



Act 181 – Tier 1A and Tier 1B information for municipalities

Act 181 updates Vermont’s planning framework for coordinating state, regional, and municipal land use. This includes shifting Act 250’s jurisdiction from being triggered by the size of the development to being location-based. This document outlines two major elements of location-based jurisdiction that are informed by municipalities: Tier 1A areas and Tier 1B areas. Both include Act 250 exemptions.

	Tier 1A	Tier 1B
Which areas are eligible?	Part or all of the following areas as shown on the regional future land use map which meet criteria in 10 V.S.A. § 6034(b) <ul style="list-style-type: none"> • Centers (Downtowns & Villages) • Planned Growth Areas 	Part or all of the following areas as shown on the regional future land use map which meet criteria in 10 VSA 6033(c) . <ul style="list-style-type: none"> • Centers (Downtowns & Villages) • Planned Growth Areas • Village Areas
What are the Act 250 exemptions?	Fully exempt	50 units or fewer on 10 acres or less for housing and mixed-use development
Who decides where this applies?	Municipal application to LURB	Municipal request to RPC to include in regional FLU map
Are state planning designations tied to Act 250 exemptions?	No. The new state planning designations (Centers and Neighborhoods) are only tied to the regional future land use map as approved by the LURB. Act 250 exemptions for Tier 1A and Tier 1B are now determined separately.	
When do municipalities have to decide?	Anytime after January 1, 2026.	<ol style="list-style-type: none"> 1. Spring 2025 during drafting of initial regional Future Land Use Map. 2. During future updates to regional plan (next expected 2032-2034).
Will our municipality have to enforce existing Act 250 conditions?	Yes. Within Tier 1A areas municipalities must carry forward conditions of prior Act 250 permits for new development permits, with a few exceptions. In approved Tier 1A areas the NRB will no longer enforce permit conditions unless the municipality fails to do so.	No. The NRB will continue to enforce existing Act 250 permits and conditions in Tier 1B areas.
What happens if we don’t pursue Act 250 exemptions?	After the interim Act 250 exemptions expire, development projects will be subject to standard Act 250 jurisdiction throughout your community, including any changes under Act 181	

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<p>What other requirements must municipalities meet?</p>	<p>Per 10 V.S.A. § 6034(b):</p> <ul style="list-style-type: none"> A. Municipality must have an approved municipal plan. B. Tier 1A boundaries must consistent with and be within with Downtowns, Village Centers, or Planned Growth Areas on the approved regional future land use map. C. Municipality must have bylaws that are at least as strong as the state model flood hazard bylaws (per 10 V.S.A. § 755) and river corridor bylaws (per 10 V.S.A. §1428). D. Municipality must have permanent zoning and subdivision bylaws that do not include broad exemptions for obtaining municipal permits. E. Municipal bylaws for Tier 1A areas must further smart growth principles, regulate physical form and scale, allow for at least 4 stories in areas served by water and sewer, and follow other guidelines to be established by the Land Use Review Board. F. Tier 1A area must be compatible with the character of adjacent historic districts and sites and significant cultural / natural resources. G. Municipality has planned for maintenance of significant natural communities and RTE species in the Tier 1A area, or has excluded them from the Tier 1A area. H. Public water & wastewater has the capacity to support additional development in the Tier 1A area. I. There is adequate municipal staffing for comprehensive planning, capital planning, and development review / zoning administration in the Tier 1A area. 	<p>Per 10 V.S.A. § 6033(c):</p> <ul style="list-style-type: none"> 1. Municipality must request Tier 1B status from RPC. 2. Municipality must have an RPC-confirmed plan & planning process. 3. Municipality must have permanent zoning & subdivision bylaws. 4. In Tier 1B area, Municipality must exclude or adequately regulate flood hazard areas / river corridors 5. Tier 1B area have adequate water supply & wastewater capacity for compact housing; in Village Areas this may be in the form of soils that can accommodate a community system. 6. Municipality must have adequate municipal staff for zoning administration.