

1 ***[VTRANS PROPOSALS AS MODIFIED BY LEG. COUNSEL]***

2 Introduced by Committee on Transportation

3 Date:

4 Subject: Transportation; annual Transportation Program; Lamoille Valley Rail
5 Trail (LVRT); Central Garage Fund; Transportation Alternatives
6 Grant Program; vehicle incentive programs; plug-in electric vehicles
7 (PEVs); plug-in hybrid electric vehicles (PHEVs); battery electric
8 vehicles (BEVs); Incentive Program for New PEVs; MileageSmart;
9 Replace Your Ride Program; Electrify Your Fleet Program; mileage-
10 based user fee (MBUF); public-private partnerships (P3s); technical
11 corrections

12 Statement of purpose of bill as introduced: This bill proposes to adopt the
13 State’s annual Transportation Program and make miscellaneous changes to
14 laws related to transportation.

15 An act relating to the Transportation Program and miscellaneous changes to
16 laws related to transportation

1 It is hereby enacted by the General Assembly of the State of Vermont:

2 * * * Transportation Program Adopted as Amended; Definitions;

3 Technical Correction * * *

4 Sec. 1. TRANSPORTATION PROGRAM ADOPTED; DEFINITIONS;

5 TECHNICAL CORRECTION

6 (a) Adoption. The Agency of Transportation’s Proposed Fiscal Year 2024
7 Transportation Program appended to the Agency of Transportation’s proposed
8 fiscal year 2024 budget (Revised January 27, 2023), as amended by this act, is
9 adopted to the extent federal, State, and local funds are available.

10 (b) Definitions. As used in this act, unless otherwise indicated:

11 (1) “Agency” means the Agency of Transportation.

12 (2) “Candidate project” means a project approved by the General
13 Assembly that is not anticipated to have significant expenditures for
14 preliminary engineering or right-of-way expenditures, or both, during the
15 budget year and funding for construction is not anticipated within a predictable
16 time frame.

17 (3) “Development and evaluation (D&E) project” means a project
18 approved by the General Assembly that is anticipated to have preliminary
19 engineering expenditures or right-of-way expenditures, or both, during the
20 budget year and that the Agency is committed to delivering to construction on
21 a timeline driven by priority and available funding.

1 (4) “Front-of-book project” means a project approved by the General
2 Assembly that is anticipated to have construction expenditures during the
3 budget year or the following three years, or both, with expected expenditures
4 shown over four years.

5 (5) “Secretary” means the Secretary of Transportation.

6 (6) “TIB funds” means monies deposited in the Transportation
7 Infrastructure Bond Fund in accordance with 19 V.S.A. § 11f.

8 (7) The table heading “As Proposed” means the Proposed
9 Transportation Program referenced in subsection (a) of this section; the table
10 heading “As Amended” means the amendments as made by this act; the table
11 heading “Change” means the difference obtained by subtracting the “As
12 Proposed” figure from the “As Amended” figure; and the terms “change” or
13 “changes” in the text refer to the project- and program-specific amendments,
14 the aggregate sum of which equals the net “Change” in the applicable table
15 heading.

16 (c) Technical correction. In the Agency of Transportation’s Proposed
17 Fiscal Year 2024 Transportation Program for Municipal Mitigation, the value
18 “\$7,685,523” is struck and the value “\$10,113,523” is inserted in lieu thereof
19 to correct a typographic error; the value “\$3,355,523” is struck and the value
20 “\$4,783,523” is inserted in lieu thereof to correct a typographic error; the value
21 “\$4,000,000” is struck and the value “\$5,000,000” is inserted in lieu thereof to

1 correct a typographic error; and the value “\$8,060,523” is struck twice and the
2 value “\$10,488,523” is inserted in lieu thereof twice to correct two typographic
3 errors.

4 * * * Rail Trail Community Connectivity Grants * * *

5 Sec. 2. RAIL TRAIL COMMUNITY CONNECTIVITY GRANTS

6 (a) Project addition. The following project is added to the Agency of
7 Transportation’s Proposed Fiscal Year 2024 Transportation Rail Program with
8 an authorization of \$3,000,000.00 in one-time General Fund monies: Rail
9 Trail Community Connectivity Grants.

10 (b) Purpose. The purpose of the Rail Trail Community Connectivity
11 Grants is to continue the build out and enhancement of Lamoille Valley Rail
12 Trail (LVRT) amenities and visitor experience, which shall be consistent with
13 the priorities outlined in the recently completed LVRT Management Plan.

14 (c) Eligible projects. Projects may include trail infrastructure
15 improvements, such as trailheads, picnic areas, kiosks, and connections to
16 towns; signage; and interpretive panel installations.

17 (d) Match. Grant recipients shall be required to provide a 20 percent match
18 toward any projects that are awarded a grant.

19 * * * St. Albans District Maintenance Facility * * *

20 Sec. 3. ST. ALBANS DISTRICT MAINTENANCE FACILITY

1 The following project is added to the Agency of Transportation’s Proposed
2 Fiscal Year 2024 Transportation Program for Maintenance with an
3 authorization of \$3,500,000.00 in one-time Capital Fund Operating monies:
4 St. Albans District Maintenance Facility.

5 * * * Project Cancellations; Project **Addition** * * *

6 Sec. 4. PROJECT CANCELLATIONS; PROJECT **ADDITION**

7 (a) Pursuant to 19 V.S.A. § 10g(h) (legislative approval for cancellation of
8 projects), the General Assembly approves cancellation of the following project
9 within the Roadway Program: Bennington Bypass South NH F 019-1(4) –
10 Southern Segment of the Bennington Bypass.

11 (b) Pursuant to 19 V.S.A. § 10g(h) (legislative approval for cancellation of
12 projects), the General Assembly approves cancellation of the following project
13 within the Town Highway Bridge Program: Sheldon BO 1448(47) – Scoping
14 for Bridge #20 on TH #22.

15 (c) The following project is added to the Town Highway Bridge Program:
16 Sheldon BO 1448(48) – Scoping for Bridge #11 on Bridge Street, which will
17 replace the existing Sheldon BO TRUS(11) as a Development and Evaluation
18 project.

19 * * * Agency of Transportation Positions * * *

20 Sec. 5. AGENCY OF TRANSPORTATION POSITIONS

1 equipment or new, additional equipment equivalent to equipment already
2 owned; ~~however, the Agency shall not increase the total number of~~
3 ~~permanently assigned or authorized motorized or self-propelled vehicles~~
4 ~~without approval by the General Assembly.~~

5 (c)(1) For the purpose specified in subsection (b) of this section, the
6 following amount shall be transferred from the Transportation Fund to the
7 Central Garage Fund:

8 (A) in fiscal year 2021, \$1,355,358.00; and

9 (B) in subsequent fiscal years, at a minimum, the amount specified in
10 subdivision (A) of this subdivision (1) as adjusted annually by increasing the
11 previous fiscal year's amount by the percentage increase in the Bureau of
12 Labor Statistics Consumer Price Index for All Urban Consumers (CPI-U)
13 during the two most recently closed State fiscal years.

14 (2) Each fiscal year, the sum of the following shall be appropriated from
15 the Central Garage Fund exclusively for the purpose specified in subsection (b)
16 of this section:

17 (A) the amount transferred pursuant to subdivision (1) of this
18 subsection;

19 (B) the amount of the equipment depreciation expense from the prior
20 fiscal year or, for equipment that is fully depreciated and still actively in

1 service, an amount equal to the depreciation on that piece of equipment from
2 the prior year; and

3 (C) the amount of the net equipment sales from the prior fiscal year.

4 (d) In each fiscal year, net income of the Fund earned during that fiscal
5 year shall be retained in the Fund.

6 (e) For the purposes of computing net worth and net income, the fiscal year
7 shall be the year ending June 30.

8 (f) As used in this section, “equipment” means registered motor vehicles
9 and ~~highway maintenance equipment assigned to~~ necessary assets required by
10 the Central Garage in order to fulfill the objectives established in subsection
11 (a) of this section.

12 (g) [Repealed.]

13 * * * Transportation Alternatives Grant Program * * *

14 Sec. 7. 19 V.S.A. § 38(c) is amended to read:

15 (c) The Transportation Alternatives Grant Program is created. The Grant
16 Program shall be administered by the Agency and shall be funded in the
17 amount provided for in 23 U.S.C. § 133(h), less the funds set aside for the
18 Recreational Trails Program. Awards shall be made to eligible entities as
19 defined under 23 U.S.C. § 133(h), and awards under the Grant Program shall
20 be limited to the activities authorized under federal law and shall not exceed
21 ~~\$300,000.00~~ \$600,000.00 per grant allocation.

1 * * * Vehicle Incentive Programs * * *

2 * * * Repeal of Existing Vehicle Incentive Programs * * *

3 Sec. 8. REPEALS

4 (a) 2019 Acts and Resolves No. 59, Sec. 34, as amended by 2020 Acts and
5 Resolves No. 121, Sec. 14, 2020 Acts and Resolves No. 154, Sec. G.112, 2021
6 Acts and Resolves No. 3, Sec. 56, 2021 Acts and Resolves No. 55, Secs. 18,
7 19, and 21–24, and 2022 Acts and Resolves No. 184, Sec. 6, is repealed.

8 (b) 2021 Acts and Resolves No. 55, Sec. 27, as amended by 2022 Acts and
9 Resolves No. 184, Sec. 22, is repealed.

10 * * * Codification of Vehicle Incentive Programs * * *

11 Sec. 9. 19 V.S.A. chapter 29 is added to read:

12 CHAPTER 29. VEHICLE INCENTIVE PROGRAMS

13 § 2901. DEFINITIONS

14 As used in this chapter:

15 (1) “Electric bicycle” has the same meaning as in 23 V.S.A. § 4(46)(A).

16 (2) “Electric-cargo bicycle” means a motor-assisted bicycle, as defined
17 in 23 V.S.A. § 4(45)(B)(i), with an electric motor, as defined under 23 V.S.A.
18 § 4(45)(B)(i)(II), that is specifically designed and constructed for transporting
19 loads, including of goods, one or more individuals in addition to the operator,
20 and one or more animals. A motor-assisted bicycle that is not specifically
21 designed and constructed for transporting loads, including a motor-assisted

1 bicycle that is only capable of transporting loads because an after-market rear
2 or front bicycle rack has been installed, is not an electric-cargo bicycle.

3 (3) “Plug-in electric vehicle (PEV),” “battery electric vehicle (BEV),”
4 and “plug-in hybrid electric vehicle (PHEV)” have the same meanings as in 23
5 V.S.A. § 4(85).

6 § 2902. INCENTIVE PROGRAM FOR NEW PLUG-IN ELECTRIC

7 VEHICLES

8 (a) Creation; administration.

9 (1) There is created the Incentive Program for New Plug-In Electric
10 Vehicles (PEVs), which shall be administered by the Agency of
11 Transportation.

12 (2) Subject to State procurement requirements, the Agency may retain a
13 contractor or contractors to assist with marketing, program development, and
14 administration of the Program.

15 (b) Program structure. The Incentive Program for New PEVs shall
16 structure PEV purchase and lease incentive payments by income to help all
17 Vermonters benefit from electric driving, including Vermont’s most
18 vulnerable. Specifically, the Incentive Program for New PEVs:

19 (1) shall apply to both purchases and leases of new PEVs with an
20 emphasis on incentivizing the purchase and lease of battery electric vehicles

1 (BEVs) and plug-in hybrid electric vehicles (PHEVs) with an electric range of
2 20 miles or greater per complete charge;

3 (2) shall provide not more than one incentive of not more than
4 \$3,000.00 for a PEV, per individual per year, to:

5 (A) an individual domiciled in the State whose federal income tax
6 filing status is single with an adjusted gross income under the laws of the
7 United States greater than \$60,000.00 and at or below \$100,000.00;

8 (B) an individual domiciled in the State whose federal income tax
9 filing status is head of household with an adjusted gross income under the laws
10 of the United States greater than \$75,000.00 and at or below \$125,000.00;

11 (C) an individual domiciled in the State whose federal income tax
12 filing status is surviving spouse with an adjusted gross income under the laws
13 of the United States greater than \$90,000.00 and at or below \$150,000.00;

14 (D) an individual who is part of a married couple with at least one
15 spouse domiciled in the State whose federal income tax filing status is married
16 filing jointly with an adjusted gross income under the laws of the United States
17 greater than \$90,000.00 and at or below \$150,000.00; or

18 (E) an individual who is part of a married couple with at least one
19 spouse domiciled in the State and at least one spouse whose federal income tax
20 filing status is married filing separately with an adjusted gross income under

1 the laws of the United States greater than \$60,000.00 and at or below
2 \$100,000.00;

3 (3) shall provide not more than one incentive of not more than
4 \$6,000.00 for a PEV, per individual per year, to:

5 (A) an individual domiciled in the State whose federal income tax
6 filing status is single with an adjusted gross income under the laws of the
7 United States at or below \$60,000.00;

8 (B) an individual domiciled in the State whose federal income tax
9 filing status is head of household with an adjusted gross income under the laws
10 of the United States at or below \$75,000.00;

11 (C) an individual domiciled in the State whose federal income tax
12 filing status is surviving spouse with an adjusted gross income under the laws
13 of the United States at or below \$90,000.00;

14 (D) an individual who is part of a married couple with at least one
15 spouse domiciled in the State whose federal income tax filing status is married
16 filing jointly with an adjusted gross income under the laws of the United States
17 at or below \$90,000.00; or

18 (E) an individual who is part of a married couple with at least one
19 spouse domiciled in the State and at least one spouse whose federal income tax
20 filing status is married filing separately with an adjusted gross income under
21 the laws of the United States at or below \$60,000.00;

1 (4) shall, as technology progresses, establish a minimum electric range
2 in order for a PHEV to be eligible for an incentive;

3 (5) shall apply to:

4 (A) manufactured PEVs with any Base Manufacturer’s Suggested
5 Retail Price (MSRP) that will be issued a special registration plate by the
6 Commissioner of Motor Vehicles pursuant to 23 V.S.A. § 304a or will
7 predominately be used to provide accessible transportation for the incentive
8 recipient or a member of the incentive recipient’s household, provided that the
9 incentive recipient or the member of the incentive recipient’s household has a
10 removable windshield placard issued by the Commissioner of Motor Vehicles
11 pursuant to 23 V.S.A. § 304a;

12 (B) manufactured PHEVs with a Base MSRP as determined by the
13 Agency of Transportation, based on phasing out incentives for PHEVs with an
14 electric range of less than 20 miles, and benchmarked to a Base MSRP of the
15 equivalent of approximately \$50,000.00 or less in model year 2023; and

16 (C) manufactured BEVs with a Base MSRP as determined by the
17 Agency of Transportation and benchmarked to a Base MSRP of the equivalent
18 of approximately \$50,000.00 or less in model year 2023; and

19 (6) shall provide incentives that may be in addition to any other
20 available incentives, including through another program funded by the State,

1 provided that not more than one incentive under the Incentive Program for
2 New PEVs is used for the purchase or lease of any one PEV.

3 (c) Administrative costs. Up to 15 percent of any appropriations for the
4 Incentive Program for New PEVs can be used for any costs associated with
5 administering and promoting the Incentive Program for New PEVs.

6 (d) Outreach and marketing. The Agency, in consultation with any
7 retained contractors and Drive Electric Vermont, shall ensure that there is
8 sufficient outreach and marketing, including the use of translation and
9 interpretation services, of the Incentive Program for New PEVs so that
10 Vermonters who are eligible for an incentive can easily learn how to secure as
11 many different incentives as are available, and such costs shall be considered
12 administrative costs for purposes of subsection (c) of this section.

13 § 2903. MILEAGESMART

14 (a) Creation; administration.

15 (1) There is created a used high fuel efficiency vehicle incentive
16 program, which shall be administered by the Agency of Transportation and
17 known as MileageSmart.

18 (2) Subject to State procurement requirements, the Agency may retain a
19 contractor or contractors to assist with marketing, program development, and
20 administration of MileageSmart.

1 (b) Program structure. MileageSmart shall structure high fuel efficiency
2 purchase incentive payments by income to help all Vermonters benefit from
3 more efficient driving and reduced greenhouse gas emissions, including
4 Vermont’s most vulnerable. Specifically, MileageSmart shall:

5 (1) apply to purchases of used high fuel-efficient motor vehicles, which
6 for purposes of this program shall be pleasure cars with a combined
7 city/highway fuel efficiency of at least 40 miles per gallon or miles per gallon
8 equivalent as rated by the Environmental Protection Agency when the vehicle
9 was new; and

10 (2) provide not more than one point-of-sale voucher worth up to
11 \$5,000.00 to an individual who is a member of a household with an adjusted
12 gross income that is at or below 80 percent of the State median income.

13 (c) Administrative costs. Up to 15 percent of any appropriations for
14 MileageSmart can be used for any costs associated with administering and
15 promoting MileageSmart.

16 (d) Outreach and marketing. The Agency, in consultation with any
17 retained contractors and Drive Electric Vermont, shall ensure that there is
18 sufficient outreach and marketing, including the use of translation and
19 interpretation services, of MileageSmart so that Vermonters who are eligible
20 for an incentive can easily learn how to secure as many different incentives as

1 are available, and such costs shall be considered administrative costs for
2 purposes of subsection (c) of this section.

3 § 2904. REPLACE YOUR RIDE PROGRAM

4 (a) Creation; administration.

5 (1) There is created the Replace Your Ride Program, which shall be
6 administered by the Agency of Transportation.

7 (2) Subject to State procurement requirements, the Agency may retain a
8 contractor or contractors to assist with marketing, program development, and
9 administration of the Program.

10 (b) Program structure. The Replace Your Ride Program shall structure
11 incentive payments by income to help all Vermonters benefit from replacing
12 lower efficient modes of transportation with modes of transportation that
13 reduce greenhouse gas emissions. The Agency may apply a sliding scale
14 incentive based on electric range, with larger incentives being available for
15 PEVs with a longer electric range.

16 (c) Incentive amount. The Replace Your Ride Program shall provide up to
17 a \$2,500.00 incentive for those who qualify under subdivision (d)(1)(A) of this
18 section and up to a \$5,000.00 incentive for those who qualify under
19 subdivision (d)(1)(B) of this section, either of which may be in addition to any
20 other available incentives, including through a program funded by the State, to
21 individuals who qualify based on both income and the removal of an internal

1 combustion vehicle. Only one incentive per individual is available under the
2 Replace Your Ride Program.

3 (d) Eligibility. Applicants must qualify through both income and the
4 removal of an eligible vehicle with an internal combustion engine.

5 (1) Income eligibility.

6 (A) The lower incentive amount of \$2,500.00 is available to the
7 following, provided that all other eligibility requirements are met:

8 (i) an individual domiciled in the State whose federal income tax
9 filing status is single with an adjusted gross income under the laws of the
10 United States greater than \$60,000.00 and at or below \$100,000.00;

11 (ii) an individual domiciled in the State whose federal income tax
12 filing status is head of household with an adjusted gross income under the laws
13 of the United States greater than \$75,000.00 and at or below \$125,000.00;

14 (iii) an individual domiciled in the State whose federal income tax
15 filing status is surviving spouse with an adjusted gross income under the laws
16 of the United States greater than \$90,000.00 and at or below \$150,000.00;

17 (iv) an individual who is part of a married couple with at least one
18 spouse domiciled in the State whose federal income tax filing status is married
19 filing jointly with an adjusted gross income under the laws of the United States
20 greater than \$90,000.00 and at or below \$150,000.00; or

1 (v) an individual who is part of a married couple with at least one
2 spouse domiciled in the State and at least one spouse whose federal income tax
3 filing status is married filing separately with an adjusted gross income under
4 the laws of the United States greater than \$60,000.00 and at or below
5 \$100,000.00.

6 (B) The higher incentive amount of \$5,000.00 is available to the
7 following, provided that all other eligibility requirements are met:

8 (i) an individual domiciled in the State whose federal income tax
9 filing status is single with an adjusted gross income under the laws of the
10 United States at or below \$60,000.00;

11 (ii) an individual domiciled in the State whose federal income tax
12 filing status is head of household with an adjusted gross income under the laws
13 of the United States at or below \$75,000.00;

14 (iii) an individual domiciled in the State whose federal income tax
15 filing status is surviving spouse with an adjusted gross income under the laws
16 of the United States at or below \$90,000.00;

17 (iv) an individual who is part of a married couple with at least one
18 spouse domiciled in the State whose federal income tax filing status is married
19 filing jointly with an adjusted gross income under the laws of the United States
20 at or below \$90,000.00;

1 (v) an individual who is part of a married couple with at least one
2 spouse domiciled in the State and at least one spouse whose federal income tax
3 filing status is married filing separately with an adjusted gross income under
4 the laws of the United States at or below \$60,000.00; or

5 (vi) an individual who is a member of a household with an
6 adjusted gross income that is at or below 80 percent of the State median
7 income.

8 (2) Vehicle removal.

9 (A) In order for an individual to qualify for an incentive under the
10 Replace Your Ride Program, the individual must remove an older low-
11 efficiency vehicle from operation and switch to a mode of transportation that
12 produces fewer greenhouse gas emissions. The entity that administers the
13 Replace Your Ride Program, in conjunction with the Agency of
14 Transportation, shall establish Program guidelines that specifically provide for
15 how someone can show that the vehicle removal eligibility requirement has
16 been, or will be, met.

17 (B) For purposes of the Replace Your Ride Program:

18 (i) An “older low-efficiency vehicle”:

19 (I) is currently registered, and has been for two years prior to
20 the date of application, with the Vermont Department of Motor Vehicles;

1 (II) is currently titled in the name of the applicant and has been
2 for at least one year prior to the date of application;

3 (III) has a gross vehicle weight rating of 10,000 pounds or less;

4 (IV) is at least 10 model years old;

5 (V) has an internal combustion engine; and

6 (VI) passed the annual inspection required under 23 V.S.A.
7 § 1222 within the prior year.

8 (ii) Removing the older low-efficiency vehicle from operation
9 must be done by disabling the vehicle’s engine from further use and fully
10 dismantling the vehicle for either donation to a nonprofit organization to be
11 used for parts or destruction.

12 (iii) The following qualify as a switch to a mode of transportation
13 that produces fewer greenhouse gas emissions:

14 (I) purchasing or leasing a new or used PEV;

15 (II) purchasing a new or used bicycle, electric bicycle, electric
16 cargo bicycle, or motorcycle that is fully electric, and the necessary safety
17 equipment; and

18 (III) utilizing shared-mobility services.

19 (e) Administrative costs. Up to 15 percent of any appropriations for the
20 Replace Your Ride Program can be used for any costs associated with
21 administering and promoting the Replace Your Ride Program.

1 (f) Outreach and marketing. The Agency, in consultation with any retained
2 contractors and Drive Electric Vermont, shall ensure that there is sufficient
3 outreach and marketing, including the use of translation and interpretation
4 services, of the Replace Your Ride Program so that Vermonters who are
5 eligible for an incentive can easily learn how to secure as many different
6 incentives as are available and such costs shall be considered administrative
7 costs for purposes of subsection (e) of this section.

8 § 2905. ELECTRIFY YOUR FLEET PROGRAM

9 (a) Creation; administration.

10 (1) There is created the Electrify Your Fleet Program, which shall be
11 administered by the Agency of Transportation.

12 (2) Subject to State procurement requirements, the Agency may retain a
13 contractor or contractors to assist with marketing, program development, and
14 administration of the Program.

15 (b) Program structure. The Electrify Your Fleet Program shall structure
16 purchase and lease incentive payments to replace internal combustion engine
17 vehicles cycled out of a motor vehicle fleet and reduce the greenhouse gas
18 emissions of persons operating a motor vehicle fleet in Vermont. Specifically,
19 the Electrify Your Fleet Program shall:

20 (1) provide incentives to Vermont municipalities and business entities
21 registered in Vermont that maintain a fleet of motor vehicles that are registered

1 in Vermont with no single applicant being eligible for more than 20 incentives
2 over the existence of the Program;

3 (2) provide \$2,500.00 purchase and lease incentives for:

4 (A) BEVs with a Base Manufacturer’s Suggested Retail Price
5 (MSRP) as determined by the Agency of Transportation and benchmarked to a
6 Base MSRP of the equivalent of approximately \$60,000.00 or less in model
7 year 2023;

8 (B) electric bicycles and electric cargo bicycles with a Base MSRP as
9 determined by the Agency of Transportation and benchmarked to a Base
10 MSRP of the equivalent of approximately \$6,000.00 or less in model year
11 2023;

12 (C) electric motorcycles with a Base MSRP as determined by the
13 Agency of Transportation and benchmarked to a Base MSRP of the equivalent
14 of approximately \$30,000.00 or less in model year 2023;

15 (D) electric snowmobiles with a Base MSRP as determined by the
16 Agency of Transportation and benchmarked to a Base MSRP of the equivalent
17 of approximately \$20,000.00 or less in model year 2023; and

18 (E) require a showing that the incentive will be used to electrify the
19 applicant’s motor vehicle fleet.

1 (c) Administrative costs. Up to 15 percent of any appropriations for the
2 Electrify Your Fleet Program can be used for any costs associated with
3 administering and promoting the Electrify Your Fleet Program.

4 (d) Outreach and marketing. The Agency, in consultation with any
5 retained contractors and Drive Electric Vermont, shall ensure that there is
6 sufficient outreach and marketing, including the use of translation and
7 interpretation services, of the Electrify Your Fleet Program so that persons
8 who are eligible for an incentive can easily learn how to secure an incentive
9 and such costs shall be considered administrative costs for purposes of
10 subsection (c) of this section.

11 § 2906. ANNUAL REPORTING

12 (a) The Agency shall annually evaluate the programs established under this
13 chapter to gauge effectiveness and shall submit a written report on the
14 effectiveness of the programs to the House and Senate Committees on
15 Transportation, the House Committee on Environment and Energy, and the
16 Senate Committee on Finance on or before the 31st day of January in each year
17 following a year that an incentive was provided through one of the programs.

18 (b) The report shall also include:

19 (1) any intended modifications to program guidelines for the upcoming
20 fiscal year along with an explanation for the reasoning behind the

1 modifications and how the modifications will yield greater uptake of PEVs and
2 other means of transportation that will reduce greenhouse gas emissions; and

3 (2) any recommendations on statutory modifications to the programs,
4 including to income and vehicle eligibility, along with an explanation for the
5 reasoning behind the statutory modification recommendations and how the
6 modifications will yield greater uptake of PEVs and other means of
7 transportation that will reduce greenhouse gas emissions.

8 (c) Notwithstanding 2 V.S.A. § 20(d), the annual report required under this
9 section shall continue to be required if an incentive is provided through one of
10 the programs unless the General Assembly takes specific action to repeal the
11 report requirement.

12 Sec. 10. **[Deleted.]**

13 * * * Authorization for Electrify Your Fleet Program * * *

14 Sec. 11. 2022 Acts and Resolves No. 184, Sec. 2(8)(C), as amended by 2023
15 Acts and Resolves No. **[PLACE HOLDER FOR BAA]**, Sec. **83**, is further
16 amended to read:

17 (C) Replace Your Ride Program. Sec. 5(c) of this act authorizes
18 ~~\$2,900,000.00~~ \$2,400,000.00 for incentives under Replace Your Ride, which
19 will be the State’s program to incentivize Vermonters to remove older low-
20 efficiency vehicles from operation and switch to modes of transportation that
21 produce fewer greenhouse gas emissions, and capped administrative costs.

1 Sec. 12. 2022 Acts and Resolves No. 184, Sec. 5(c), as amended by 2023 Acts
2 and Resolves No. **[PLACE HOLDER FOR BAA]**, Sec. **84**, is further
3 amended to read:

4 (c) Replace Your Ride Program. The Agency is authorized to spend up to
5 ~~\$2,900,000.00~~ \$2,400,000.00 as appropriated in the fiscal year 2023 budget on
6 the Replace Your Ride Program established in 2021 Acts and Resolves No. 55,
7 Sec. 27, as amended.

8 Sec. 13. 2022 Acts and Resolves No. 185, Sec. G.600(b)(5), as amended by
9 2023 Acts and Resolves No. **[PLACE HOLDER FOR BAA]**, Sec. **85**, is
10 further amended to read:

11 (5) ~~\$2,900,000.00~~ \$2,400,000.00 to the Agency of Transportation for the
12 Replace Your Ride Program, established in 2021 Acts and Resolves No. 55,
13 Sec. 27, as amended.

14 Sec. 14. ELECTRIFY YOUR FLEET AUTHORIZATION

15 The Agency is authorized to spend up to \$500,000.00 in one-time General
16 Fund monies on the Electrify Your Fleet Program established pursuant to 19
17 V.S.A. § 2905, as added by Sec. 9 of this act.

18 * * * Mileage-Based User Fee (MBUF) * * *

19 Sec. 15. MILEAGE-BASED USER FEE AUTHORIZATION

20 (a) Within the Agency of Transportation’s Proposed Fiscal Year 2024
21 Transportation Program for Environmental Policy and Sustainability, the

1 Agency of Transportation, including the Department of Motor Vehicles, is
2 authorized to apply for and accept a competitive federal Strategic Innovation
3 for Revenue Collection grant established pursuant to the Infrastructure
4 Investment and Jobs Act, Pub. L. No. 117-58 (IIJA), Sec. 13001 in an amount
5 not to exceed \$3,500,000.00 in federal monies, with up to \$350,000.00 in
6 Transportation Fund monies authorized for the nonfederal match in fiscal year
7 2024.

8 (b) As permitted under federal regulations and grant terms, the Agency
9 shall utilize grant monies to design and implement a mileage-based user fee
10 that is consistent with Sec. 16 of this act.

11 (c) Subject to State procurement requirements, the Agency may retain one
12 or more contractors or consultants, or both, to assist with the design and
13 implementation of a process to collect a mileage-based user fee.

14 Sec. 16. MILEAGE-BASED USER FEE DESIGN AND
15 IMPLEMENTATION

16 (a) Definitions. As used in this section and Sec. 17 of this act:

17 (1) “Account manager” means a person under contract with the Agency
18 of Transportation or Department of Motor Vehicles to administer and manage
19 the mileage-based user fee.

1 (2) “Annual vehicle miles traveled” means the total number of miles that
2 a BEV is driven between annual inspections as reported by an inspection
3 mechanic to the Department of Motor Vehicles.

4 (3) “Mileage-based user fee” means the total amount that an owner or
5 lessee of a BEV registered in Vermont owes the State and is calculated by
6 multiplying the mileage-based user fee rate by the annual vehicle miles
7 traveled or, in the case of a terminating event, by multiplying the mileage-
8 based user fee rate by the vehicle miles traveled between the last Vermont
9 annual inspection and the terminating event.

10 (4) “Mileage-based user fee rate” means the per-mile usage fee charged
11 to the owner or lessee of a BEV registered in Vermont.

12 (5) “Mileage reporting period” means the time between annual
13 inspections or the time between an annual inspection and a terminating event.

14 (6) “Plug-in electric vehicle (PEV)” has the same meaning as in
15 23 V.S.A. § 4(85) and includes battery electric vehicles (BEVs) and plug-in
16 hybrid electric vehicles (PHEVs), which have the same meaning as in
17 23 V.S.A. § 4(85)(A) and (B).

18 (7) “Terminating event” means either the registering of a BEV that had
19 been registered in Vermont in a different state or a change in ownership or
20 lesseeship of the BEV, or both.

1 (b) Effective date. The Agency shall design and implement a process to
2 collect a mileage-based user fee for miles driven by a BEV registered in
3 Vermont to commence collecting revenue on July 1, 2025.

4 (c) Covered vehicles.

5 (1) The Agency shall design and implement a process to collect a
6 mileage-based user fee based on the annual vehicle miles traveled by BEVs
7 registered in the State.

8 (2) It is the intent of the General Assembly that starting on July 1, 2025
9 PHEVs that are a pleasure car, as defined in 23 V.S.A. § 4(28), shall be subject
10 to an annual or a biennial registration fee that is one and three-quarters times
11 the amount of the annual or biennial fee for a pleasure car pursuant to 23
12 V.S.A. § 361 and the State’s gas tax but shall not be subject to a mileage-based
13 user fee.

14 (d) Imposition of a mileage-based user fee. The Agency shall design and
15 implement a process to collect a mileage-based user fee from the owner or
16 lessee of a BEV registered in Vermont for each mileage reporting period
17 within 60 days after the Vermont annual inspection or terminating event that
18 closes the mileage reporting period.

19 Sec. 17. REPORTS

20 The Secretary of Transportation and the Commissioner of Motor Vehicles
21 shall file a written report not later than January 31, 2024 with the House and

1 Senate Committees on Transportation, the House Committee on Ways and
2 Means, and the Senate Committee on Finance that provides the following:

3 (1) a comprehensive implementation plan to commence collecting, on
4 July 1, 2025, a mileage-based user fee for miles driven by a BEV registered in
5 Vermont;

6 (2) a recommendation on what language should be codified in statute to
7 enable the State to commence collecting, on July 1, 2025, a mileage-based user
8 fee for miles driven by a BEV registered in Vermont, which shall include a
9 recommendation for the mileage-based user fee rate and that includes:

10 (A) an explanation for how the recommended mileage-based user fee
11 rate was calculated;

12 (B) what the mileage-based user fee rate is estimated to yield in
13 revenue for the State in total per year; and

14 (C) how the anticipated mileage-based user fee for a pleasure car is
15 expected to compare to the amount collected by the State in gas tax revenue
16 from the use of a non-PEV pleasure car registered in Vermont and the amount
17 collected by the State in gas tax revenue and increased registration fee from the
18 use of a non-PHEV pleasure car registered in Vermont based on estimates of
19 low, medium, and high annual vehicle miles traveled;

1 (3) a recommendation on what should be required in annual reporting on
2 the mileage-based user fee starting in 2026 for fiscal year 2025, which shall, at
3 a minimum, address whether the following should be reported on:

4 (A) the total amount of revenue collected in mileage-based user fees
5 for the prior fiscal year and an estimate of the total amount of revenue
6 anticipated to be collected in mileage-based user fees during the subsequent
7 fiscal year;

8 (B) the average mileage-based user fee collected for a BEV with low,
9 medium, and high annual vehicle miles traveled in the prior fiscal year;

10 (C) an estimate of the average amount in motor fuel revenue that was
11 collected for a pleasure car that is not a plug-in electric vehicle with low,
12 medium, and high annual vehicle miles traveled in the prior fiscal year;

13 (D) an estimate of the average amount in motor fuel revenue and
14 increased registration fee that was collected for a pleasure car that is a plug-in
15 hybrid electric vehicle with low, medium, and high annual vehicle miles
16 traveled in the prior fiscal year;

17 (E) the total number of delinquent mileage-based user fees in the
18 prior fiscal year;

19 (F) the total number of outstanding payment plans for delinquent
20 mileage-based user-fees; and

1 (G) the cost to collect the mileage-based user fees in the prior fiscal
2 year; and

3 (4) an outline of what the Agency intends to adopt as rule in order to
4 commence collecting, on July 1, 2025, a mileage-based user fee for miles
5 driven by a BEV registered in Vermont, which shall, at a minimum, establish:

6 (A) a process to calculate and report the annual vehicle miles traveled
7 by a BEV registered in Vermont;

8 (B) payment periods and other payment methods and procedures for
9 the payment of the mileage-based user fee, which shall include the option to
10 pre-pay the anticipated mileage-based user fee in installments on a monthly,
11 quarterly, or annual basis;

12 (C) standards for mileage reporting mechanisms for an owner or
13 lessee of a BEV to report vehicle miles traveled throughout the year;

14 (D) procedures to provide security and protection of personal
15 information and data connected to a mileage-based user fee;

16 (E) penalty and appeal procedures necessary for the collection of a
17 mileage-based user fee, which, to the extent practicable, shall duplicate and
18 build upon existing Department of Motor Vehicles processes; and

19 (F) Agency oversight of any account manager, including privacy
20 protection of personal information and access and auditing capability of

1 financial and other records related to administration of the process to collect a
2 mileage-based user fee.

3 * * * Repeals * * *

4 Sec. 18. REPEALS

5 (a) 2018 Acts and Resolves No. 158, Sec. 21 (repeal of the public-private
6 partnership (P3) pilot program) is repealed.

7 (b) 5 V.S.A. § 3616 (connection of passenger trains; Board may determine)
8 is repealed.

9 (c) 19 V.S.A. § 314 (covered bridges restrictions; vote at town meeting) is
10 repealed.

11 * * * Effective Date * * *

12 Sec. 19. EFFECTIVE DATE

13 This act shall take effect on July 1, 2023.