

June 2026

Vermont League of Cities and Towns

Legislative Update: Planning and Zoning

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2026 Legislative Actions

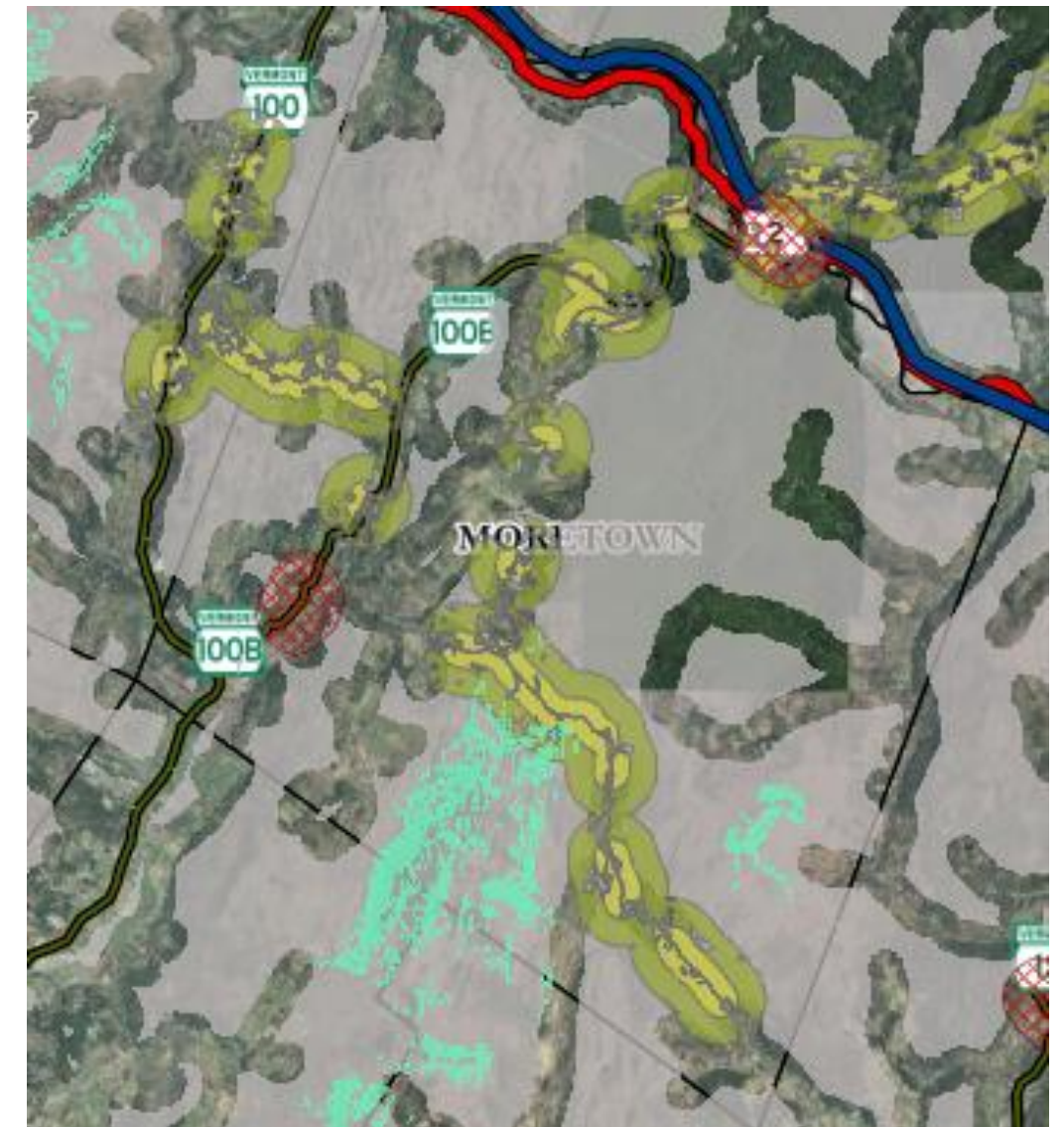
- Act 181-Act 250 Reform
- S.328 - Housing Bill; bylaw preemptions
- Municipal Regulation of Agriculture
- Education Package; Regional Assessment, Tax Sale
- Summer Studies and VLCT Policy Committee



What is a Tier?

Act 181 of 2024 created location-based jurisdiction of Act 250. Rather than applying jurisdiction only based on the scale of a planned project, Act 250 can be triggered (or exempted) based on the location of a project. S.325 of 2026 repealed major provisions of Act 181 and made other changes relating to Tier 1 eligible Future Land Use Areas.

- Tier 1a: Total Act 250 exemption
- Tier 1b: Partial Act 250 exemption, housing developments of 50 or fewer units and less than 10 acres exempt
- ~~Tier 2: Act 250 applies as prior to Act 181~~
- ~~Tier 3: New, enhanced protection for natural resources, any "development" may require Act 250 permit review subject to final rules determined by LURB~~
- ~~Road Rule: Act 250 permit review required for all development 800ft or more from an existing road, or 2,000 ft of combined road and driveway (regardless of Tier)~~



Moretown, Washington County

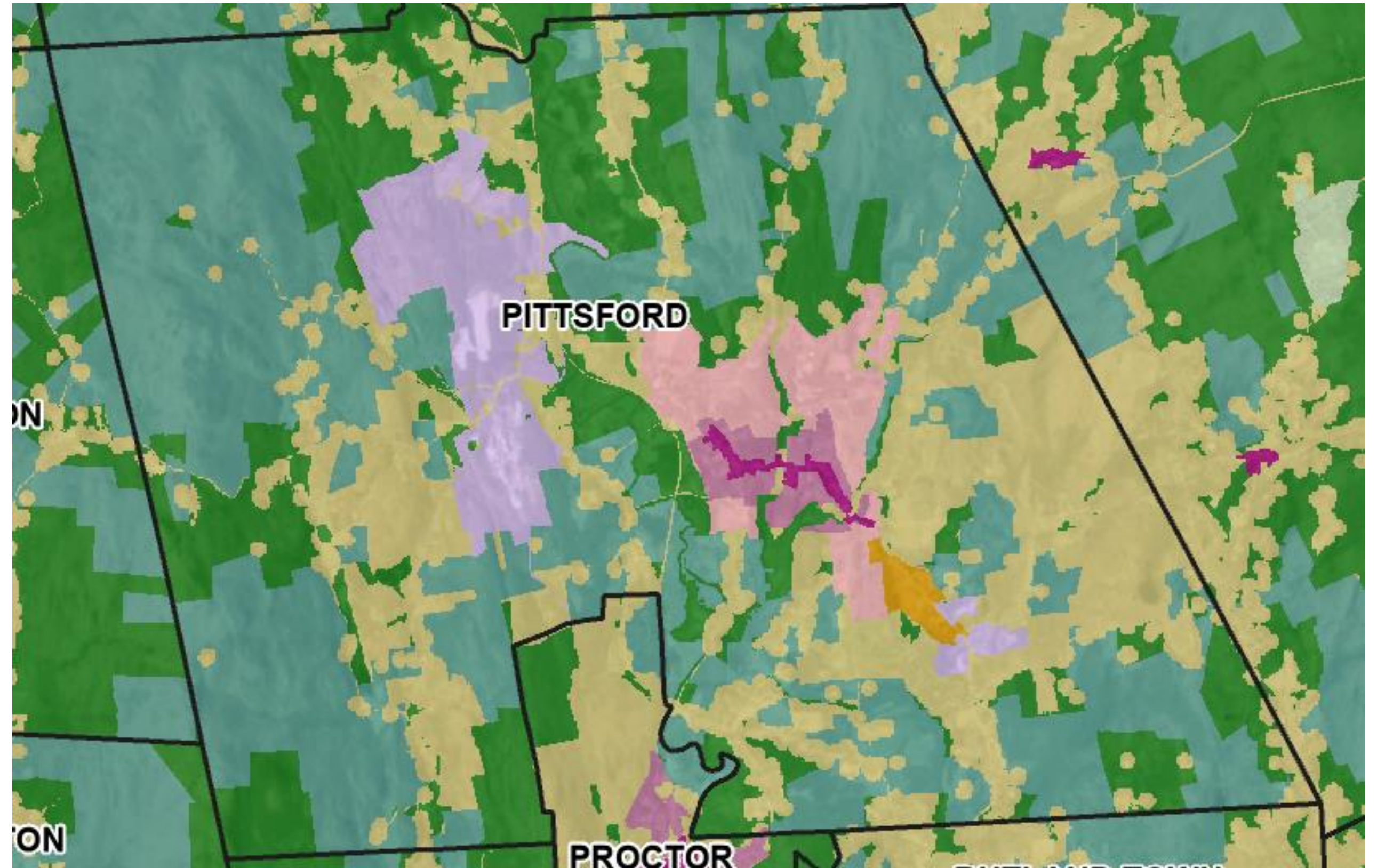
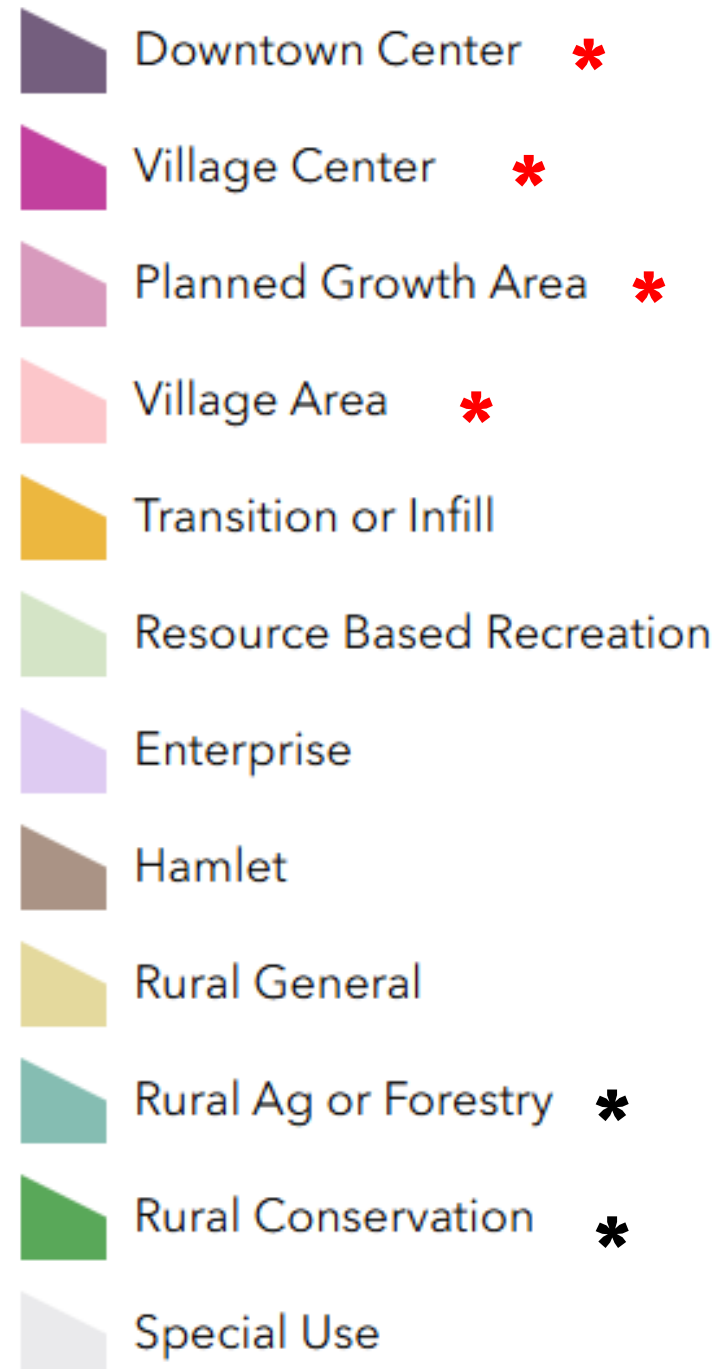
S.325 Major Reforms to Act 181

- Repeal the road rule, Repeal Tier 3, Tier 2 obsolete
- Extend to Jan 1 2028 temporary Act 250 exemptions for housing
- Change the process for amending regional plans so that minor amendments would not require public hearings, nonminor amendments would require only a 15-day notice period before a public hearing, and Tier 1B status requests could be adopted through a regional plan amendment or separately.
- Direct the LURB to contract with the State Natural Resources Council, in consultation with the Land Access Opportunity Board, to develop a public engagement plan to study and report on the risks of losing critical natural resources not already well protected by current land use policy, including agricultural soils, forest blocks, habitat connectors of statewide significance, and headwaters; and equitable, efficient, and effective regulatory or non-regulatory tools to protect these critical natural resources.
- New reporting for the Land Use Review Board for Act 250 jurisdiction over commercial activities on farms and their effects on prime agricultural soils, and the effects of Act 250 in limiting sprawl for retail and commercial activity outside of village centers.
- Create a Joint Legislative Environmental Oversight Committee comprised of three Representatives and two Senators to oversee the Land Use Review Board, the implementation of Act 181, Act 250 permitting, and Agency of Natural Resources and their permitting processes.
- Require that the future land use areas in the regional plan be consistent with the goals established in enumerated “smart growth principles”.

Draft Regional Future Land Use Mapping Example: Pittsford

- Eligible for Act 250 exemption in Tier 1B or 1B if other statutory criteria are satisfied

Future Land Use Areas



S.328 Housing, Bylaw Preemptions & New Bonding Authority

S.328 serves at the sessions major housing policy omnibus - it is not primarily focused on municipal interests or authorities, but includes several changes:

- 12.5% in Vermont, Vermont Treasurer
- Offsite construction accelerator pilot
- **Special Assessment Bonds:** Allows municipalities to finance public improvements for a special assessment district area using the revenue from new future special assessment fees. This new authority could be used in combination with other public investment programs.
- **Municipal Plans:** *The housing element shall also include an analysis of any regulatory, labor, and physical constraints preventing the development, redevelopment, or rehabilitation of sufficient housing to meet the housing needs and targets, and a description of what actions the municipality may take to accommodate the projected housing needs.... Progress toward the construction of the housing units identified as needed to meet projected housing targets shall be documented....*
- Creates reports or studies on farm worker housing, common interest communities, corporate purchase of homes,

S.328 Changes to Existing HOME Act Bylaw Preemptions

- No bylaw shall have the effect of excluding mobile homes, modular housing, manufactured housing, or prefabricated housing from any district that allows year-round residential development in the municipality in Vermont
- Removes "owner occupied lot" from ADU preemption
- For 1 year: "in any district that is served by municipal sewer and water infrastructure that allows residential development, multiunit dwellings with four or fewer units shall be a permitted use on the same size lot as a single-unit dwelling, ~~unless that district specifically requires multiunit structures to have more than four dwelling units.~~"
- No bylaw shall require a duplex to be constructed on an owner-occupied lot.

H.941 Municipal Authority over Agricultural Activity

The legislature passed H.941 in response to the Vermont Supreme Court's decision in *In re 8 Taft Street DRB & NOV Appeals*, 2025 VT 27, involving a duck and cannabis farmer in Essex. H.941 creates a more complex and restrictive framework for municipal authority than pre Taft.

- **No bylaw shall prohibit farming that meets the minimum RAP criteria, except for:**
 - Raising, managing, or feeding livestock under 1 acre
 - Raising, feeding, or managing of livestock on a farm with 1.0 to 4.0 contiguous acres shall have a sufficient land base for appropriate nutrient and waste management as determined by AAFM
 - Municipalities shall not prohibit swine or swine waste, or regulate swine waste-related farm structures on a farm subject to the RAPs Rule, but may set a performance standard related to swine waste in downtowns or village centers if the waste is causing a significant adverse impact to the community, and the municipality has determined that the Secretary of Agriculture, Food and Markets is unable to provide redress through application of the RAPs Rule.

H.941 Creates Right to Grow Food, and Chickens

- No bylaw shall prohibit the cultivation or other use of land for growing plants, including for food, fiber, Christmas trees, maple sap, or horticultural, viticultural, and orchard crops. Cannabis and hemp are excluded from this exception.
- No bylaw shall have the effect of prohibiting or assessing a fee for the raising, feeding, or management of a poultry flock, excluding roosters and ratites, for personal use, donation, or sale. **At minimum, no bylaw shall have the effect of prohibiting the keeping of fewer than 12 chickens or a number determined by a municipality, whichever number is higher.** Municipalities may consider parcel size to establish other limitations on the number of poultry birds. A bylaw may establish a numerical limit of any poultry to be fewer than the minimum number as enumerated in Section 3 of the Required Agricultural Practices Rule, regardless of parcel size.

Other Changes Carried in Education & Property Tax Package

H.955 is the education and property tax reform bill which makes some changes effecting municipal systems for property valuation and tax sale. The transition to Regional Assessment Districts will be 2029- 2031

- A tax delinquent property may not need to meet the \$1,500 threshold if there is no habitable structure and is not a declared homestead
- Regional Assessment Districts will follow school district boundaries, with a goal of 10k parcels
- Assessments will be required on 6 year schedules determined by PVR, for the first cycle municipalities "may" coordinate, from the second cycle they must coordinate
- Property valuation appeal to be heard by new regional assessment district appeals board
- New property tax classifications effective July 2029
 - (1) homestead; (2) nonhomestead nonresidential; and (3) nonhomestead residential.

Municipal Appeals & Discretionary Review of Housing Report

DHCD, after consultation with stakeholders including VLCT, shall report on mechanisms for limiting appeals of municipal permits while allowing municipalities to address legitimate concerns with projects, including:

- the most commonly raised issues on appeal
- an evaluation of statutory or procedural tools to limit duplicative or frivolous appeals
- impacts of discretionary review on residential development
- the potential value of the federal Right to Build Zone legislation
- assistance the State can offer municipalities seeking to limit discretionary review, including incentives, planning, and whether the State should develop objective standards, including model codes
- data on housing that has been built in the areas exempt from Act 250 jurisdiction under Act 181
- a status update on the 802 Homes pilot program.

Apply to Join the VLCT Policy Committee!

While this session is still going on it's time to start the biennial VLCT policy setting process for the 2027-2028 biennium! We need our members - you! - to help identify the key issues, legislative actions, and opportunities ahead for municipal government.

Interested Policy Committee members should:

- Be able to commit to participate for a full two-year term that spans the upcoming legislative biennium and hold a municipal office
- Have expertise in one of VLCT's five policy areas: finance, administration, and intergovernmental relations (FAIR); public safety; quality of life and housing; and transportation and environment.
- Be able to attend the majority of six to eight virtual meetings between July and September
- Be interested and able to participate occasionally in advocacy actions

[Apply here before June 30.](#)

January 2026

Questions???



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Links and Resources, Municipal Planning & Zoning

- [Municipal Charters](#)
- [Title 24 Chapter 117: Municipal Planning and Development](#)
- [Municipal Plans and Bylaws Database](#)
- [TROC Town Plan Adoption and Manual](#)
- [Essentials of Local Land Use Planning and Regulation Handbook](#)
- [10 Acre Towns List](#)
- [10 Acre Town Check List](#) (required zoning bylaws)



Links and Resources, Act 181

- [Future land use map viewer](#)
- [Regional Planning Commission Application Guidelines, LURB](#)
- [Tier 1a guidelines](#)
- [Tier 3 draft rule 2.1](#)
- [Tier 3 map viewer](#)
- [VLCT webinar, Road Rule & Tier 3 \(recorded\)](#)
- [Key Takeaways from Act 181, VLCT 10/2024](#)
- [Act 181 Implementation, LURB - 01/2026](#)
- [Act 181 FLU area descriptions, CCRPC](#)
- [FLU Methodology and Process, RPCs](#)
- [Summary of Act 181 & HOME Act Housing Targets, 3 pager, CCRPC](#)

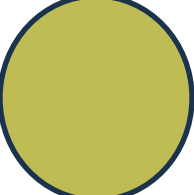
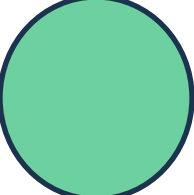
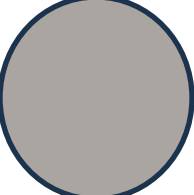


Road Rule + Tier 3 example: Sugar Hollow Road, Pittsford

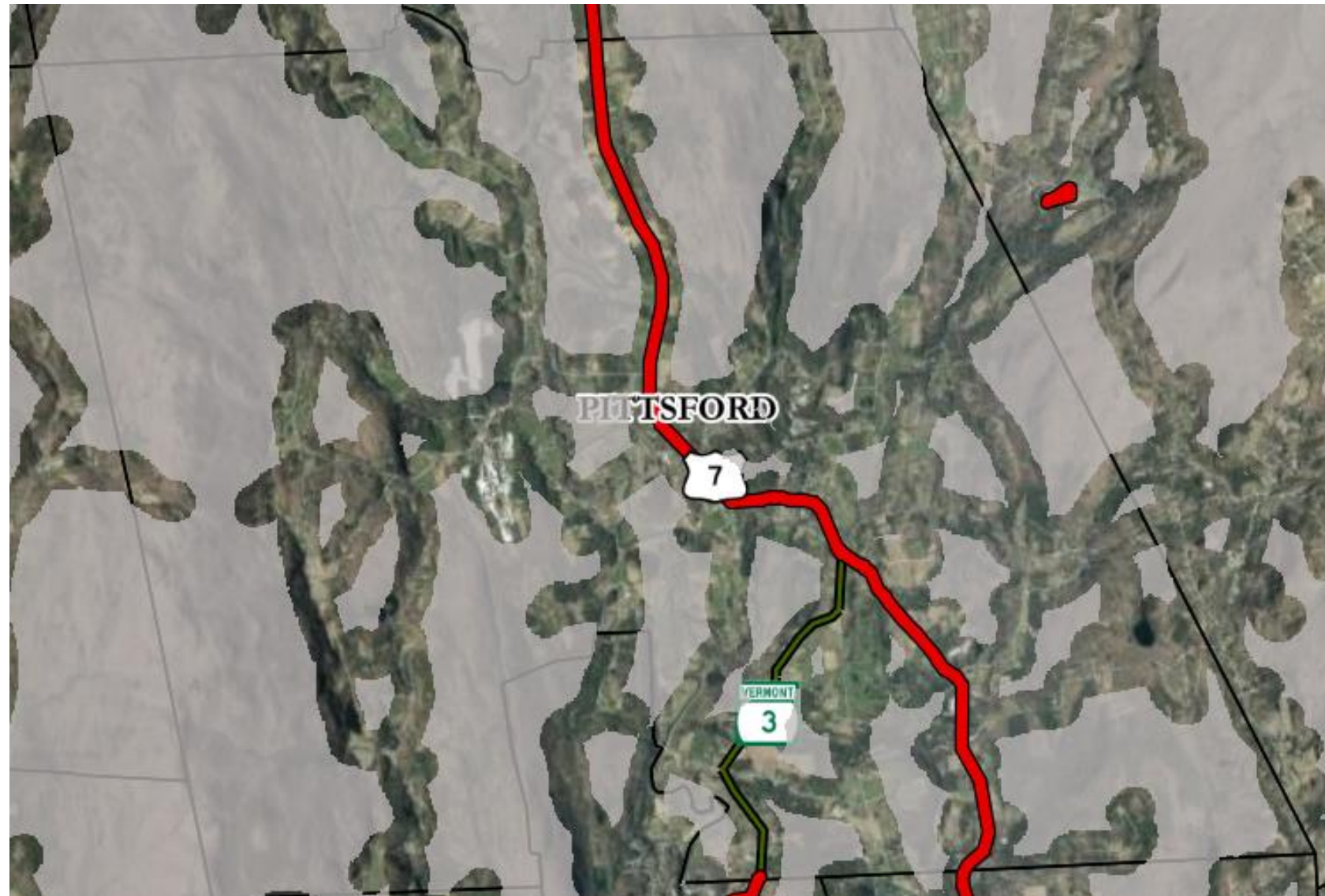
The road rule: applies Act 250 to existing forest blocks and encourages new development to happen within 800 feet of an existing road.

Tier 3: includes “habitat connectors”, new areas around roads where the majority of land on both sides has tree canopy and is considered a high priority forest connectivity block (per Vermont Conservation Design). This may include significant stretches of state highway and Class 2 roads.

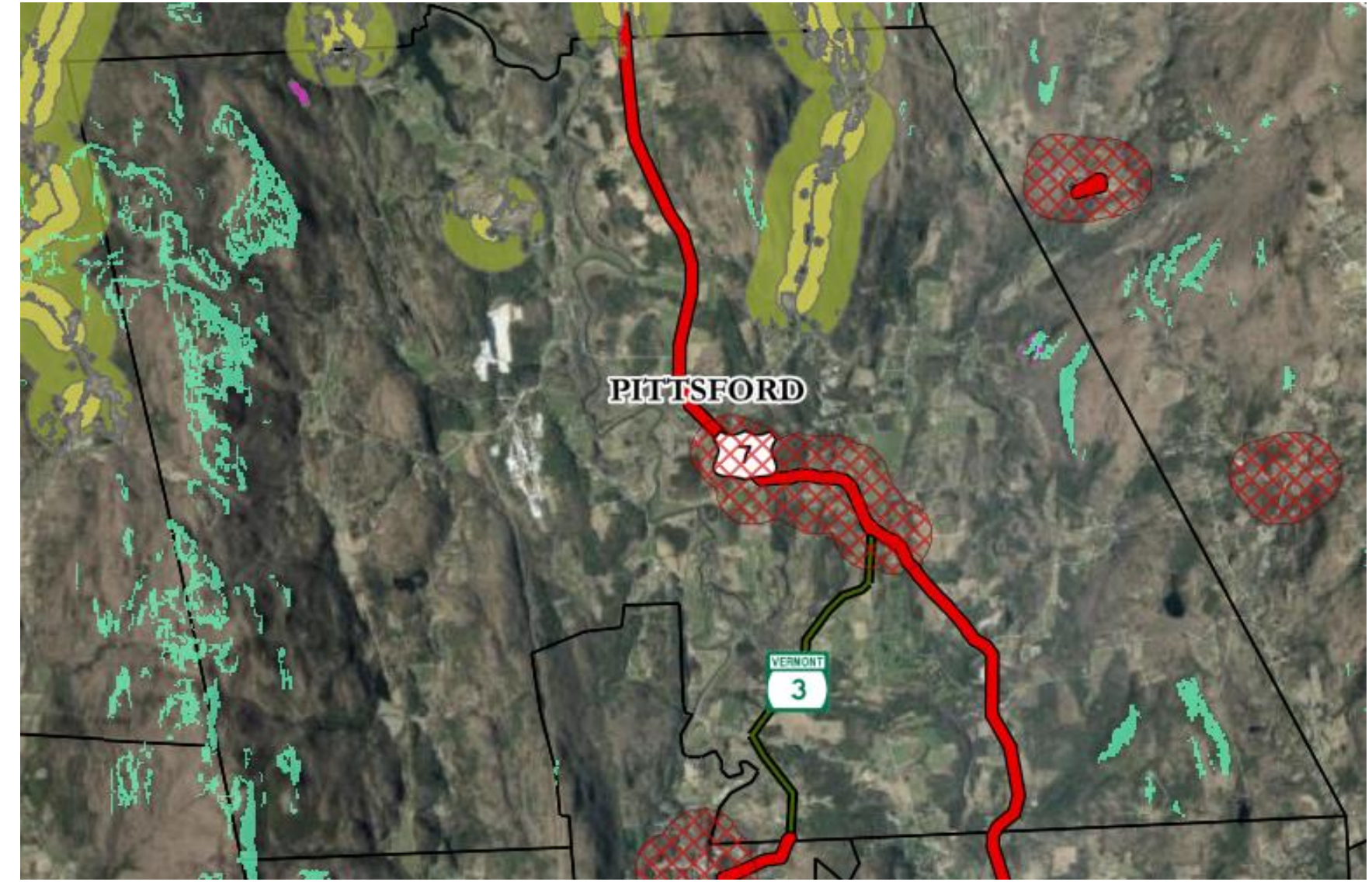





-  Habitat Connector
-  Headwater
-  Road Rule

Model Road Rule & Draft Tier 3 Mapped Area Example: Pittsford



"Road Rule" modeled for 800ft from existing roads



-  Significant Natural Community
-  Headwater
-  Habitat Connector

Statutory Standards for Tier1A area:

1. A municipal plan (200 adopted)
2. Boundaries are consistent with FLUs (RPC/LURB approval & adoption)
3. Have adopted permanent zoning & bylaw (142 adopted)
4. Adopted flood hazard and river corridor bylaws consistent with or stronger than statute
5. Have permanent land development regulations that further smart growth principles
6. Area must be compatible with the character of adjacent National Register Historic Districts, National or State Register Historic Sites, and other significant cultural and natural resources
7. Identified and planned for the maintenance of significant natural communities, rare, threatened, and endangered species
8. Public water and wastewater systems have the capacity to support development (43 municipalities operate water & sewer)
9. Demonstrate staff adequate to support capital planning, development review, and zoning administration.

[10 V.S.A. § 6034](#)

Statutory Standards for Tier 1B area per 10 V.S.A. § 6033(c) :

10 V.S.A. 6033(c) To obtain a Tier 1B area status under this section the regional planning commission shall demonstrate to the Board that the municipalities with Tier 1B areas meet the following requirements as included in subdivision 24 V.S.A. § 4348a(a)(12)(C):

(1) The municipality has requested to have the area mapped for Tier 1B.

(2) The municipality has a duly adopted and approved plan and a planning process that is confirmed in accordance with 24 V.S.A. § 4350.

(3) The municipality has adopted permanent zoning and subdivision bylaws in accordance with 24 V.S.A. §§ 4414, 4418, and 4442.

(4) The area excludes identified flood hazard and fluvial erosion areas, except those areas containing preexisting development in areas suitable for infill development as defined in Section 29-201 of the Vermont Flood Hazard Area and River Corridor Rule unless the municipality has adopted flood hazard and river corridor bylaws applicable to the entire municipality that are consistent with the standards established pursuant to subsection 755(b) of this title (flood hazard) and subsection 1428(b) of this title (river corridor).

(5) The municipality has water supply, wastewater infrastructure, or soils that can accommodate a community system for compact housing development in the area proposed for Tier 1B.

(6) The municipality has municipal staff, municipal officials, or contracted capacity adequate to support development review and zoning administration in the Tier 1B area.

*V.S.A. § 4348a(a)(12)(C): Elements of a regional plan; Village areas

How does a municipality create an Act 250 exempt area?

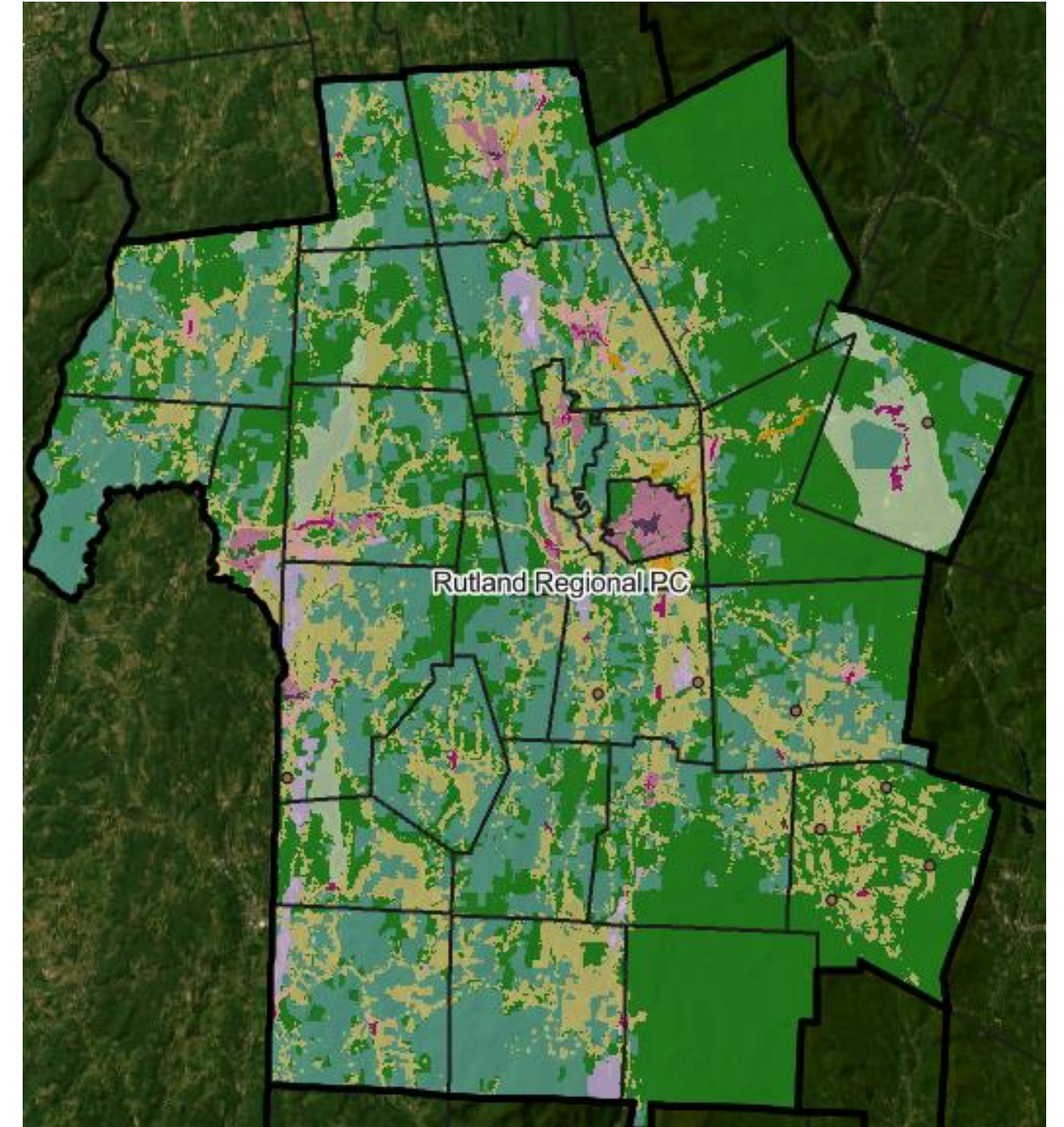
The creation of a Tier 1a is not a municipal authority. A municipality must navigate months or years of local, regional, and state processes that accommodate broad public input and numerous actions of the municipal legislative body.

1. Tier 1a & Tier 1b eligible areas (FLUs) are determined by adopted and approved regional plans
 - RPC's draft maps according statutory requirements and shared methodology
 - RPC's conduct local engagement and receive municipal input
 - RPC's submit regional plans to LURB
2. Land Use Review Board (LURB) reviews and approves Regional Maps
 - 60-day pre-application period with statutory notice requirements (includes AAFM)
 - Pre-application may include request for Tier1b status, RPC must submit a resolution from each municipality's legislative body
 - Public hearing
 - LURB decision within 15 days of hearing
3. RPC holds public hearing and adopts the regional plan
4. Final action by the LURB to affirm or deny the regional plan, Tier 1bs are created

How does a municipality create an Act 250 exempt area?

(continued)

5. Municipal process to authorize Tier 1a application
6. Following the affirmative decision by the LURB and adoption of the regional plan, a municipality may apply to the LURB for Tier1a
7. Pre-application period
 - Statutory and additional notice requirements (includes AAFM)
 - Public comment period
 - Review by a member of the board for compliance with statutory requirements
8. LURB holds public hearing
9. LURB deliberates and affirms or denies the Tier 1a area
10. If affirmed, LURB performs a check-in every 4 years and a review of status every 8 years. Additional Tier 1a areas require re-application



Who creates and administers municipal regulatory systems?

1. Advisory Body: Often, the municipal plan and new bylaw processes begin with a citizen advisory committee such as the Planning Commission. Some communities have additional advisory bodies such as Electric or Energy Commissions or Housing Committees.
2. Legislative Body: The City Council, Selectboard, Board of Alderman, or Board of Trustees. The legislative function involves not only drafting and approval of the municipal plan, bylaws, and ordinance but also conducting public hearings. Actions of the legislative body are governed by numerous laws that ensure public access and transparency including Ethics Law, Public Records Law, and Open Meeting Law.
3. Appropriate Municipal Panel: A citizen layboard that serves a quasi-judicial role to interpret local law and serve as the local appellate body, such as the Design and Review Board or Zoning Board.
1. Administrator: Typically, a municipal staff person responsible for permitting, enforcement, inspection, and educating and assisting applicants. Most often this would be a Zoning Administrator, but could be a permit specialist, technician, or compliance officer.



Writing the Rules

Zoning Bylaws may be created to enforce the municipal plan within the authorities prescribed by state law.

- The Municipal Plan: is developed through a citizen led process, adopted by the legislative body, shared with statutory parties, and then must be approved by the RPC and DHCD. Each action of a local body and subsequent amendments require a public hearing. The Plan must contain 12 elements required by state law.
- Zoning and Bylaw: Many state preemptions exist to limit bylaw authority. Some charters require additional process. For substantial zoning changes additional outreach, long drafting and periods of deliberation, research, feasibility study, assessing infrastructure capacity, joint hearings, etc. are typical
- At a minimum, to adopt or amend a bylaw the appropriate municipal panel must:
 - Publish a public report, consistent with municipal plan
 - Hold a public hearing
 - 15-day notice period and statutory notices

