



VERMONT LEGISLATIVE
Joint Fiscal Office

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Fiscal Note

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S.325 – An act relating to regional planning and Act 250 Tier jurisdiction

As recommended by the House Committee on Environment^{1,i}

Bill Summary

The bill would make technical corrections and clarifications and adjust the implementation timeline of various parts of Act 181 (2024), including:

- *Sections 1-4, 8:*
 - repealing the “road rule” Act 250 jurisdictional trigger;
 - repealing the implementation of Tier 2 and Tier 3 areas; and
 - extending the deadline for rulemaking for and the implementation of forest block and habitat connectors by one year to June 15, 2027 and January 1, 2028 respectively.
- *Section 6:*
 - extending the Act 250 exemption for construction of the following housing projects on tracts of land with permanent zoning water infrastructure from January 1, 2027 to January 1, 2028:
 - housing projects of 75 units or fewer located in a designated new town center, designated growth center, or a designated neighborhood development area;
 - housing projects of 50 units or fewer located on parcels located in or within a quarter mile of a designated village center or areas of a municipality that are within a census-designated urbanized area with over 50,000 residents and within one-quarter mile of a transit route – to qualify, the housing project would need to be on 10 contiguous acres or less; and
 - housing projects located entirely within a designated downtown development district served by public sewer or water services or soils adequate for wastewater disposal.
- *Section 9:*
 - creating a public engagement plan to gather input from Vermonters on land use policy.
- *Section 10:*
 - creating the Joint Environmental Oversight Committee, which would be comprised of five legislative members and would be responsible for oversight over the Land Use Review Board (LURB) and Agency of Natural Resources (ANR) permitting processes through July 1, 2029.
- *Section 11:*
 - requiring LURB to issue various reports on protections for primary agricultural soils, sprawl and strip development, and Act 250 jurisdiction over farm commercial activity.

¹ The Joint Fiscal Office (JFO) is a nonpartisan legislative office dedicated to producing unbiased fiscal analysis – this fiscal note is meant to provide information for legislative consideration, not to provide policy recommendations.

- *Section 12:*
 - requiring non-minor future land use map amendments to be processed as part of a regional plan amendment, allows Tier 1B status requests to be made outside of the regional plan approval or amendment process.
- *Section 15:*
 - extending the expiration date of current regional and municipal plans to December 31, 2027.
- *Section 20:*
 - creating an annual report by the Vermont Community Investment Board that includes a summary of activities under the Community Investment Program and recommendations for changes to the Program.
- *Section 21:*
 - creating a report by the Department of Housing and Community Development (DHCD) due January 15, 2027 on mechanisms for limiting appeals of municipal permits.
- *Section 22:*
 - extending deadlines for environmental justice work required under existing law.

Fiscal Impact

Activities that require Act 250 jurisdiction must receive a permit and pay associated fees, which depend on the size and scope of the project. These fees are deposited in the Act 250 Permit Fund. Construction projects also pay a fee to ANR to account for their review of applications. The Act 250 Permit Fund supports the permitting and regulatory activities of LURB and ANR related to the Act 250 process.

The bill would maintain extend existing interim Act 250 exemptions through January 1, 2028 and delay or repeal implementation of policy changes in Act 181 (2024) that would have expanded Act 250 jurisdiction. On net, these changes would reduce Act 250 permit revenue flowing to the Act 250 Permit Fund compared with current law, though it is not possible to estimate the exact difference. However, the extension of the interim exemptions would mean that it is likely the approximate current levels of Act 250 permit revenue, which totaled \$2.5 million in fiscal year 2025, would be maintained at least through fiscal year 2027.

Section 9 would task the State Natural Resources Council with hiring a contractor to develop a public engagement plan due by January 15, 2027. The plan would include information about how to gather statewide input from Vermonters on the risks of losing working agricultural and forestlands and critical natural resources protected by policy, permitting programs or regulatory tools, and how to solicit information about tools to protect working lands and critical natural resources. The bill would appropriate \$30,000 from the General Fund to the Council to hire a contractor for the public engagement plan design.

Section 10 would create the Joint Legislative Environmental Oversight Committee. The Committee would provide oversight to LURB and permitting processes at ANR. The Committee would be comprised of three members of the House and two members of the Senate and would meet no more than six times per year during adjournment unless additional meetings are approved by the Speaker of the House and the President Pro Tempore. The Committee would cease to exist on July 1, 2029. The cost of the Committee would be approximately \$8,000 per year and would come from the budget of the General Assembly.

Section 12 would require nonminor land use map amendments to be filed as a regional plan amendment. Non-minor land use map amendments would incur a \$295 fee created in Act 181 (2025) paid to LURB and deposited in the Act 250 Permit Fund. The number of additional amendments that would be generated through this provision is unknown.

Section 19 includes clarifying language for the Downtown and Village Tax Credit program, which provides a tax credit to conduct rehabilitation, code compliance or exterior work on qualifying buildings. Buildings qualify if they are at least 30 years old and located in designated downtown and village centers. Changes to

the Community Investment Program in Act 181 would allow the areas previously designated as New Town Centers to become a Designated Center and projects in these designated areas could qualify for Downtown and Village Tax Credits. This section specifies that although all buildings could theoretically qualify through the expansion of these centers, they must meet the current age requirements for these credits. Since this is a clarification, there is no fiscal impact for this section.

ⁱ The full fiscal note history is available on the fiscal tab of the bill page on the General Assembly website and can be pulled up through a bill number

search on the JFO page.