



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 Senate Committee on Natural Resources and Energy, Draft 6.1<sup>1,i</sup>**

#### **Bill Summary**

**T**he bill would make technical corrections and clarifications and adjust the implementation timeline of various parts of Act 181 (2024), including the following provisions a fiscal impact:

- Extending the effective date for the jurisdictional trigger for the “road rule” to January 1, 2030;
- Extending the implementation of Tier 2 and Tier 3 areas to June 30, 2028;
- Extending the Act 250 exemption for priority housing projects located in or within one-half mile of designated areas with permanent zoning that are served by public sewer or water services or are cited on soils adequate for wastewater disposal from ending January 1, 2027 to 2028;
  - Adding that this would not apply to areas within mapped river corridors and floodplains;
- Extending Act 250 exemptions for the construction of improvements for one accessory dwelling unit (ADU) sited with a single-family dwelling from ending July 1, 2028 to January 1, 2030;
- Extending the Act 250 exemption for conversions of commercial structures to housing if the project contains 29 or fewer units from ending July 1, 2028 to January 1, 2030;
- 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, 2030:
  - Housing projects of 75 units or fewer located in a new town center, designated growth center, or a designated neighborhood development area
  - Housing projects of 50 units or fewer located on parcels of 10 acres or less 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.
  - Housing projects located entirely within a designated downtown development district
- 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.

<sup>1</sup> *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.*

## Fiscal Impact

The bill would maintain existing interim Act 250 exemptions and delay implementation of Tier 3 areas with increased Act 250 jurisdiction. 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 the Agency of Natural Resources (ANR) to account for their review of applications. The Act 250 Permit Fund supports the permitting and regulatory activities of the Land Use Review Board (LURB) and ANR related to the Act 250 process.

Since this bill would maintain various current exemptions, it would not change current revenues in the Act 250 Permit Fund, which totaled \$2.5 million in fiscal year 2025. It would also delay the implementation of Tier 3 areas (until fiscal year 2029) and the “road rule” jurisdictional trigger (until fiscal year 2031), delaying when the Act 250 Permit Fund would receive additional revenues from permits associated with development in those areas.

Non-minor land use map amendments would incur a \$295 fee created in Act 181 (2025) paid to the LURB and deposited Act 250 Permit Fund.

Section 19 appropriates \$300,000 from the General Fund in fiscal year 2027:

- \$200,000 to the Agency of Commerce and Community Development (ACCD) to develop additional models as part of the 802 Homes program; and
- \$100,000 to the LURB to conduct public engagement and education on Tier 3 areas.

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<sup>i</sup> 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.