and necessary expenses while on official business.

Sec. 27. 10 V.S.A. § 6032 is added to read:

§ 6032. ENVIRONMENTAL REVIEW BOARD NOMINATING COMMITTEE

(a) Creation. The Environmental Review Board Nominating Committee is created for the purpose of assessing the qualifications of applicants for appointment to the Environmental Review Board in accordance with section 6021 of this title.

(b) Members. The Committee shall consist of seven members who shall be appointed as follows:

(1) The Governor shall appoint three members from the Executive Branch, with at least one being an employee of the Department of Human Resources.

(2) The Speaker of the House of Representatives shall appoint two members from the House of Representatives.

(3) The Senate Committee on Committees shall appoint two members from the Senate.

(c) Terms. The members of the Committee shall serve for terms of two years. Members shall serve until their successors are appointed. Members shall serve not more than three consecutive terms in any capacity. A legislative member who is appointed as a member of the Committee shall retain the position for the term appointed to the Committee even if the member is subsequently not reelected to the General Assembly during the member's term on the Committee.

(d) Chair. The members shall elect their own chair.

(e) Quorum. A quorum of the Committee shall consist of four members.

(f) Staff and services. The Committee is authorized to use the staff and services of appropriate State agencies and departments as necessary to conduct investigations of applicants.

(g) Confidentiality. Except as provided in subsection (h) of this section, proceedings of the Committee, including the names of candidates considered by the Committee and information about any candidate submitted to the Governor, shall be confidential. The provisions of 1 V.S.A. § 317(e) (expiration of Public Records Act exemptions) shall not apply to the exemptions or confidentiality provisions in this subsection.

(h) Public information. The following shall be public:

(1) operating procedures of the Committee;

(2) standard application forms and any other forms used by the Committee, provided they do not contain personal information about a candidate or confidential proceedings;

(3) all proceedings of the Committee prior to the receipt of the first candidate's completed application; and

(4) at the time the Committee sends the names of the candidates to the Governor, the total number of applicants for the vacancies and the total number of candidates sent to the Governor.

(i) Reimbursement. Legislative members of the Committee shall be entitled to per diem compensation and reimbursement for expenses in accordance with 2 V.S.A. § 23. Compensation and reimbursement shall be paid from the legislative appropriation.

(j) Duties.

(1) When a vacancy occurs, the Committee shall review applicants to determine which are well-qualified for the Board and submit those names to the Governor. The Committee shall submit to the Governor a summary of the qualifications and experience of each candidate whose name is submitted to the Governor, together with any further information relevant to the matter.

(2) An applicant for the position of member of the Environmental Review Board shall not be required to be an attorney. If the candidate is admitted to practice law in Vermont or practices a profession requiring licensure, certification, or other professional regulation by the State, the Committee shall submit the candidate's name to the Court Administrator or the applicable State professional regulatory entity, and that entity shall disclose to the Committee any professional disciplinary action taken or pending concerning the candidate.

(3) Candidates shall be sought who have experience, expertise, or skills relating to one or more of the following areas: environmental science, natural resources law and policy, land use planning, community planning, or environmental justice.

(4) The Committee shall ensure a candidate possesses the following attributes:

(A) Integrity. A candidate shall possess a record and reputation for excellent character and integrity.

(B) Impartiality. A candidate shall exhibit an ability to make judicial determinations in a manner free of bias.

(C) Work ethic. A candidate shall demonstrate diligence.

(D) Availability. A candidate shall have adequate time to dedicate to the position.

Sec. 28. 10 V.S.A. § 6025 is amended to read:

§ 6025. RULES

(a) The Board may adopt rules of procedure for itself and the District Commissions. The Board shall adopt rules of procedure that govern appeals and other contested cases before it that are consistent with this chapter.

* * *

Sec. 29. 10 V.S.A. § 6027 is amended to read:

§ 6027. POWERS

(a) The Board and District Commissions ~~each~~ shall have supervisory authority in environmental matters respecting projects within their jurisdiction and shall apply their independent judgment in determining facts and interpreting law. Each shall have the power, with respect to any matter within its jurisdiction, to:

(1) administer oaths, take depositions, subpoena and compel the attendance of witnesses, and require the production of evidence;

(2) allow parties to enter upon lands of other parties for the purposes of inspecting and investigating conditions related to the matter before the Board or Commission;

(3) enter upon lands for the purpose of conducting inspections, investigations, examinations, tests, and site evaluations as it deems necessary to verify information presented in any matter within its jurisdiction; and

(4) apply for and receive grants from the federal government and from other sources.

(b) The powers granted under this chapter are additional to any other powers ~~which~~ that may be granted by other legislation.

(c) The ~~Natural Resources~~ Board may designate or establish ~~such~~ regional offices as it deems necessary to implement the provisions of this chapter and the rules adopted ~~hereunder~~. The ~~Natural Resources~~ Board may designate or require a regional planning commission to receive applications, provide administrative assistance, perform investigations, and make recommendations.

(d) At the request of a District Commission, if the Board Chair determines that the workload in the requesting district is likely to result in unreasonable delays or that the requesting District Commission is disqualified to hear a case, the Chair may authorize the District Commission of another district to sit in the requesting district to consider one or more applications.

(e) The ~~Natural Resources~~ Board may by rule allow joint hearings to be conducted with specified State agencies or specified municipalities.

(f) The Board shall publish its decisions online. The Board may publish online or contract to publish annotations and indices of its decisions, the decisions of the Environmental Division of the Superior Court and the Supreme Court, and the text of those decisions. The published product shall be available at a reasonable rate to the general public and at a reduced rate to libraries and governmental bodies within the State.

(g) ~~The Natural Resources Board shall manage the process by which land use permits are issued under section 6086 of this title, may initiate enforcement on related matters under the provisions of chapters 201 and 211 of this title, and may petition the Environmental Division initiate and hear petitions for revocation of land use permits issued under this chapter. Grounds for revocation are:~~

(1) ~~noncompliance with this chapter, rules adopted under this chapter, or an order that is issued that relates to this chapter;~~

(2) ~~noncompliance with any permit or permit condition;~~

(3) ~~failure to disclose all relevant and material facts in the application or during the permitting process;~~

(4) ~~misrepresentation of any relevant and material fact at any time;~~

(5) ~~failure to pay a penalty or other sums owed pursuant to, or other failure to comply with, court order, stipulation agreement, schedule of compliance, or other order issued under Vermont statutes and related to the permit; or~~

(6) ~~failure to provide certification of construction costs, as required under subsection 6083a(a) of this title, or failure to pay supplemental fees as required under that section.~~

(h) ~~The Natural Resources Board may hear appeals of fee refund requests under section 6083a of this title. The Board shall hear appeals of decisions made by District Commissions and district coordinators.~~

(i) ~~The Chair, subject to the direction of the Board, shall have general charge of the offices and employees of the Board and the offices and employees of the District Commissions.~~

(j) ~~The Natural Resources Board may participate as a party in all matters before the Environmental Division that relate to land use permits issued under this chapter. [Repealed.]~~

* * *

Sec. 30. 10 V.S.A. § 6022 is amended to read:

§ 6022. PERSONNEL

(a) Regular personnel. The Board may appoint legal counsel, scientists, engineers, experts, investigators, temporary employees, and administrative personnel as it finds necessary in carrying out its duties, unless the Governor shall otherwise provide in providing personnel to assist the District Commissions and in investigating matters within its jurisdiction.

(b) Executive Director. The Board shall appoint an Executive Director. The Director shall be a full-time State employee, shall be exempt from the State classified system, and shall serve at the pleasure of the Board. The Director shall be responsible for:

(1) supervising and administering the operation and implementation of this chapter and the rules adopted by the Board as directed by the Board;

(2) assisting the Board in its duties and administering the requirements of this chapter;

(3) employing such staff as may be required to carry out the functions of the Board; and

(4) preparing an annual budget for submission to the Board.

Sec. 31. 10 V.S.A. § 6084 is amended to read:

§ 6084. NOTICE OF APPLICATION; HEARINGS; COMMENCEMENT OF REVIEW

~~(a) On or before the date of~~ Upon the filing of an application with the District Commission, the applicant District Commission shall send, by electronic means, notice and a copy of the initial application to the owner of the land if the applicant is not the owner; the municipality in which the land is located; the municipal and regional planning commissions for the municipality in which the land is located; the Vermont Agency of Natural Resources; and any adjacent Vermont municipality and municipal and regional planning commission if the land is located on a municipal or regional boundary. The applicant shall furnish to the District Commission the names of those furnished notice by affidavit, and shall post send by electronic means a copy of the notice in to the town clerk's office of the town or towns in which the project lies. The town clerk shall post the notice in the town office. The applicant shall also provide a list of adjoining landowners to the District Commission. Upon request and for good cause, the District Commission may authorize the applicant to provide a partial list of adjoining landowners in accordance with Board rules.

* * *

~~(e) Any notice for a major or minor application, as required by this section, shall also be published by the District Commission in a local newspaper generally circulating in the area where the development or subdivision is located and on the Board's website not more than ten days after receipt of a complete application.~~

* * *

Sec. 32. 10 V.S.A. § 6086(f) is amended to read:

(f) Prior to any appeal of a permit issued by a District Commission, any aggrieved party may file a request for a stay of construction with the District Commission together with a declaration of intent to appeal the permit. The stay request shall be automatically granted for seven days upon receipt and notice to all parties and pending a ruling on the merits of the stay request pursuant to Board rules. The automatic stay shall not extend beyond the 30-day appeal period unless a valid appeal has been filed with the Environmental Division Board. The automatic stay may be granted only once under this subsection during the 30-day appeal period. Following appeal of the District Commission decision, any stay request must be filed with the Environmental Division pursuant to the provisions of chapter 220 of this title Board. A District Commission shall not stay construction authorized by a permit processed under the Board's minor application procedures.

Sec. 33. 10 V.S.A. § 6089 is amended to read:

§ 6089. APPEALS

~~Appeals of any act or decision of a District Commission under this chapter or a district coordinator under subsection 6007(c) of this title shall be made to the Environmental Division in accordance with chapter 220 of this title. For the purpose of this section, a decision of the Chair of a District Commission under section 6001e of this title on whether action has been taken to circumvent the requirements of this chapter shall be considered an act or decision of the District Commission.~~

(a)(1) An appeal of any act or decision of a District Commission shall be to the Board and shall be accompanied by a fee prescribed by section 6083a of this title.

(2) Participation before District Commission. A person shall not appeal an act or decision that was made by a District Commission unless the person was granted party status by the District Commission pursuant to subdivision 6085(c)(1)(E) of this title, participated in the proceedings before the District Commission, and retained party status at the end of the District Commission proceedings. In addition, the person may only appeal those issues under the criteria with respect to which the person was granted party status. However, notwithstanding these limitations, a person may appeal an act or decision of the District Commission if the Board determines that:

(A) there was a procedural defect that prevented the person from obtaining party status or participating in the proceeding;

(B) the decision being appealed is the grant or denial of party status;

or

(C) some other condition exists that would result in manifest injustice if the person's right to appeal was disallowed.

(3) An appellant to the Board, under this section, shall file with the notice of appeal a statement of the issues to be addressed in the appeal, a summary of the evidence that will be presented, and a preliminary list of witnesses who will testify on behalf of the appellant.

(4) The Board shall hold a de novo hearing on all findings requested by any party that files an appeal or cross appeal, according to the rules of the Board. The hearing shall be held in the municipality where the project subject to the appeal is located, if possible, or as close as possible.

(5) Notice of appeal shall be filed with the Board within 30 days following the act or decision by the District Commission. The Board shall notify the parties who had party status before the District Commission of the filing of any appeal.

(6) Prehearing discovery.

(A) A party may obtain discovery of expert witnesses who may provide testimony relevant to the appeal. Expert witness prefiled testimony shall be in accordance with the Vermont Rules of Evidence. The use of discovery for experts shall comply with the requirements in the Vermont Rules of Civil Procedure 26–37.

(B) Interrogatories served on nonexpert witnesses shall be limited to discovery of the identity of witnesses and a summary of each witness' testimony, except by order of the Board for cause shown. Interrogatories served on expert witnesses shall be in accordance with the Vermont Rules of Civil Procedure.

(C) Parties may submit requests to produce and requests to enter upon land pursuant to the Vermont Rule of Civil Procedure 34.

(D) Parties may not take depositions of witnesses, except by order of the Board for cause shown.

(E) The Board may require a party to supplement, as necessary, any prehearing testimony that is provided.

(b) Prior decisions of the former Environmental Board, Water Resources Board, Waste Facilities Panel, and Environmental Division of the Superior Court shall be given the same weight and consideration as prior decisions of the Environmental Review Board.

(c) An appeal from a decision of the Board under subsection (a) of this section shall be to the Supreme Court by a party as set forth in subsection 6085(c) of this title.

(d) No objection that has not been raised before the Board may be considered by the Supreme Court, unless the failure or neglect to urge such objection shall be excused because of extraordinary circumstances.

(e) An appeal of a decision by the Board shall be allowed pursuant to 3 V.S.A. § 815, including the unreasonableness or insufficiency of the conditions attached to a permit. An appeal from the District Commission shall be allowed for any reason, except no appeal shall be allowed when an application has been granted and no hearing was requested.

(f) Precedent from the former Environmental Board and of the Environmental Review Board that interpret Act 250 shall be provided the same deference by the Supreme Court as precedents accorded to other Executive Branch agencies charged with administering their enabling act. On appeal to the Supreme Court from the Environmental Review Board, decisions of the Environmental Review Board interpreting this act also shall be accorded that deference.

(g) Upon appeal to the Supreme Court, the Board's findings of fact shall be accepted unless clearly erroneous.

(h) Completion of case. A case shall be deemed completed when the Board enters a final decision even though that decision is appealed to the Supreme Court and remanded by that Court.

(i) Court of record; jurisdiction. The Board shall have the powers of a court of record in the determination and adjudication of all matters within its jurisdiction. It may initiate proceedings on any matter within its jurisdiction. It may render judgments and enforce the same by any suitable process issuable by courts in this State. An order issued by the Board on any matter within its jurisdiction shall have the effect of a judicial order. The Board's jurisdiction shall include:

(1) the issuance of declaratory rulings on the applicability of this chapter and rules or orders issued under this chapter, pursuant to 3 V.S.A. § 808; and

(2) the issuance of decisions on appeals pursuant to sections 6007 and 6089 of this title.

Sec. 34. 10 V.S.A. § 6007 is amended to read:

*§ 6007. ACT 250 DISCLOSURE STATEMENT; JURISDICTIONAL
DETERMINATION*

** * **

(c) With respect to the partition or division of land, or with respect to an activity that might or might not constitute development, any person may submit to the district coordinator an “Act 250 Disclosure Statement” and other information required by the rules of the Board and may request a jurisdictional opinion from the district coordinator concerning the applicability of this chapter. If a requestor wishes a final determination to be rendered on the question, the district coordinator, at the expense of the requestor and in accordance with rules of the Board, shall publish notice of the issuance of the opinion in a local newspaper generally circulating in the area where the land that is the subject of the opinion is located and shall serve the opinion on all persons listed in subdivisions 6085(c)(1)(A) through (D) of this title. In addition, the requestor who is seeking a final determination shall consult with the district coordinator and obtain approval of a subdivision 6085(c)(1)(E) list of persons who shall be notified by the district coordinator because they are adjoining property owners or other persons who would be likely to be able to demonstrate a particularized interest protected by this chapter that may be affected by an act or decision by a District Commission.

(d) A person who seeks review of a jurisdictional opinion issued by a district coordinator may bring to the Board an appeal of issues addressed in the opinion.

(1) The appellant shall provide notice of the filing of an appeal to each person entitled to notice under subdivisions 6085(c)(1)(A) through (D) of this title and to each person on an approved subdivision 6085(c)(1)(E) list.

(2) Failure to appeal within 30 days following the issuance of the jurisdictional opinion shall render the decision of the district coordinator under subsection (c) of this section the final determination regarding jurisdiction unless the underlying jurisdictional opinion was not properly served on persons listed in subdivisions 6085(c)(1)(A) through (D) of this title and on persons on a subdivision 6085(c)(1)(E) list approved under subsection (c) of this section.

Sec. 35. 10 V.S.A. § 6083a is amended to read:

§ 6083a. ACT 250 FEES

** * **

(i) All persons filing an appeal, cross appeal, or petition from a District Commission decision or jurisdictional determination shall pay a fee of \$295.00, plus publication costs.

** * * Appeals * * **

Sec. 36. 10 V.S.A. chapter 220 is amended to read:

CHAPTER 220. CONSOLIDATED ENVIRONMENTAL APPEALS

§ 8501. PURPOSE

It is the purpose of this chapter to:

(1) consolidate existing appeal routes for municipal zoning and subdivision decisions and acts or decisions of the Secretary of Natural Resources; ~~district environmental coordinators, and District Commissions,~~ excluding enforcement actions brought pursuant to chapters 201 and 211 of this title and the adoption of rules under 3 V.S.A. chapter 25;

(2) standardize the appeal periods, the parties who may appeal these acts or decisions, and the ability to stay any act or decision upon appeal, taking into account the nature of the different programs affected;

(3) ~~encourage people to get involved in the Act 250 permitting process at the initial stages of review by a District Commission by requiring participation as a prerequisite for an appeal of a District Commission decision to the Environmental Division;~~

(4) ~~assure~~ ensure that clear appeal routes exist for acts and decisions of the Secretary of Natural Resources; and

(5)(4) consolidate appeals of decisions related to renewable energy generation plants and telecommunications facilities with review under, respectively, 30 V.S.A. §§ 248 and 248a, with appeals and consolidation of proceedings pertaining to telecommunications facilities occurring only while 30 V.S.A. § 248a remains in effect.

§ 8502. DEFINITIONS

As used in this chapter:

(1) ~~“District Commission” means a District Environmental Commission established under chapter 151 of this title. [Repealed.]~~

~~(2) “District coordinator” means a district environmental coordinator attached to a District Commission established under chapter 151 of this title. [Repealed.]~~

~~(3) “Environmental Court” or “Environmental Division” means the Environmental Division of the Superior Court established by 4 V.S.A. § 30.~~

~~(4) “Natural Resources Environmental Review Board” or “Board” means the Board established under chapter 151 of this title.~~

~~(5) “Party by right” means the following:~~

~~(A) the applicant;~~

~~(B) the landowner, if the applicant is not the landowner;~~

~~(C) the municipality in which the project site is located and the municipal and regional planning commissions for that municipality;~~

~~(D) if the project site is located on a boundary, any Vermont municipality adjacent to that border and the municipal and regional planning commissions for that municipality;~~

~~(E) the solid waste management district in which the land is located, if the development or subdivision constitutes a facility pursuant to subdivision 6602(10) of this title;~~

~~(F) any State agency affected by the proposed project.~~

~~(6) “Person” means any individual; partnership; company; corporation; association; joint venture; trust; municipality; the State of Vermont or any agency, department, or subdivision of the State; any federal agency; or any other legal or commercial entity.~~

~~(7) “Person aggrieved” means a person who alleges an injury to a particularized interest protected by the provisions of law listed in section 8503 of this title; attributable to an act or decision by a district coordinator, District Commission, the Secretary, or the Environmental Division that can be redressed by the Environmental Division or the Supreme Court.~~

~~(8) “Secretary” means the Secretary of Natural Resources or the Secretary’s duly authorized representative. As used in this chapter, “Secretary” shall also mean the Commissioner of Environmental Conservation, the Commissioner of Forests, Parks and Recreation, and the Commissioner of Fish and Wildlife, with respect to those statutes that refer to the authority of that commissioner or department.~~

§ 8503. APPLICABILITY

(a) This chapter shall govern all appeals of an act or decision of the Secretary, excluding enforcement actions under chapters 201 and 211 of this title and rulemaking, under the following authorities and under the rules adopted under those authorities:

** * **

(b) This chapter shall govern:

(1) all appeals from an act or decision of a District Commission under chapter 151 of this title, excluding appeals of application fee refund requests;

(2) appeals from an act or decision of a district coordinator under subsection 6007(c) of this title;

(3) appeals from findings of fact and conclusions of law issued by the Natural Resources Board in its review of a designated growth center for conformance with the criteria of subsection 6086(a) of this title, pursuant to authority granted at 24 V.S.A. § 2793e(f). [Repealed.]

(c) This chapter shall govern all appeals arising under 24 V.S.A. chapter 117, the planning and zoning chapter.

(d) This chapter shall govern all appeals from an act or decision of the Environmental Division under this chapter.

(e) This chapter shall not govern appeals from rulemaking decisions by the Natural Resources Environmental Review Board under chapter 151 of this title or enforcement actions under chapters 201 and 211 of this title.

(f) This chapter shall govern all appeals of acts or decisions of the legislative body of a municipality arising under 24 V.S.A. chapter 61, subchapter 10, relating to the municipal certificate of approved location for salvage yards.

(g) This chapter shall govern all appeals of an act or decision of the Secretary of Natural Resources that a solid waste implementation plan for a municipality proposed under 24 V.S.A. § 2202a conforms with the State Solid Waste Implementation Plan adopted pursuant to section 6604 of this title.

§ 8504. APPEALS TO THE ENVIRONMENTAL DIVISION

(a) ~~Act 250 and~~ Agency appeals. Within 30 days of the date of following the act or decision, any person aggrieved by an act or decision of the Secretary, ~~a District Commission, or a district coordinator~~ under the provisions of law listed in section 8503 of this title, or any party by right, may appeal to the Environmental Division, except for an act or decision of the

Secretary under subdivision 6086b(3)(E) of this title or governed by section 8506 of this title.

** * **

(c) Notice of the filing of an appeal.

(1) Upon filing an appeal from an act or decision of the District Commission, the appellant shall notify all parties who had party status as of the end of the District Commission proceeding, all friends of the Commission, and the Natural Resources Board that an appeal is being filed. In addition, the appellant shall publish notice not more than 10 days after providing notice as required under this subsection, at the appellant's expense, in a newspaper of general circulation in the area of the project that is the subject of the decision. [Repealed.]

** * **

(d) Requirement to participate before the District Commission or the Secretary.

(1) Participation before District Commission. An aggrieved person shall not appeal an act or decision that was made by a District Commission unless the person was granted party status by the District Commission pursuant to subdivision 6085(c)(1)(E) of this title, participated in the proceedings before the District Commission, and retained party status at the end of the District Commission proceedings. In addition, the person may only appeal those issues under the criteria with respect to which the person was granted party status. However, notwithstanding these limitations, an aggrieved person may appeal an act or decision of the District Commission if the Environmental judge determines that:

(A) there was a procedural defect that prevented the person from obtaining party status or participating in the proceeding;

(B) the decision being appealed is the grant or denial of party status;
or

(C) some other condition exists that would result in manifest injustice if the person's right to appeal was disallowed. [Repealed.]

(2) Participation before the Secretary.

** * **

(e) Act 250 jurisdictional determinations by a district coordinator:

(1) The appellant shall provide notice of the filing of an appeal to each person entitled to notice under subdivisions 6085(c)(1)(A) through (D) of this

~~title, to each person on an approved subdivision 6085(c)(1)(E) list, and to the Natural Resources Board.~~

~~(2) Failure to appeal within the time required under subsection (a) of this section shall render the decision of the district coordinator under subsection 6007(c) of this title the final determination regarding jurisdiction under chapter 151 of this title unless the underlying jurisdictional opinion was not properly served on persons listed in subdivisions 6085(c)(1)(A) through (D) of this title and on persons on a subdivision 6085(c)(1)(E) list approved under subsection 6007(c) of this title. [Repealed.]~~

* * *

~~(g) Consolidated appeals. The Environmental Division may consolidate or coordinate different appeals where those appeals all relate to the same project.~~

* * *

~~(i) Deference to Agency technical determinations. In the adjudication of appeals relating to land use permits under chapter 151 of this title, technical determinations of the Secretary shall be accorded the same deference as they are accorded by a District Commission under subsection 6086(d) of this title. [Repealed.]~~

* * *

~~(k) Limitations on appeals. Notwithstanding any other provision of this section:~~

~~(1) there shall be no appeal from a District Commission decision when the Commission has issued a permit and no hearing was requested or held, or no motion to alter was filed following the issuance of an administrative amendment;~~

~~(2) a municipal decision regarding whether a particular application qualifies for a recorded hearing under 24 V.S.A. § 4471(b) shall not be subject to appeal;~~

~~(3) if a District Commission issues a partial decision under subsection 6086(b) of this title, any appeal of that decision must be taken within 30 days of the date of that decision.~~

~~(l) Representation. The Secretary may represent the Agency of Natural Resources in all appeals under this section. The Chair of the Natural Resources Board may represent the Board in any appeal under this section, unless the Board directs otherwise. If more than one State agency, other than the Board, either appeals or seeks to intervene in an appeal under this section,~~

only the Attorney General may represent the interests of those agencies of the State in the appeal.

(m) Precedent. Prior decisions of the Environmental Board, Water Resources Board, and Waste Facilities Panel shall be given the same weight and consideration as prior decisions of the Environmental Division.

(n) Intervention. Any person may intervene in a pending appeal if that person:

(1) appeared as a party in the action appealed from and retained party status;

(2) is a party by right;

(3) is the Natural Resources Board; [Repealed.]

(4) is a person aggrieved, as defined in this chapter;

(5) qualifies as an "interested person," as established in 24 V.S.A. § 4465, with respect to appeals under 24 V.S.A. chapter 117; or

(6) meets the standard for intervention established in the Vermont Rules of Civil Procedure.

(o) With respect to review of an act or decision of the Secretary pursuant to 3 V.S.A. § 2809, the Division may reverse the act or decision or amend an allocation of costs to an applicant only if the Division determines that the act, decision, or allocation was arbitrary, capricious, or an abuse of discretion. In the absence of such a determination, the Division shall require the applicant to pay the Secretary all costs assessed pursuant to 3 V.S.A. § 2809.

(p) Administrative record. The Secretary shall certify the administrative record as defined in chapter 170 of this title and shall transfer a certified copy of that record to the Environmental Division when:

(1) there is an appeal of an act or decision of the Secretary that is based on that record; or

(2) there is an appeal of a decision of a District Commission, and the applicant used a decision of the Secretary based on that record to create a presumption under a criterion of subsection 6086(a) of this title that is at issue in the appeal.

§ 8505. APPEALS TO THE SUPREME COURT

(a) Any person aggrieved by a decision of the Environmental Division pursuant to this subchapter; any party by right, or any person aggrieved by a decision of the Environmental Review Board may appeal to the Supreme Court within 30 days of following the date of the entry of the order or judgment appealed from, provided that:

(1) the person was a party to the proceeding before the Environmental Division; ~~or~~

(2) the decision being appealed is the denial of party status; or

(3) the Supreme Court determines that:

(A) there was a procedural defect that prevented the person from participating in the proceeding; or

(B) some other condition exists that would result in manifest injustice if the person's right to appeal were disallowed.

** * **

** * * Environmental Division * * **

Sec. 37. 4 V.S.A. § 34 is amended to read:

§ 34. JURISDICTION; ENVIRONMENTAL DIVISION

The Environmental Division shall have:

(1) jurisdiction of matters arising under 10 V.S.A. chapters 201 and 220; and

(2) jurisdiction of matters arising under 24 V.S.A. chapter 61, subchapter 12 and 24 V.S.A. chapter 117; ~~and~~

~~(3) original jurisdiction to revoke permits under 10 V.S.A. chapter 151.~~

** * * Appropriation; Transition; Revision Authority * * **

*Sec. 38. ENVIRONMENTAL REVIEW BOARD POSITIONS;
APPROPRIATION*

(a) The following new positions are created at the Environmental Review Board for the purposes of carrying out this act:

(1) one Staff Attorney I; and

(2) four half-time Environmental Review Board members.

(b) The sum of \$384,000.00 is appropriated to the Environmental Review Board from the General Fund in fiscal year 2023 for the positions established

in subsection (a) of this section and for additional operating costs required to implement the appeals process established in this act.

Sec. 39. NATURAL RESOURCES BOARD TRANSITION

(a) The Governor shall appoint the members of Environmental Review Board on or before July 1, 2023, and the terms of any Natural Resources Board member not appointed consistent with the requirements of 10 V.S.A. § 6021(a)(1)(A) or (B) shall expire on that day.

(b) As of July 1, 2023, all appropriations and employee positions of the Natural Resources Board are transferred to the Environmental Review Board.

(c) The Environmental Review Board shall adopt rules of procedure for its hearing process pursuant to 10 V.S.A. § 6025(a) on or before July 1, 2024.

Sec. 40. ENVIRONMENTAL DIVISION; CONTINUED JURISDICTION

Notwithstanding the repeal of its jurisdictional authority to hear appeals relative to land use permits under Sec. 36 of this act, the Environmental Division of the Superior Court shall continue to have jurisdiction to complete its consideration of any appeal that is pending before it as of July 1, 2024 if the act or appeal has been filed. The Environmental Review Board shall have authority to be a party in any appeals pending under this section until July 1, 2024.

Sec. 41. REVISION AUTHORITY

In preparing the Vermont Statutes Annotated for publication in 2022, the Office of Legislative Counsel shall replace all references to the “Natural Resources Board” with the “Environmental Review Board” in Title 3, Title 10, Title 24, Title 29, Title 30, and Title 32.

** * * Effective Dates * * **

Sec. 42. EFFECTIVE DATES

This act shall take effect on passage except that Sec. 14 (10 V.S.A. § 6086(a)(8)) shall take effect on September 1, 2024 and Secs. 36 and 37 (10 V.S.A. chapter 220; 4 V.S.A. § 34) shall take effect on July 1, 2024.