

**Section-by-Section Summary**  
**Transportation Bill (H.479 (as introduced))**

**Sec. 1 – Transportation Program:** Probably the most important section of the Transportation Bill (T. Bill). Adopts the Agency of Transportation’s (VTrans/Agency/AOT) Proposed Fiscal Year 2024 (FY24) Transportation Program (Revised) except as amended in the T. Bill (and provided that funding is available). REMEMBER: This adoption language is why the White Book is “clipped to the back of the T. Bill.”

Additional Notes:

- this adopts the **revised** version of the White Book with the replacement pages from January 27, 2023;
- includes standard definitions; and
- corrects some typographic errors with the numbers for Municipal Mitigation (an Agency change).

**Sec. 2 – Highway Maintenance:** Reduces the Highway Maintenance authorization by \$1M (reduction in Transportation Fund monies for operating expenses) and establishes a process (the same as what was used for the FY23 reduction in Highway Maintenance) for the restoration of that authorization and appropriation as the top priority if there is unexpended FY23 appropriations of Transportation Fund monies.

**Sec. 3 – One-Time Appropriations (proposed by Administration):** Eliminates the two one-time appropriations proposed by the Administration (\$3M in General Fund monies for Rail Trail Community Connectivity Grants and \$3.5M in Capital Fund Operating monies for the St. Albans District Maintenance Facility).

**Sec. 4 – St. Albans District Maintenance Facility:** Adds the project to the Transportation Program (Transportation Buildings) but without a specific authorization. Will require funding from other Transportation Buildings projects in FY24 (if work is done in FY24). NOTE: Will see this and (hopefully!) a breakdown of all the Transportation Buildings projects in the White Book next year.

**Sec. 5 – Project Cancellation/Project Addition:** Cancels a bridge project in Sheldon (requires General Assembly approval) and adds a new bridge project in Sheldon to the Transportation Program as a Development and Evaluation project.

**Sec. 6 – Transportation Alternatives Grant Program:** Notwithstanding a State statutory grant award cap of \$300k in FY24–FY27 to allow for Transportation Alternatives Grant Program awards to be up to \$600k per award for the anticipated remainder of the doubling of the amount of federal monies available for the Transportation Alternatives Grant Program under the Infrastructure Investment and Jobs Act (IIJA).

**Sec. 7 – Central Garage Fund:** Amends codified law to align the statute on how the Central Garage Fund can be used to align with current Agency practice.

Additional Notes:

- clarifies what is an allowed repair expenditure (19 V.S.A. § 13(a)(2));

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- eliminates the prohibition on the Agency increasing the total number of vehicles in the fleet without General Assembly approval and makes technical/phrasing changes (19 V.S.A. § 13(b));
- explains the minimum appropriation required if a piece of equipment is fully depreciated but still actively in service (19 V.S.A. § 13(c)(2)(B)); and
- expands the definition of “equipment” (19 V.S.A. § 13(f)).

**Sec. 8 – One-Time Appropriation for Public Transit:** Authorizes \$1M in one-time Transportation Fund monies for public transit, specifically for the Agency to provide to Green Mountain Transit: (1) for zero-fare service through January 1, 2024, with a resumption of the collection of fares from some passengers not later than January 1, 2024, and (2) to prepare for the transition to tiered-fare service (including the acquisition and maintenance of fare-collection systems) pursuant to a required plan. Also requires Green Mountain Transit to prepare a plan for the transition to tiered-fare service (some parameters of which are included in the T. Bill) and provide a draft of that plan to House and Senate Transportation by October 1, 2023, and a final version of that plan to House and Senate Transportation by December 1, 2023.

**Sec. 9 – Recommendations on Funding Source for Local Match for Public Transit:** Requires the Chittenden County Regional Planning Commission (CCRPC), in consultation with the Vermont Public Transportation Association and the Vermont League of Cities and Towns, to provide House and Senate Transportation with a written recommendation on a dedicated funding source for the local match required of public transit providers (statewide, not just Chittenden county) by December 1, 2023. NOTE: Needs to consider recommendations from a prior, statewide, CCRPC report.

**Sec. 10 – Separating the Mobility and Transportation Innovations (MTI) Grant Program Authorization from the Go! Vermont Authorization:** Splits out the MTI Grant Program authorization (\$500k) from the Go! Vermont authorization (\$405k). NOTE: This is not a deviation from what the Agency proposed to do through the Transportation Program, but this split provides transparency on the fact that the MTI Grant Program is anticipated to be an ongoing program.

**Secs. 11–19 – Vehicle Incentive Programs:**

- Sec. 11 – Repeals existing session law related to the Incentive Program for New PEVs, MileageSmart, and Replace Your Ride Program.
- Sec. 12 – Codifies the Incentive Program for New PEVs, MileageSmart, and Replace Your Ride Program. **SEE APPENDIX A FOR MORE DETAILED SUMMARY INFORMATION.**
- Sec. 13 – Clarifies that the prior authorizations from FY23 for the Incentive Program for New PEVs, MileageSmart, and Replace Your Ride Program can be used for the codified versions of the programs, not just what is in the session law that is proposed for repeal (Sec. 11).
- Sec. 14 – Adds the Electrify Your Fleet Program to session law. **SEE APPENDIX A FOR MORE DETAILED SUMMARY INFORMATION.**

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- Sec. 15 – Makes changes to the eBike Incentive Program. **SEE APPENDIX A FOR MORE DETAILED SUMMARY INFORMATION.**
- Sec. 16 – Authorizes the Agency to change the income eligibility requirements of the eBike Incentive Program consistent with the modifications in Sec. 15 on passage. NOTE: One of only two sections effective on passage.
- Secs. 17–19 – Frees up \$550k authorized for Replace Your Ride Program for reallocation to the Electrify Your Fleet Program (\$500k, in Sec. 14) and the eBike Incentive Program (\$50k, in Sec. 15).

**Secs. 20–23 – Mileage-Based User Fee (MBUF)**

- Sec. 20 – Provides legislative intent. **SEE APPENDIX B FOR MORE DETAILED SUMMARY INFORMATION.**
- Sec. 21 – Provides authorization for application for a federal grant, the nonfederal match for FY24, the design of an MBUF system, and the use of contractors and consultants. **SEE APPENDIX B FOR MORE DETAILED SUMMARY INFORMATION.**
- Sec. 22 – Provides the skeletal design parameters. **SEE APPENDIX B FOR MORE DETAILED SUMMARY INFORMATION.**
- Sec. 23 – Requires reporting back to House and Senate Transportation, House Ways & Means, and Senate Finance by January 31, 2024, with an implementation plan, language required for codification, annual reporting requirements, an outline of what is expected to be adopted through rule, and an update on what is happening on a national level and with other states. **SEE APPENDIX B FOR MORE DETAILED SUMMARY INFORMATION.**

**Sec. 24 – Agency Efforts to Implement the Federal Carbon Reduction Program and PROTECT Formula Program and Address Prioritization and Equity:** Elaborates upon what will be prepared as part of the State’s development of a Carbon Reduction Program (required to get certain federal formula funds under the Infrastructure Investment and Jobs Act (IIJA)) and the State’s Resilience Improvement Plan to establish how it will use federal monies available under the Promoting Resilient Operations for Transformative, Efficient, and Cost-Saving Transportation (PROTECT) Formula Program established under the IIJA and requires the Agency to develop recommendations for the integration of carbon reduction, resilience, and equity factors into its project prioritization system.

**Sec. 25 – Report on Transportation Planning Statutes:** Requires the Agency to provide written reports summarizing the work completed under Sec. 24 and written recommendations on how to amend codified law to reflect the work completed under Sec. 24. Draft written report due by October 15, 2023, and final written report due by January 15, 2024, both to House and Senate Transportation.

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**Secs 26–30 – Complete Streets**

- Sec. 26 – Makes technical changes and removes the language on what is required related to complete streets for certain State-managed projects from 19 V.S.A. § 10b.
- Sec. 27 – Repeals the section on what is required related to complete streets for certain municipally managed projects.
- Sec. 28 – Codifies a chapter related to complete streets.
  - 19 V.S.A. § 2401 – Adds a definition for “complete streets” (“[S]treets that provide safe and accessible options for multiple travel modes for individuals of all ages and abilities, including walking, cycling, public transportation, and motor vehicles.”).
  - 19 V.S.A. § 2402 – Adds a section on the State’s policy related to complete streets (new to codified law).
  - 19 V.S.A. § 2403 – Addresses what is required if certain State-managed (subsection (a)) or municipally managed (subsection (b)) projects are not going to incorporate complete streets principles (roughly analogous to the current analysis, but requires more transparency and/or a link to the forthcoming Agency’s Complete Streets Guidance). Additional Notes: Preserves the current statutory approach that the Agency or municipality determination is final and shall not be subject to further review but adds the requirement that the written determinations be posted, not just preserved, to codified law.
  - 19 V.S.A. § 2404 – Requires annual reporting on complete streets and the maintenance of a database of information related to certain State-managed projects (new to codified law).
- Sec. 29 – Establishes a timeline for the implementation of the database (by January 1, 2024).
- Sec. 30 – Requires the Agency, in consultation with the Vermont League of Cities and Towns and regional planning commissions, to design and implement a program to provide training on complete streets to municipalities.

**Sec. 31 – Replacement of the Current Vermont State Standards:** States that the Agency will be preparing replacements to the current Vermont State Standards and related documents in accordance with the last Transportation Bill and requires that the Agency provide an oral update on the replacement process to House and Senate Transportation by February 15, 2024.

**Sec. 32 – Survey on Support for a Route 5 Bicycle Corridor:** Requires the Agency, in partnership with regional planning commissions, to conduct a survey of municipal support for the creation of a bicycle corridor that is roughly adjacent to U.S. Route 5 (border to border). The survey needs to address the level of interest of municipalities and regional planning commissions in prioritizing the bicycle corridor, including looking at the costs of creation and the benefits to the tourism industry. Report on the outcome of the survey is due to House and Senate Transportation by January 15, 2024.

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**Sec. 33 – Extension of P3 Sunset:** Extends the sunset of the authority for the Agency to enter into (defined) public-private partnerships (P3s) by three years, until July 1, 2026, and makes other technical changes. NOTE: One of only two sections effective on passage.

**Sec. 34 – Repeals:** Repeals obsolete and preempted law on the authority of the Transportation Board to determine connection of passenger trains and obsolete language related to municipal authority to restrict the use of covered bridges (should have been repealed last year when the Transportation Bill moved the municipal restriction of covered bridges language from Title 19 to Title 23 (now addressed in Titles 23 and 24)).

**Sec. 35 – Agency of Transportation Positions:** Converts two limited-service positions to permanent classified positions (10 employees, State airports) and establishes two permanent classified positions (two employees; drawbridge).

**Sec. 36 – Effective Dates:** All on passage except as noted.

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	<b>Current Law</b>	<b>Proposed New Law <a href="#">(H.479 (as introduced))</a><sup>1</sup></b>
<b>General Provisions</b>		
<b>Type of Law</b>	<p><u>Incentive Program for New PEVs and MileageSmart:</u> Session law: <a href="#">2019 Acts and Resolves No. 59, Sec. 34</a> as amended by: <a href="#">2020 Acts and Resolves No. 121, Sec. 14</a>; <a href="#">2020 Acts and Resolves No. 154, Sec. G.112</a>; <a href="#">2021 Acts and Resolves No. 3, Sec. 56</a>; <a href="#">2021 Acts and Resolves No. 55, Secs. 18 and 19, 21–24</a>; and <a href="#">2022 Acts and Resolves No. 184, Sec. 6</a>.</p> <p><u>Replace Your Ride Program:</u> Session law: <a href="#">2021 Acts and Resolves No. 55, Sec. 27</a>, as amended by <a href="#">2022 Acts and Resolves No. 184, Sec. 22</a>.</p> <p><u>eBike Incentive Program:</u> Session law: <a href="#">2021 Acts and Resolves No. 55, Sec. 28</a>, as amended by <a href="#">2022 Acts and Resolves No. 184, Sec. 23</a>.</p>	<p><u>Incentive Program for New PEVs:</u> Codified law: 19 V.S.A. § 2902.</p> <p><u>MileageSmart:</u> Codified law: 19 V.S.A. § 2903.</p> <p><u>Replace Your Ride Program:</u> Codified law: 19 V.S.A. § 2904.</p> <p><u>eBike Incentive Program:</u> Session law: Preserves existing session law, but with modifications in Sec. 15.</p> <p><u>Electrify Your Fleet Program:</u> Session law: Sec. 14 (new program).</p>

<sup>1</sup> Codified law references in this column are to what is proposed to be codified in H.479 (as introduced) and Sec. number references in this column are to H.479 (as introduced).

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<b>Definitions</b>	Included in session law as needed.	Codified (19 V.S.A. § 2901), applicable for all programs (even those in session law, Secs. 14(c) and 15(a)).
<b>Reporting</b>	Included in session law; required on an annual basis if an incentive is given out in the prior year.	Codified for the Incentive Program for New PEVs, MileageSmart, and Replace Your Ride Program. 19 V.S.A. § 2905.  Included in session law for the Electrify Your Fleet Program and eBike Incentive Program. Secs. 14(g) and 15(d) (additional elaboration).
<b>Obsolete Language</b>	Included.	Deleted.
<b>Incentive Program for New PEVs</b>		
<b>Consulting Entities</b>	The Departments of Environmental Conservation and of Public Service, Vermont electric distribution utilities, and the State’s network of community action agencies.	None required.
<b>Contractors</b>	Allowed, subject to State procurement requirements.	Same. 19 V.S.A. § 2902(a)(2).
<b>Vehicle Preference</b>	“[E]mphasis on creating and matching incentives for BEVs.”	“[I]ncentiviz[e] the purchase and lease of battery electric vehicles (BEVs) and plug-in hybrid electric vehicles (PHEVs) with an electric range of 20 miles or greater per complete charge as rated by the Environmental Protection Agency when the vehicle was new[.]” and “establish a

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		minimum electric range in order for a PHEV to be eligible for an incentive” “as technology progresses[.]” 19 V.S.A. § 2902(b)(1) and (4).
<b>Incentive Amount and Income Eligibility</b>	See charts at the end of this document.	See charts at the end of this document (generally: larger “up to” incentive amounts and can qualify with higher AGI). 19 V.S.A. § 2902(b)(2) and (3).
<b>Vehicle Price Caps</b>	<p><u>PHEV</u>: \$40,000 or less base MSRP.</p> <p><u>BEV</u>: \$45,000 or less base MSRP.</p> <p><u>Special Registration Plate</u>: Any MSRP.</p>	<p><u>PHEV</u>: Benchmarked to a \$50,000 or less base MSRP in MY 2023 (with a ceiling of \$55,000) and phased out for PHEVs with an electric range of less than 20 miles. 19 V.S.A. § 2902(b)(5)(B).</p> <p><u>BEV</u>: Benchmarked to a \$50,000 or less base MSRP in MY 2023 (with a ceiling of \$55,000). 19 V.S.A. § 2902(b)(5)(C)</p> <p><u>Special Registration Plate</u>: Any MSRP. 19 V.S.A. § 2902(b)(5)(A).</p>
<b>Stackable and Individual Limits</b>	Stackable with different incentives from different incentive programs but cannot use two incentives under the Incentive Program for New PEVs for one vehicle and capped at one incentive per individual per year.	Same. 19 V.S.A. § 2902(b)(6).
<b>Administrative Costs</b>	Up to 15% for most recent appropriations (FY23).	Up to 15%. 19 V.S.A. § 2902(c).



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<b>Marketing and Outreach</b>	Required and part of administrative costs for most recent appropriations (FY23).	Required and part of administrative costs (slight difference in consulting entities). 19 V.S.A. § 2902(d).
<b>MileageSmart</b>		
<b>Consulting Entities</b>	The Departments of Environmental Conservation and of Public Service, Vermont electric distribution utilities, and the State’s network of community action agencies.	None required.
<b>Contractors</b>	Incentives distributed through community action agencies.	Allowed, subject to State procurement requirements. 19 V.S.A. § 2903(a)(2).
<b>Vehicle Eligibility</b>	Used pleasure cars with a combined city/highway fuel efficiency of at least 40 miles per gallon or miles per gallon equivalent as rated by the Environmental Protection Agency when the vehicle was new.	Same. 19 V.S.A. § 2903(b)(1).
<b>Incentive Amount and Income Eligibility</b>	Up to \$5,000.00 to an individual who is a member of a household with an adjusted gross income that is at or below 80 percent of the State median income.	Same. 19 V.S.A. § 2903(b)(2).
<b>Administrative Costs</b>	Up to 15% for most recent appropriations (FY23).	Up to 15%. 19 V.S.A. § 2903(c).
<b>Marketing and Outreach</b>	Required and part of administrative costs for most recent appropriations (FY23).	Required and part of administrative costs (slight difference in consulting entities). 19 V.S.A. § 2903(d).

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<b>Replace Your Ride Program</b>		
<b>Consulting Entities</b>	The Departments of Environmental Conservation and of Public Service.	None required.
<b>Contractors</b>	Allowed, subject to State procurement requirements.	Same. 19 V.S.A. § 2904(a)(2).
<b>Incentive Amount and Income Eligibility</b>	Up to \$3,000 for the lower income qualification tier for the Incentive Program for New PEVs or MileageSmart.  See charts at the end of this document.	Up to \$5,000 for the lower income qualification tier for the Incentive Program for New PEVs or MileageSmart. 19 V.S.A. § 2904(c) and (d)(1)(B).  Up to \$2,500 for the higher income qualification tier for the Incentive Program for New PEVs. 19 V.S.A. § 2904(c) and (d)(1)(A).  See charts at the end of this document.
<b>Stackable and Individual Limits</b>	Stackable with incentives under other incentive programs, including through a program funded by the State; only one incentive per individual.	Same. 19 V.S.A. § 2904(c).
<b>Vehicle Removal</b>	Individual must remove an older low-efficiency vehicle (defined).	Same. 19 V.S.A. § 2904(d)(2).
<b>Incentivized Activities</b>	“Purchasing or leasing a new or used PEV;  purchasing a new or used bicycle, electric bicycle,	“Purchasing or leasing a new or used PEV;  purchasing a new or used bicycle, electric bicycle, electric cargo bicycle, adaptive

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	<p>or motorcycle that is fully electric, and the necessary safety equipment; and</p> <p>utilizing shared-mobility services or privately operated vehicles for hire.”</p>	<p>electric cycle, or motorcycle that is fully electric, and the necessary safety equipment; and</p> <p>utilizing shared-mobility services .”</p> <p>19 V.S.A. § 2904(d)(2)(B)(iii).</p>
<b>Administrative Costs</b>	Up to 15% for most recent appropriations (FY23).	Up to 15%. 19 V.S.A. § 2904(e).
<b>Marketing and Outreach</b>	Required and part of administrative costs for most recent appropriations (FY23).	Required and part of administrative costs (slight difference in consulting entities). 19 V.S.A. § 2904(f).
<b>Electrify Your Fleet Program</b>		
<b>Program Details</b>	Does not currently exist.	<p><u>Consulting Entities:</u> None required.</p> <p><u>Contractors:</u> Allowed, subject to State procurement requirements. Sec. 14(a)(2).</p> <p><u>Incentive Amount and Eligibility:</u> \$2,500/incentive for up to 20 incentives (lifetime of Program), for “Vermont municipalities and business entities in Vermont that maintain a fleet of motor vehicles that are registered in Vermont . . .” Sec. 14(d)(1).</p> <p><u>Vehicle Price Caps:</u></p> <p>- <i>BEV:</i> \$60,000 or less base MSRP;</p>

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		<ul style="list-style-type: none"><li>- <i>PHEV</i> (with an electric range of 20 miles or greater per complete charge as rated by the EPA when the vehicle was new): \$60,000 or less base MSRP;</li><li>- <i>Electric Bicycle</i> and <i>Electric Cargo Bicycle</i>: \$6,000 or less base MSRP;</li><li>- <i>Adaptive Electric Cycle</i>: Any MSRP;</li><li>- <i>Electric Motorcycle</i>: \$30,000 or less base MSRP; and</li><li>- <i>Electric Snowmobile</i>: \$20,000 or less base MSRP.</li></ul> <p>Sec. 14(d)(2).</p> <p><u>Electrification Showing</u>: Requires “a showing that the incentive will be used to electrify the applicant’s motor vehicle fleet.” Sec. 14(d)(3).</p> <p><u>Administrative Costs</u>: Up to 15%. Sec. 14(e).</p> <p><u>Outreach and Marketing</u>: Required and part of administrative costs. Sec. 14(f).</p> <p><u>Authorization</u>: \$500k (from FY23 authorization for Replace Your Ride Program). Sec. 14(b).</p>
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<b>eBike Incentive Program</b>		
<b>Program Details</b>	Limited details in session law.	<p><u>Voucher</u>: “Redeemable as a point-of-sale rebate at participating retail shops[.]” Sec. 15(b)(1).</p> <p><u>Self Certification</u>: Both meeting the income eligibility requirements for the lower-income tier for the Incentive Program for New PEVs and that the incentivized cycle will “be used in a way that reduces greenhouse gas emissions, such as a substitute for trips that would have been taken in a vehicle other than a [PEV.]” Sec. 15(b)(2).</p> <p><u>Cycle Price Caps</u>:</p> <ul style="list-style-type: none"> <li>- <i>Electric Bicycle</i>: Between \$800 and \$4,000 base MSRP;</li> <li>- <i>Electric Cargo Bicycle</i>: \$5,000 or less base MSRP; and</li> <li>- <i>Adaptive Electric Cycle</i>: Any MSRP.</li> </ul> <p>Sec. 15(b)(3)–(5).</p> <p><u>Administrative Costs</u>: Up to 15%. Sec. 15(c).</p>

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**Current Law<sup>1</sup>**

Tax Filing Status (unless noted)	Adjusted Gross Income (AGI) (unless noted)	Incentive Program for New PEVs		MileageSmart	Replace Your Ride Program
		PHEV	BEV		
Individual (single or head of household)	\$50,000 or less	\$3,000	\$4,000		\$3,000 <sup>2</sup>
	\$50,001–\$100,000	\$1,500	\$2,500		
Individual (surviving spouse/qualifying widower)	\$75,000 or less	\$3,000	\$4,000		\$3,000
	\$75,001–\$125,000	\$1,500	\$2,500		
Married (jointly)	\$75,000 or less	\$3,000	\$4,000		\$3,000
	\$75,001–\$125,000	\$1,500	\$2,500		
Married (separately)	\$50,000 or less	\$3,000	\$4,000		\$3,000
	\$50,001–\$100,000	\$1,500	\$2,500		
All individuals	Household ≤ 80% State med. inc.			≤\$5,000	\$3,000

<sup>1</sup> NOTE: There are additional eligibility requirements that are not included in this chart.

<sup>2</sup> NOTE: This is what is currently available (a flat incentive amount), but the existing session law says that it is “up to a \$3,000.00 incentive.”

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Tax Filing Status (unless noted)	Adjusted Gross Income (AGI) (unless noted)	Incentive Program for New PEVs	MileageSmart	Replace Your Ride Program
Individual (single)	≤\$60,000 or less	≤\$6,000		≤\$5,000
	\$60,001–\$100,000	≤\$3,000		≤\$2,500
Individual (head of household)	≤\$75,000 or less	≤\$6,000		≤\$5,000
	\$75,001–\$125,000	≤\$3,000		≤\$2,500
Individual (surviving spouse/qualifying widower)	≤\$90,000 or less	≤\$6,000		≤\$5,000
	\$90,001–\$150,000	≤\$3,000		≤\$2,500
Married (jointly)	≤\$90,000 or less	≤\$6,000		≤\$5,000
	\$90,001–\$150,000	≤\$3,000		≤\$2,500
Married (separately)	≤\$60,000 or less	≤\$6,000		≤\$5,000
	\$60,001–\$100,000	≤\$3,000		≤\$2,500
All individuals	Household ≤ 80% State med. inc.		≤\$5,000	≤\$5,000

<sup>3</sup> NOTE: There are additional eligibility requirements that are not included in this chart.

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**Sec. 20 – Legislative Intent:** Provides the legislative intent behind the mileage-based user fee (MБУF). Specifically to:

- (1) start collecting an MBUF from all battery electric vehicles (BEVs) starting on July 1, 2025, which is expected to be the first day of the first fiscal year where more than 15% of new pleasure car vehicles are plug-in electric vehicles (PEVs);
- (2) start subjecting pleasure car plug-in hybrid electric vehicles (PHEVs) to an annual/biennial registration fee that is 175% of the annual/biennial registration fee for pleasure cars (treated like a pleasure car that uses specialized fuel, *see* [23 V.S.A. § 362](#)) on July 1, 2025, but not the MBUF;
- (3) work towards collecting a fee on kWhs dispensed through certain electric vehicle supply equipment (EVSE), aka charging stations; and
- (4) not commence collecting an MBUF until authorizing language is codified and effective.

**Sec. 21 – Authorization:** Authorizes the Agency of Transportation to apply for a two-year grant (federal with non-federal match) for the design of the MBUF system. Specifically:

- (a) Adds the project to the White Book and authorizes the Agency to apply for a two-year grant (federal), made available under the Infrastructure Investment and Jobs Act (IIJA), in an amount not to exceed \$3.5M in federal monies, and authorizes the first year of non-federal match (not to exceed \$350k) in Transportation Fund monies in fiscal year 2024.
- (b) Authorizes the Agency, within federal regulations and grant terms, to design an MBUF system that is consistent with Secs. 20 and 22 of the Transportation Bill.
- (c) Permits the Agency to retain one or more contractors or consultants, or both (subject to State procurement requirements) to assist with the design of a process to commence collecting an MBUF on July 1, 2025.

**Sec. 22 – Design:** Includes the requirements of a skeletal structure for an MBUF system. Includes in the following subsections:

- (a) definitions used in the act;
- (b) commencement date (July 1, 2025);
- (c) covered vehicles (battery electric vehicles); and

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- (d) imposition of an MBUF, collected within 60 days of the closure of the mileage reporting period, which is usually the period between annual inspections, but could be a different period if there is a terminating event (transfer of vehicle and/or registering the vehicle in another state).

**Sec. 23 – Reports:** Sets up the General Assembly to have more information to drive codification of an MBUF system during the 2024 legislative session (with time to make modifications during the 2025 legislative session, prior to an anticipated commencement date of July 1, 2025).

**KEY TAKEAWAY: There are so many unknowns, but that is what the next two years will be used for, getting answers/a design for implementation.** Specifics of report to General Assembly:

- Due: January 31, 2024.
- Recipients: House and Senate Transportation; House Ways and Means; and Senate Finance.
- Contents:
  - (1) A comprehensive implementation plan.
  - (2) A recommendation on language for codification (including the MBUF rate, with substantial information on how that recommended rate was calculated, what it will yield in revenue, how it compares to gas tax revenue based on mileage driven (and the plug-in hybrid electric vehicle increased registration fee)).
  - (3) A recommendation on what to require in annual reporting after July 1, 2025. January 1, 2024, report must address whether certain items should be addressed in the annual report, mostly related to collected/anticipated revenue and the logistics of collecting an MBUF from covered Vermonters.
  - (4) An outline of what the Agency intends to adopt, if authorized, as rules to implement an MBUF system. January 31, 2024, report must address: process to collect and report annual miles traveled; payment periods and methods of payment (multiple options to limit the burden of a one-time payment); security procedures to protect personal information/data; penalty and appeal procedures (which shall, to the extent practicable, track existing DMV processes); and Agency oversight over any account managers (defined).
  - (5) An update on what is happening in other states and on a national level to supplant revenue that is not being collected from the users of plug-in electric vehicles in the form of gas tax revenue and the source of that information.



**Section-by-Section Summary – Transportation Bill ([H.479 \(as introduced\)](#))**

**Comparison of Current and Anticipated ([H.479 \(as introduced\)](#)) Construct Annual Fee/Tax Revenue for Pleasure Cars**

Vehicle Type	Pleasure Car <sup>2</sup> with ONLY an Internal Combustion Engine	Pleasure Car that is a Plug-In Hybrid Electric Vehicle (PHEV) <sup>3</sup>	Pleasure Car that is a Battery Electric Vehicle (BEV) <sup>4</sup>
<b>Annual Fee/Tax – Current</b>	<u>Registration:</u> \$74 (annual) or \$136 (biennial) <sup>5</sup>  <u>Emission Fee:</u> \$2 (annual) <sup>6</sup>  <u>Tax:</u> Gas/diesel tax <sup>7</sup>	<u>Registration:</u> \$74 (annual) or \$136 (biennial) <sup>8</sup>  <u>Emission Fee:</u> \$2 (annual)  <u>Tax:</u> Gas tax (for miles driven using gas), nothing for miles driven using electricity	<u>Registration:</u> \$74 (annual) or \$136 (biennial) <sup>9</sup>  <u>Emission Fee:</u> Nothing  <u>Tax:</u> Nothing
<b>Annual Fee/Tax – Anticipated 7/1/25<sup>10</sup></b>	<u>Registration:</u> \$74 (annual) or \$136 (biennial)  <u>Emission Fee:</u> \$2 (annual)  <u>Tax:</u> Gas/diesel tax  (NO CHANGE)	<u>Registration:</u> \$129.50 (annual) or \$238 (biennial)  <u>Emission Fee:</u> \$2 (annual)  <u>Tax:</u> Gas tax (for miles driven using gas), nothing for miles driven using electricity <sup>11</sup>	<u>Registration:</u> \$74 (annual) or \$136 (biennial)  <u>Emission Fee:</u> Nothing  <u>Tax:</u> Mileage Based User Fee <sup>12</sup>

<sup>2</sup> [23 V.S.A. § 4\(28\)](#).

<sup>3</sup> 23 V.S.A. § 4(85).

<sup>4</sup> 23 V.S.A. § 4(85).

<sup>5</sup> [23 V.S.A. § 361](#).

<sup>6</sup> [3 V.S.A. § 2822\(m\)](#).

<sup>7</sup> 23 V.S.A. chapters [27](#) and [28](#); *see also* [Primer on Vermont’s Transportation Taxes and Revenue Sources, slides 6–10](#).

<sup>8</sup> This is current practice and [S.99 \(as introduced\), Sec. 15](#) clarifies this approach.

<sup>9</sup> This is current practice and [S.99 \(as introduced\), Sec. 15](#) clarifies this approach.

<sup>10</sup> Assumes: [H.479 \(as introduced\)](#) is enacted, the anticipated construct is enacted in a future legislative session, and there are no other changes made to applicable taxes and fees.

<sup>11</sup> NOTE: Assumes that there is not yet a per kWh fee for charging at a public charging station.

<sup>12</sup> NOTE: Assumes that there is not yet a per kWh fee for charging at a public charging station.