



Northwest Regional Planning Commission

Act 250 Exemptions under Act 181

What is Act 250 & how does Act 181 Change it?

Act 250 is a Vermont law first enacted in 1970 that aims to protect Vermont's rural landscape and prevent sprawl. For towns with zoning bylaws, Act 250 applies to commercial projects on more than 10 acres, housing projects of 10 units or more, subdivisions of 10 lot or more, and resource extraction activities. These projects must meet 10 criteria that consider the environment, quality of life and Vermont's unique character.

While Act 250 has been effective in protecting Vermont's working landscape, it has also increased costs for development in areas locally planned for growth. Act 181 addresses these challenges by providing Act 250 permit exemptions in areas encouraged for growth and higher standards in critical natural resource areas.

Temporary Exemptions to Act 250

To address the urgent housing crisis, Act 181 exempts housing in areas planned for growth until 2027, including:

- ☒ Up to 50 units of housing within ¼ mile of designated village centers (outside of floodplains)
- ☒ Up to 75 units of housing in designated new town centers, growth centers, and neighborhood development areas (outside of floodplains)
- ☒ Any housing project within a designated downtown (outside of floodplains)
- ☒ Any priority housing project with ½ mile of a downtown, neighborhood development area or growth center

For a full list of exemptions and map of areas exempted see: act250.vermont.gov/interim-act-250-housing-exemptions. Projects that are exempt from Act 250 will still require a local zoning permit and may require other state permits. Exemptions only apply in communities with zoning & subdivision regulations and adequate soils for wastewater systems or municipal sewer.

Permanent Exemptions to Act 250

Under Act 181, municipalities can choose to maintain certain temporary Act 250 exemptions. Municipalities can opt-into Tier 1B Act 250 jurisdiction which exempts up to 50 housing units in areas mapped as downtowns, planned growth areas, village centers and village areas on the Regional Future Land Use Map. Municipalities that meet certain standards may also apply for Tier 1A which fully exempts development from Act 250 in downtowns, planned growth areas and village centers.

Tier 2 and 3 Act 250 Jurisdiction

Act 181 also directs the new Land Use Review Board to identify critical natural resource areas for a higher level of Act 250 review – these areas are called Tier 3. The Regional Planning Commission is not responsible for mapping Tier 3 areas. Most land in each municipality will be considered Tier 2, which has a similar size-based Act 250 jurisdiction threshold as before the new Act 181 framework.

