

1 Introduced by Committee on Transportation

2 Date:

3 Subject: Transportation; annual Transportation Program; **Transportation**

4 **Alternatives Grant Program**; Central Garage Fund; public transit;

5 zero-fare service; tiered-fare service; **Mobility and Transportation**

6 **Innovations (MTI) Grant Program**; vehicle incentive programs; plug-

7 in electric vehicles (PEVs); plug-in hybrid electric vehicles (PHEVs);

8 battery electric vehicles (BEVs); electric bicycles (eBikes); **electric**

9 **cargo bicycles; adaptive electric cycles**; Incentive Program for New

10 PEVs; MileageSmart; Replace Your Ride Program; Electrify Your

11 Fleet Program; eBike Incentive Program; mileage-based user fee

12 (MBUF); Carbon Reduction Program; PROTECT Formula Program;

13 complete streets; **Vermont State Standards; U.S. Route 5; bicycle**

14 **corridors; public-private partnerships (P3s); repeals**

15 Statement of purpose of bill as introduced: This bill proposes to adopt the

16 State’s annual Transportation Program and make miscellaneous changes to

17 laws related to transportation.

18 An act relating to the Transportation Program and miscellaneous changes to
19 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; 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; and “State” in any tables amending authorizations indicates that the
16 source of funds is State monies in the Transportation Fund, unless otherwise
17 specified.

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

1 “\$4,783,523” is inserted in lieu thereof to correct a typographic error; the value
2 “\$4,000,000” is struck and the value “\$5,000,000” is inserted in lieu thereof to
3 correct a typographic error; and the value “\$8,060,523” is struck twice and the
4 value “\$10,488,523” is inserted in lieu thereof twice to correct two typographic
5 errors.

6 * * * Highway Maintenance * * *

7 Sec. 2. HIGHWAY MAINTENANCE

8 (a) Within the Agency of Transportation’s Proposed Fiscal Year 2024
9 Transportation Program for Maintenance, authorized spending is amended as
10 follows:

<u>FY24</u>	<u>As Proposed</u>	<u>As Amended</u>	<u>Change</u>
Person. Svcs.	42,637,277	42,637,277	0
Operat. Exp.	65,893,488	64,893,488	-1,000,000
Total	108,530,765	107,530,765	-1,000,000
<u>Sources of funds</u>			
State	107,784,950	106,784,950	-1,000,000
Federal	645,815	645,815	0
Inter Unit	100,000	100,000	0
Total	108,530,765	107,530,765	-1,000,000

20 (b) Restoring the fiscal year 2024 Maintenance Program appropriation and
21 authorization to the level included in the Agency of Transportation’s Proposed

1 Fiscal Year 2024 Transportation Program shall be the Agency’s top priority if
2 there are unexpended State fiscal year 2023 appropriations of Transportation
3 Fund monies. Accordingly:

4 (1) At the close of State fiscal year 2023, an amount up to \$1,000,00.00
5 of any unencumbered Transportation Fund monies appropriated in 2022 Acts
6 and Resolves No. 185, Secs. B.900–B.922, as amended by the fiscal year 2023
7 budget adjustment act, Secs. 43–44a, that would otherwise be authorized to
8 carry forward is reappropriated for the Agency of Transportation’s Proposed
9 Fiscal Year 2024 Transportation Program for Maintenance 30 days after the
10 Agency sends written notification of the request for the unencumbered
11 Transportation Fund monies to be reappropriated to the Joint Transportation
12 Oversight Committee, provided that the Joint Transportation Oversight
13 Committee does not send written objection to the Agency.

14 (2) If any unencumbered Transportation Fund monies are reappropriated
15 pursuant to subdivision (1) of this subsection, then, within the Agency of
16 Transportation’s Proposed Fiscal Year 2024 Transportation Program for
17 Maintenance, authorized spending is further amended to increase operating
18 expenses by not more than \$1,000,000.00 in Transportation Fund monies.

19 (3) Notwithstanding subdivisions (1) and (2) of this subsection, the
20 Agency may request further amendments to the Agency of Transportation’s

1 Proposed Fiscal Year 2024 Transportation Program for Maintenance through
2 the State fiscal year budget adjustment act.

3 * * * One-Time Appropriations * * *

4 Sec. 3. ONE-TIME APPROPRIATIONS

5 (a) Within the Agency of Transportation’s Proposed Fiscal Year 2024

6 Transportation Program for One-Time Appropriations, authorized spending is
7 amended as follows:

8	<u>FY24</u>	<u>As Proposed</u>	<u>As Amended</u>	<u>Change</u>
9	Operating	3,500,000	0	-3,500,000
10	Grants	3,000,000	0	-3,000,000
11	Total	6,500,000	0	-6,500,000
12	<u>Sources of funds</u>			
13	General	3,000,000	0	-3,000,000
14	Capital	3,500,000	0	-3,500,000
15	Total	6,500,000	0	-6,500,000

16 (b) Within the Agency of Transportation’s Proposed Fiscal Year 2024
17 Transportation Program for One-Time Appropriations, the following are

18 struck:

19 (1) “Rail Trail Community Connectivity Grants - \$3M General Fund

20 Grants”; and

1 (2) “St. Albans District Maintenance Facility - \$3.5M Capital Fund
2 Operating.”

3 * * * St. Albans District Maintenance Facility * * *

4 Sec. 4. ST. ALBANS DISTRICT MAINTENANCE FACILITY

5 The following project is added to the Agency of Transportation’s Proposed
6 Fiscal Year 2024 Transportation Program for Transportation Buildings: St.
7 Albans District Maintenance Facility.

8 * * * Project Cancellation; Project Addition * * *

9 Sec. 5. PROJECT CANCELLATION; PROJECT ADDITION

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

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

18 * * * Transportation Alternatives Grant Program * * *

19 Sec. 6. TRANSPORTATION ALTERNATIVES GRANT PROGRAM

20 AWARDS IN STATE FISCAL YEARS 2024 TO 2027

1 Notwithstanding 19 V.S.A. § 38(c), Transportation Alternatives Grant
2 Program awards in State fiscal years 2024 to 2027 shall not exceed
3 \$600,000.00 per grant allocation.

4 * * * Central Garage Fund * * *

5 Sec. 7. 19 V.S.A. § 13 is amended to read:

6 § 13. CENTRAL GARAGE FUND

7 (a) There is created the Central Garage Fund, which shall be used to:

8 (1) ~~to~~ furnish equipment on a rental basis to the districts and other
9 sections of the Agency for construction, maintenance, and operation of
10 highways or other transportation activities; and

11 (2) ~~to~~ provide a general equipment repair and major overhaul service,
12 inclusive of any assets, supplies, labor, or use of contractors necessary to
13 provide that service, as well as to furnish necessary supplies for the operation
14 of the equipment.

15 (b) ~~To~~ In order to maintain a safe; and reliable equipment fleet, the Agency
16 shall use Central Garage Fund monies to acquire new or replacement ~~highway~~
17 ~~maintenance equipment shall be acquired using Central Garage Fund monies.~~
18 The Agency is authorized to acquire replacement pieces for existing ~~highway~~
19 equipment or new, additional equipment equivalent to equipment already
20 owned; ~~however, the Agency shall not increase the total number of~~

1 ~~permanently assigned or authorized motorized or self-propelled vehicles~~
2 ~~without approval by the General Assembly.~~

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

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

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

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

15 (A) the amount transferred pursuant to subdivision (1) of this
16 subsection;

17 (B) the amount of the equipment depreciation expense from the prior
18 fiscal year or, for equipment that is fully depreciated and still actively in
19 service, an amount equal to the depreciation on that piece of equipment from
20 the prior year; and

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

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

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

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

9 (g) [Repealed.]

10 * * * Public Transit * * *

11 Sec. 8. ONE-TIME PUBLIC TRANSIT MONIES; REPORT

12 (a) Project addition. The following project is added to the Agency of
13 Transportation’s Proposed Fiscal Year 2024 Transportation Program:
14 Increased One-Time Monies for Public Transit for Fiscal Year 2024.

15 (b) Authorization. Spending authority for Increased One-Time Monies for
16 Public Transit for Fiscal Year 2024 is authorized as follows:

17	<u>FY24</u>	<u>As Proposed</u>	<u>As Amended</u>	<u>Change</u>
18	Other	0	1,000,000	1,000,000
19	Total	0	1,000,000	1,000,000
20	<u>Sources of funds</u>			
21	State	0	1,000,000	1,000,000

1 Total 0 1,000,000 1,000,000

2 (c) Implementation. The Agency of Transportation shall distribute the
3 authorization in subsection (b) of this section to Green Mountain Transit for
4 the following during fiscal year 2024:

5 (1) to operate routes on a zero-fare basis, with a return to the collection
6 of fares from some passengers not later than January 1, 2024; and

7 (2) to prepare for the transition to tiered-fare service in accordance with
8 the plan prepared pursuant to subsection (d) of this section, which may include
9 the acquisition and maintenance of fare-collection systems.

10 (d) Plan for tiered-fare service.

11 (1) Green Mountain Transit shall, in consultation with community
12 action agencies and other relevant entities, such as those that represent the
13 migrant and refugee populations, develop and implement, not later than
14 January 1, 2024, a plan to establish tiered-fare service on Green Mountain
15 Transit routes.

16 (2) At a minimum, the plan to establish tiered-fare service shall
17 incorporate a low-income transit program to provide free or reduced-fare
18 transit options through digital methods, such as a handheld device, and
19 nondigital methods, such as an electronic benefits transfer (EBT) card or a
20 transit card.

1 (3) An interim draft of the plan to establish tiered-fare service shall be
2 submitted to the House and Senate Committees on Transportation on or before
3 October 1, 2023 and a final version of the plan to establish tiered-fare service
4 shall be submitted to the House and Senate Committees on Transportation
5 Committees on or before December 1, 2023.

6 Sec. 9. RECOMMENDATIONS ON FUNDING SOURCE FOR LOCAL
7 MATCH; PUBLIC TRANSIT; REPORT

8 The Chittenden County Regional Planning Commission, in consultation
9 with the Vermont Public Transportation Association and the Vermont League
10 of Cities and Towns, shall provide the House and Senate Committees on
11 Transportation with a written recommendation on a dedicated funding source
12 for the local match required of public transit providers operating in the
13 statewide transit system not later than December 1, 2023. The report shall
14 consider recommendations developed in the Chittenden County Regional
15 Planning Commission’s December 29, 2021 Transit Financing Study.

16 Sec. 10. SEPARATING THE MOBILITY AND TRANSPORTATION
17 INNOVATIONS (MTI) GRANT PROGRAM FROM GO!
18 VERMONT

19 (a) Go! Vermont. Within the Agency of Transportation’s Proposed Fiscal
20 Year 2024 Transportation Program for Public Transit, authorized spending for
21 Go! Vermont STPG GOVT() is amended as follows:

	<u>FY24</u>	<u>As Proposed</u>	<u>As Amended</u>	<u>Change</u>
1				
2	Other	905,000	405,000	-500,000
3	Total	905,000	405,000	-500,000
4	<u>Sources of funds</u>			
5	State	30,000	30,000	0
6	Federal	875,000	375,000	-500,000
7	Total	905,000	405,000	-500,000

(b) Mobility and Transportation Innovations (MTI) Grant Program.

9 (1) Project addition. The following project is added to the Agency of
10 Transportation’s Proposed Fiscal Year 2024 Transportation Program for Public
11 Transit: Mobility and Transportation Innovations (MTI) Grant Program.

12 (2) Authorization. Spending authority for MTI Grant Program is
13 authorized as follows:

	<u>FY24</u>	<u>As Proposed</u>	<u>As Amended</u>	<u>Change</u>
14				
15	Other	0	500,000	500,000
16	Total	0	500,000	500,000
17	<u>Sources of funds</u>			
18	Federal	0	500,000	500,000
19	Total	0	500,000	500,000

1 * * * Vehicle Incentive Programs * * *

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

3 Sec. 11. 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. 12. 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) “Adaptive electric cycle” means an electric bicycle or an electric
16 cargo bicycle that has been modified to meet the physical needs or abilities of
17 the operator or a passenger.

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

19 (3) “Electric cargo bicycle” means a motor-assisted bicycle, as defined
20 in 23 V.S.A. § 4(45)(B)(i), with an electric motor, as defined under 23 V.S.A.
21 § 4(45)(B)(i)(II), that is specifically designed and constructed for transporting

1 loads, including at least one or more of the following: goods; one or more
2 individuals in addition to the operator; or one or more animals. A motor-
3 assisted bicycle that is not specifically designed and constructed for
4 transporting loads, including a motor-assisted bicycle that is only capable of
5 transporting loads because an aftermarket rear or front bicycle rack has been
6 installed, is not an electric cargo bicycle.

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

10 § 2902. INCENTIVE PROGRAM FOR NEW PLUG-IN ELECTRIC

11 VEHICLES

12 (a) Creation; administration.

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

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

19 (b) Program structure. The Incentive Program for New PEVs shall
20 structure PEV purchase and lease incentive payments by income to help all

1 Vermonters benefit from electric driving, including Vermont’s most
2 vulnerable. Specifically, the Incentive Program for New PEVs:

3 (1) shall apply to both purchases and leases of new PEVs with an
4 emphasis on incentivizing the purchase and lease of battery electric vehicles
5 (BEVs) and plug-in hybrid electric vehicles (PHEVs) with an electric range of
6 20 miles or greater per complete charge as rated by the Environmental
7 Protection Agency when the vehicle was new;

8 (2) shall provide not more than one incentive of not more than
9 \$3,000.00 for a PEV, per individual per year, to:

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

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

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

19 (D) an individual who is part of a married couple with at least one
20 spouse domiciled in the State whose federal income tax filing status is married

1 filing jointly with an adjusted gross income under the laws of the United States
2 greater than \$90,000.00 and at or below \$150,000.00; or

3 (E) an individual who is part of a married couple with at least one
4 spouse domiciled in the State and at least one spouse whose federal income tax
5 filing status is married filing separately with an adjusted gross income under
6 the laws of the United States greater than \$60,000.00 and at or below
7 \$100,000.00;

8 (3) shall provide not more than one incentive of not more than
9 \$6,000.00 for a PEV, per individual per year, to:

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

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

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

19 (D) an individual who is part of a married couple with at least one
20 spouse domiciled in the State whose federal income tax filing status is married

1 filing jointly with an adjusted gross income under the laws of the United States
2 at or below \$90,000.00; or

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

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

9 (5) shall apply to:

10 (A) manufactured PEVs with any base Manufacturer's Suggested
11 Retail Price (MSRP) that will be issued a special registration plate by the
12 Commissioner of Motor Vehicles pursuant to 23 V.S.A. § 304a or will
13 predominately be used to provide accessible transportation for the incentive
14 recipient or a member of the incentive recipient's household, provided that the
15 incentive recipient or the member of the incentive recipient's household has a
16 removable windshield placard issued by the Commissioner of Motor Vehicles
17 pursuant to 23 V.S.A. § 304a;

18 (B) manufactured PHEVs with a base MSRP as determined by the
19 Agency of Transportation and meeting the following requirements:

20 (i) shall not exceed a base MSRP of \$55,000.00;

1 (ii) shall phase out incentives for PHEVs with an electric range of
2 less than 20 miles as rated by the Environmental Protection Agency when the
3 vehicle was new; and

4 (iii) shall be benchmarked to a base MSRP of the equivalent of
5 approximately \$50,000.00 or less in model year 2023; and

6 (C) manufactured BEVs with a base MSRP as determined by the
7 Agency of Transportation and meeting the following requirements:

8 (i) shall not exceed a base MSRP of \$55,000.00; and

9 (ii) shall be benchmarked to a base MSRP of the equivalent of
10 approximately \$50,000.00 or less in model year 2023; and

11 (6) shall provide incentives that may be in addition to any other
12 available incentives, including through another program funded by the State,
13 provided that not more than one incentive under the Incentive Program for
14 New PEVs is used for the purchase or lease of any one PEV.

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

18 (d) Outreach and marketing. The Agency, in consultation with any
19 retained contractors, shall ensure that there is sufficient outreach and
20 marketing, including the use of translation and interpretation services, of the
21 Incentive Program for New PEVs so that Vermonters who are eligible for an

1 incentive can easily learn how to secure as many different incentives as are
2 available, and such costs shall be considered administrative costs for purposes
3 of subsection (c) of this section.

4 § 2903. MILEAGESMART

5 (a) Creation; administration.

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

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

12 (b) Program structure. MileageSmart shall structure high fuel efficiency
13 purchase incentive payments by income to help all Vermonters benefit from
14 more efficient driving and reduced greenhouse gas emissions, including
15 Vermont's most vulnerable. Specifically, MileageSmart shall:

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

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

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

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

14 § 2904. REPLACE YOUR RIDE PROGRAM

15 (a) Creation; administration.

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

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 the Program.

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

7 (c) Incentive amount. The Replace Your Ride Program shall provide up to
8 a \$2,500.00 incentive for those who qualify under subdivision (d)(1)(A) of this
9 section and up to a \$5,000.00 incentive for those who qualify under
10 subdivision (d)(1)(B) of this section, either of which may be in addition to any
11 other available incentives, including through a program funded by the State, to
12 individuals who qualify based on both income and the removal of an internal
13 combustion vehicle. Only one incentive per individual is available under the
14 Replace Your Ride Program.

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

17 (1) Income eligibility.

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

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

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

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

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

14 (v) an individual who is part of a married couple with at least one
15 spouse domiciled in the State and at least one spouse whose federal income tax
16 filing status is married filing separately with an adjusted gross income under
17 the laws of the United States greater than \$60,000.00 and at or below
18 \$100,000.00.

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

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

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

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

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

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

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

21 (2) Vehicle removal.

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

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

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

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

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

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

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

17 (V) has an internal combustion engine; and

18 (VI) passed the annual inspection required under 23 V.S.A.
19 § 1222 within the prior year.

20 (ii) Removing the older low-efficiency vehicle from operation
21 must be done by disabling the vehicle’s engine from further use and fully

1 dismantling the vehicle for either donation to a nonprofit organization to be
2 used for parts or destruction.

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

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

6 (II) purchasing a new or used bicycle, electric bicycle, electric
7 cargo bicycle, adaptive electric cycle, or motorcycle that is fully electric, and
8 the necessary safety equipment; and

9 (III) utilizing shared-mobility services.

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

13 (f) Outreach and marketing. The Agency, in consultation with any retained
14 contractors, shall ensure that there is sufficient outreach and marketing,
15 including the use of translation and interpretation services, of the Replace Your
16 Ride Program so that Vermonters who are eligible for an incentive can easily
17 learn how to secure as many different incentives as are available and such costs
18 shall be considered administrative costs for purposes of subsection (e) of this
19 section.

1 § 2905. ANNUAL REPORTING

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

8 (b) The report shall also include:

9 (1) any intended modifications to program guidelines for the upcoming
10 fiscal year along with an explanation for the reasoning behind the
11 modifications and how the modifications will yield greater uptake of PEVs and
12 other means of transportation that will reduce greenhouse gas emissions; and

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

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

1 * * * Vehicle Incentive Program; Fiscal Year 2023 Authorizations * * *

2 Sec. 13. 2022 Acts and Resolves No. 184, Sec. 5 is amended to read:

3 Sec. 5. VEHICLE INCENTIVE PROGRAMS

4 (a) Incentive Program for New PEVs. The Agency is authorized to spend
5 up to \$12,000,000.00 as appropriated in the fiscal year 2023 budget on the
6 Incentive Program for New PEVs established in 2019 Acts and Resolves No.
7 59, Sec. 34, as amended, and subsequently codified in 19 V.S.A. chapter 29.

8 (b) MileageSmart. The Agency is authorized to spend up to \$3,000,000.00
9 as appropriated in the fiscal year 2023 budget on MileageSmart as established
10 in 2019 Acts and Resolves No. 59, Sec. 34, as amended, and subsequently
11 codified in 19 V.S.A. chapter 29.

12 (c) Replace Your Ride Program. The Agency is authorized to spend up to
13 \$3,000,000.00 as appropriated in the fiscal year 2023 budget on the Replace
14 Your Ride Program established in 2021 Acts and Resolves No. 55, Sec. 27, as
15 amended, and subsequently codified in 19 V.S.A. chapter 29.

16 * * *

17 * * * Electrify Your Fleet Program and eBike Incentive Program * * *

18 * * * Creation of Electrify Your Fleet Program and Authorization * * *

19 Sec. 14. ELECTRIFY YOUR FLEET PROGRAM; AUTHORIZATION

20 (a) Creation; administration.

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

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

6 (b) Authorization. The Agency is authorized to spend up to \$500,000.00 in
7 one-time General Fund monies on the Electrify Your Fleet Program
8 established pursuant to subsection (a)(1) of this section.

9 (c) Definitions. The definitions in 19 V.S.A. § 2901, as added by Sec. 12
10 of this act, shall apply to this section.

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

16 (1) provide incentives to Vermont municipalities and business entities
17 registered in Vermont that maintain a fleet of motor vehicles that are registered
18 in Vermont with no single applicant being eligible for more than 20 incentives
19 over the existence of the Program;

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

1 (A) BEVs with a base Manufacturer’s Suggested Retail Price
2 (MSRP) of \$60,000.00 or less;

3 (B) PHEVs with an electric range of 20 miles or greater per complete
4 charge as rated by the Environmental Protection Agency when the vehicle was
5 new and a base MSRP of \$60,000.00 or less;

6 (C) electric bicycles and electric cargo bicycles with a base MSRP of
7 \$6,000.00 or less;

8 (D) adaptive electric cycles with any base MSRP;

9 (E) electric motorcycles with a base MSRP of \$30,000.00 or less; and

10 (F) electric snowmobiles with a base MSRP of \$20,000.00 or less;

11 and

12 (3) require a showing that the incentive will be used to electrify the
13 applicant’s motor vehicle fleet.

14 (e) Administrative costs. Up to 15 percent of any appropriations for the
15 Electrify Your Fleet Program can be used for any costs associated with
16 administering and promoting the Electrify Your Fleet Program.

17 (f) Outreach and marketing. The Agency, in consultation with any retained
18 contractors, shall ensure that there is sufficient outreach and marketing,
19 including the use of translation and interpretation services, of the Electrify
20 Your Fleet Program so that persons who are eligible for an incentive can easily

1 learn how to secure an incentive and such costs shall be considered
2 administrative costs for purposes of subsection (e) of this section.

3 (g) Reporting. The reporting requirements of 19 V.S.A. § 2905, as added
4 by Sec. 12 of this act, shall, notwithstanding 2 V.S.A. § 20(d), apply to the
5 Electrify Your Fleet Program if an incentive is provided through the Electrify
6 Your Fleet Program unless the General Assembly takes specific action to
7 repeal the report requirement.

8 * * * eBike Incentive Program; Authorization * * *

9 Sec. 15. MODIFICATIONS TO EBIKE INCENTIVE PROGRAM;

10 REPORT

11 (a) Definitions. The definitions in 19 V.S.A. § 2901, as added by Sec. 12
12 of this act, shall apply to this section.

13 (b) Authorization and modifications. The Agency is authorized to spend up
14 to \$50,000.00 in one-time General Fund monies on the continuation of the
15 eBike Incentive Program established pursuant to 2021 Acts and Resolves No.
16 55, Sec. 28, as amended by 2022 Acts and Resolves No. 184, Sec. 23, with the
17 following modifications:

18 (1) incentives shall be provided in the form of a voucher redeemable as
19 a point-of-sale rebate at participating retail shops;

20 (2) vouchers shall be provided to applicants that self-certify as to both:

1 (A) meeting income eligibility requirements under 19 V.S.A.
2 § 2902(b)(3) (the lower-income tier for the Incentive Program for New PEVs),
3 as added by Sec. 12 of this act; and

4 (B) that the incentivized electric bicycle, electric cargo bicycle, or
5 adaptive electric cycle shall be used in a way that reduces greenhouse gas
6 emissions, such as a substitute for trips that would have been taken in a vehicle
7 other than a plug-in electric vehicle as defined in 23 V.S.A. § 4(85);

8 (3) only electric bicycles with a base Manufacturer’s Suggested Retail
9 Price (MSRP) between \$800.00 and \$4,000.00 shall be eligible for an
10 incentive;

11 (4) only electric cargo bicycles with a base MSRP of \$5,000.00 or less
12 shall be eligible for an incentive; and

13 (5) an adaptive electric cycle with any base MSRP shall be eligible for
14 an incentive.

15 (c) Administrative costs. Up to 15 percent of the authorization in
16 subsubsection (a) of this section may be used for any costs associated with
17 administering and promoting the eBike Incentive Program.

18 (d) Reporting. The Agency of Transportation shall address incentives for
19 electric bicycles, electric cargo bicycles, and adaptive electric cycles provided
20 pursuant to this section in the January 31, 2024 report required under 19
21 V.S.A. § 2905, as added by Sec. 12 of this act, including a:

1 (1) breakdown of who received an incentive under the eBike Incentive

2 Program;

3 (2) breakdown of where vouchers were redeemed;

4 (3) breakdown, by manufacturer and type, of electric bicycles, electric
5 cargo bicycles, and adaptive electric cycles incentivized;

6 (4) detailed summary of information provided in the self-certification
7 forms; and

8 (5) detailed summary information collected through participant surveys.

9 Sec. 16. AGENCY OF TRANSPORTATION AUTHORITY TO MODIFY
10 INCOME ELIGIBILITY REQUIREMENTS FOR EBIKE
11 INCENTIVE PROGRAM ON PASSAGE

12 Notwithstanding 2022 Acts and Resolves No. 55, Sec. 28(a)(3), the Agency
13 of Transportation may choose to only provide incentives to individuals who
14 self-certify as to meeting income eligibility requirements under 19 V.S.A.
15 § 2902(b)(3) (the lower-income tier for the Incentive Program for New PEVs),
16 as added by Sec. 12 of this act.

17 * * * Reallocation of Funding * * *

18 Sec. 17. 2022 Acts and Resolves No. 184, Sec. 2(8)(C), as amended by the
19 fiscal year 2023 budget adjustment act, Sec. 83, is further amended to read:

20 (C) Replace Your Ride Program. Sec. 5(c) of this act authorizes
21 ~~\$2,900,000.00~~ \$2,350,000.00 for incentives under Replace Your Ride, which

1 will be the State’s program to incentivize Vermonters to remove older low-
2 efficiency vehicles from operation and switch to modes of transportation that
3 produce fewer greenhouse gas emissions, and capped administrative costs.

4 Sec. 18. 2022 Acts and Resolves No. 184, Sec. 5(c), as amended by the fiscal
5 year 2023 budget adjustment act, Sec. 84, is further amended to read:

6 (c) Replace Your Ride Program. The Agency is authorized to spend up to
7 ~~\$2,900,000.00~~ \$2,350,000.00 as appropriated in the fiscal year 2023 budget on
8 the Replace Your Ride Program established in 2021 Acts and Resolves No. 55,
9 Sec. 27, as amended.

10 Sec. 19. 2022 Acts and Resolves No. 185, Sec. G.600(b)(5), as amended by
11 the fiscal year 2023 budget adjustment act, Sec. 85, is further amended to read:

12 (5) ~~\$2,900,000.00~~ \$2,350,000.00 to the Agency of Transportation for the
13 Replace Your Ride Program, established in 2021 Acts and Resolves No. 55,
14 Sec. 27, as amended.

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

16 Sec. 20. MILEAGE-BASED USER FEE LEGISLATIVE INTENT

17 It is the intent of the General Assembly for the State:

18 (1) to start collecting a mileage-based user fee from all battery-electric
19 vehicles registered in Vermont starting on July 1, 2025, which is expected to
20 be the first day of the first fiscal year where more than 15 percent of new
21 pleasure car registrations in the State are plug-in electric vehicles (PEVs);

1 (2) to start subjecting plug-in hybrid electric vehicles (PHEVs) that are a
2 pleasure car to an annual or a biennial registration fee that is one and three-
3 quarters times the amount of the annual or biennial fee for a pleasure car
4 pursuant to 23 V.S.A. § 361 starting on July 1, 2025, and that PHEVs shall not
5 be subject to a mileage-based user fee;

6 (3) to work towards collecting a fee on kWhs that are dispensed through
7 certain electric vehicle supply equipment available to the public so as to
8 supplant lost gas tax revenue from PEVs that are not registered in Vermont but
9 utilize highways in Vermont; and

10 (4) to not commence collecting a mileage-based user fee until such
11 authorizing language is codified in statute and becomes effective.

12 Sec. 21. MILEAGE-BASED USER FEE AUTHORIZATION

13 (a) Within the Agency of Transportation’s Proposed Fiscal Year 2024
14 Transportation Program for Environmental Policy and Sustainability, the
15 Agency of Transportation, including the Department of Motor Vehicles, is
16 authorized to apply for and accept a competitive federal Strategic Innovation
17 for Revenue Collection grant established pursuant to the Infrastructure
18 Investment and Jobs Act, Pub. L. No. 117-58 (IIJA), Sec. 13001 in an amount
19 not to exceed \$3,500,000.00 in federal monies, with up to \$350,000.00 in
20 Transportation Fund monies authorized for the nonfederal match in fiscal year
21 2024.

1 (b) As permitted under federal regulations and grant terms, the Agency
2 shall utilize grant monies to design a mileage-based user fee that is consistent
3 with Secs. 20 and 22 of this act.

4 (c) Subject to State procurement requirements, the Agency may retain one
5 or more contractors or consultants, or both, to assist with the design of a
6 process to commence collecting a mileage-based user fee on July 1, 2025.

7 **Sec. 22. MILEAGE-BASED USER FEE DESIGN**

8 (a) Definitions. As used in this section and Secs. 21 and 23 of this act:

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

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

15 (3) “Mileage-based user fee” means the total amount that an owner or
16 lessee of a BEV registered in Vermont owes the State and is calculated by
17 multiplying the mileage-based user fee rate by the annual vehicle miles
18 traveled or, in the case of a terminating event, by multiplying the mileage-
19 based user fee rate by the vehicle miles traveled between the last Vermont
20 annual inspection and the terminating event.

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

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

5 (6) “Pleasure car” has the same meaning as in 23 V.S.A. § 4(28).

6 (7) “Plug-in electric vehicle (PEV)” has the same meaning as in
7 23 V.S.A. § 4(85) and includes battery electric vehicles (BEVs) and plug-in
8 hybrid electric vehicles (PHEVs), which have the same meaning as in
9 23 V.S.A. § 4(85)(A) and (B).

10 (8) “Terminating event” means either the registering of a BEV that had
11 been registered in Vermont in a different state or a change in ownership or
12 lesseeship of the BEV, or both.

13 (b) Commencement date. The Agency shall design a process to collect a
14 mileage-based user fee for miles driven by a BEV registered in Vermont to
15 commence collecting revenue on July 1, 2025.

16 (c) Covered vehicles. The Agency shall design a process to collect a
17 mileage-based user fee based on the annual vehicle miles traveled by BEVs
18 registered in the State.

19 (d) Imposition of a mileage-based user fee. The Agency shall design a
20 process to collect a mileage-based user fee from the owner or lessee of a BEV
21 registered in Vermont for each mileage reporting period within 60 days after

1 the Vermont annual inspection or terminating event that closes the mileage
2 reporting period.

3 Sec. 23. REPORTS

4 The Secretary of Transportation and the Commissioner of Motor Vehicles
5 shall file a written report not later than January 31, 2024 with the House and
6 Senate Committees on Transportation, the House Committee on Ways and
7 Means, and the Senate Committee on Finance that provides the following:

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

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

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

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

20 (C) how the anticipated mileage-based user fee for a pleasure car is
21 expected to compare to the amount collected by the State in gas tax revenue

1 from the use of a non-PEV pleasure car registered in Vermont and the amount
2 collected by the State in gas tax revenue and increased registration fee from the
3 use of a non-PHEV pleasure car registered in Vermont based on estimates of
4 low, medium, and high annual vehicle miles traveled;

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

8 (A) the total amount of revenue collected in mileage-based user fees
9 for the prior fiscal year and an estimate of the total amount of revenue
10 anticipated to be collected in mileage-based user fees during the subsequent
11 fiscal year;

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

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

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

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

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

5 (G) the cost to collect the mileage-based user fees in the prior fiscal
6 year;

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

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

13 (B) payment periods and other payment methods and procedures for
14 the payment of the mileage-based user fee, which shall include the option to
15 prepay the anticipated mileage-based user fee in installments on a monthly,
16 quarterly, or annual basis;

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

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

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

4 (F) Agency oversight of any account manager, including privacy
5 protection of personal information and access and auditing capability of
6 financial and other records related to administration of the process to collect a
7 mileage-based user fee; and

8 (5) an update on what other states and the federal government are doing
9 to address lost gas tax revenue from the adoption of PEVs along with any
10 applicable suggestions for opportunities for regional collaboration and an
11 explanation of the source of the information provided under this subdivision.

12 * * * Transportation Programs; Federal Carbon Reduction Program;

13 PROTECT Formula Program; Prioritization; Equity * * *

14 Sec. 24. AGENCY OF TRANSPORTATION EFFORTS TO IMPLEMENT
15 THE FEDERAL CARBON REDUCTION PROGRAM AND
16 PROTECT FORMULA PROGRAM; PRIORITIZATION; EQUITY

17 (a) The Agency of Transportation, through its development of the State’s
18 Carbon Reduction Strategy, shall:

19 (1) develop a methodology to:

20 (A) quantify the emissions reductions the Agency will achieve from
21 the State’s Transportation Program;

1 (B) measure the gap between the emissions reductions calculated
2 under subdivision (A) of this subdivision (a)(1) and the emissions reductions
3 required under the Global Warming Solutions Act, as codified in 10 V.S.A.
4 § 578; and

5 (C) evaluate what additional emissions reductions are possible
6 through the implementation of additional policies and programs within the
7 State’s Transportation Program;

8 (2) articulate the ongoing investments, particularly under the Carbon
9 Reduction Program, established through the Infrastructure Investment and Jobs
10 Act, Pub. L. No. 117-58 (IIJA) and codified as 23 U.S.C. § 175, that the
11 Agency intends to implement through the State’s annual Transportation
12 Program in order to reduce emissions from activities within the control of the
13 Agency;

14 (3) identify and evaluate the effectiveness of other policies and
15 programs to reduce transportation sector greenhouse gas emissions as required
16 by the Global Warming Solutions Act, as codified in 10 V.S.A. § 578, and as
17 identified in the Vermont Climate Action Plan, as amended, which shall
18 include:

19 (A) an analysis of the potential to generate revenue sources sufficient
20 for ongoing greenhouse gas emissions reduction implementation; and

1 (B) recommendations regarding additional policy or revenue sources
2 to close any implementation gaps identified in subdivision (a)(1)(B) of this
3 section;

4 (4) engage in public outreach through the following:

5 (A) establishing an advisory committee with a broad group of
6 stakeholders, including representatives of the Vermont Climate Council, to
7 help guide the identification and evaluation of policies and programs to reduce
8 transportation sector greenhouse gas emissions;

9 (B) working with stakeholders, including environmental groups;
10 community-based organizations that represent equity and environmental
11 justice interests; business community groups, including chambers of
12 commerce; transportation industry associations, including those representing
13 rail and trucking; municipalities; regional planning commissions; and elected
14 officials on ways to reduce transportation sector greenhouse gas emissions;
15 and

16 (C) hosting not less than two public meetings, with at least one to
17 gather input on proposed policies and programs to reduce transportation sector
18 greenhouse gas emissions and at least one to address the evaluation of the
19 anticipated outcomes of the draft of the State’s Carbon Reduction Strategy;
20 and

21 (5) coordinate with the Climate Action Office within the Agency of
22 Natural Resources to track and report progress towards achieving the State’s

1 greenhouse gas emissions as required by the Global Warming Solutions Act
2 and codified in 10 V.S.A. § 578.

3 (b) The Agency shall develop the State’s Resilience Improvement Plan to
4 establish how it will use federal monies available under the Promoting
5 Resilient Operations for Transformative, Efficient, and Cost-Saving
6 Transportation (PROTECT) Formula Program, established through the IJA
7 and codified as 23 U.S.C. § 176, and existing tools and processes to address
8 transportation resilience, specifically for:

9 (1) resilience planning, predesign, design, or the development of data
10 tools to simulate transportation disruption scenarios, including vulnerability
11 assessments, community response strategies, or evacuation planning and
12 preparation;

13 (2) resilience projects to improve the ability of an existing surface
14 transportation asset to withstand one or more elements of a weather event or
15 natural disaster; and

16 (3) community resilience and evacuation route activities that strengthen
17 and protect routes that are essential for providing and supporting evacuations
18 caused by emergency events.

19 (c) The Agency shall develop recommendations for the integration of
20 carbon reduction, resilience, and equity factors into its project prioritization
21 system through the Agency’s existing prioritization process and the
22 development of the Equity Framework Project.

1 Sec. 25. REPORT ON TRANSPORTATION PLANNING STATUTES

2 The Agency of Transportation shall provide written reports summarizing
3 the work completed pursuant to Sec. 24 of this act and written
4 recommendations on how to amend statute, including 19 V.S.A. §§ 10b and
5 10i, to reflect the work completed pursuant to Sec. 24 of this act to the House
6 and Senate Committees on Transportation. A draft written report shall be
7 provided on or before October 15, 2023 and a final written report shall be
8 provided on or before January 15, 2024.

9 * * * Complete Streets * * *

10 Sec. 26. 19 V.S.A. § 10b is amended to read:

11 § 10b. STATEMENT OF POLICY; GENERAL

12 (a) The Agency shall be the responsible agency of the State for the
13 development of transportation policy. It shall develop a mission statement to
14 reflect:

15 (1) that State transportation policy shall be to encompass, coordinate,
16 and integrate all modes of transportation and to consider “complete streets”, as
17 defined in section 2401 of this title, principles, which are principles of safety
18 and accommodation of all transportation system users, regardless of age,
19 ability, or modal preference; and

20 (2) the need for transportation projects that will improve the State’s
21 economic infrastructure, as well as the use of resources in efficient,

1 coordinated, integrated, cost-effective, and environmentally sound ways, and
2 that will be consistent with the recommendations of the Comprehensive
3 Energy Plan (CEP) issued under 30 V.S.A. § 202b.

4 (b) The Agency shall coordinate planning ~~and~~ education, and training
5 efforts with those of ~~the Vermont Climate Change Oversight Committee and~~
6 ~~those of~~ local and regional planning entities to:

7 (1) ~~to~~ ensure that the transportation system as a whole is integrated; that
8 access to the transportation system as a whole is integrated; and that statewide,
9 local, and regional conservation and efficiency opportunities and practices are
10 integrated; and

11 (2) ~~to~~ support employer-led or local or regional government-led
12 conservation, efficiency, rideshare, and bicycle programs and other innovative
13 transportation advances, especially employer-based incentives.

14 (c) In developing the State’s annual Transportation Program, the Agency
15 shall, consistent with the planning goals listed in 24 V.S.A. § 4302 ~~as amended~~
16 ~~by 1988 Acts and Resolves No. 200~~ and with appropriate consideration to
17 local, regional, and State agency plans:

18 (1) ~~Develop~~ develop or incorporate designs that provide integrated, safe,
19 and efficient transportation and that are consistent with the recommendations
20 of the CEP;

1 ~~(2)(A) Consider the safety and accommodation of all transportation~~
2 ~~system users, including motorists, bicyclists, public transportation users, and~~
3 ~~pedestrians of all ages and abilities, consider complete streets principles in all~~
4 State- and municipally managed transportation projects and project phases,
5 including planning, development, construction, and maintenance, except in the
6 case of projects or project components involving unpaved highways. ~~If, after~~
7 ~~the consideration required under this subdivision, a State-managed project does~~
8 ~~not incorporate complete streets principles, the project manager shall make a~~
9 ~~written determination, supported by documentation and available for public~~
10 ~~inspection at the Agency, that one or more of the following circumstances~~
11 ~~exist:~~

12 ~~(i) Use of the transportation facility by pedestrians, bicyclists, or~~
13 ~~other users is prohibited by law.~~

14 ~~(ii) The cost of incorporating complete streets principles is~~
15 ~~disproportionate to the need or probable use as determined by factors including~~
16 ~~land use, current and projected user volumes, population density, crash data,~~
17 ~~historic and natural resource constraints, and maintenance requirements. The~~
18 ~~Agency shall consult local and regional plans, as appropriate, in assessing~~
19 ~~these and any other relevant factors.~~

20 ~~(iii) Incorporating complete streets principles is outside the scope~~
21 ~~of a project because of its very nature.~~

1 ~~(B) The written determination required under subdivision (A) of this~~
 2 ~~subdivision (2) shall be final and shall not be subject to appeal or further~~
 3 ~~review.;~~

4 (3) ~~Promote~~ promote economic opportunities for Vermonters and the
 5 best use of the State’s environmental and historic resources; and

6 (4) ~~Manage~~ manage available funding to:

7 * * *

8 Sec. 27. REPEAL

9 19 V.S.A. § 309d (policy for municipally managed transportation projects)
 10 is repealed.

11 Sec. 28. 19 V.S.A. chapter 24 is added to read:

12 CHAPTER 24. COMPLETE STREETS

13 § 2401. DEFINITION

14 As used in this chapter, “complete streets” means streets that provide safe
 15 and accessible options for multiple travel modes for individuals of all ages and
 16 abilities, including walking, cycling, public transportation, and motor vehicles.

17 § 2402. STATE POLICY

18 (a) Agency of Transportation funded, designed, or funded and designed
 19 projects shall seek to increase and encourage more pedestrian, bicycle, and
 20 public transit trips, with the State goal to promote intermodal access to the
 21 maximum extent feasible, which will help the State meet the transportation-

1 related recommendations outlined in the Comprehensive Energy Plan (CEP)
2 issued under 30 V.S.A. § 202b and the recommendations of the Vermont
3 Climate Action Plan (CAP) issued under 10 V.S.A. § 592.

4 (b) Except in the case of projects or project components involving unpaved
5 highways, for all transportation projects and project phases managed by the
6 Agency or a municipality, including planning, development, construction, or
7 maintenance, it is the policy of this State for the Agency and municipalities, as
8 applicable, to incorporate complete streets principles that:

9 (1) serve individuals of all ages and abilities, including vulnerable users
10 as defined in 23 V.S.A. § 4(81);

11 (2) follow state-of-the-practice design guidance; and

12 (3) are sensitive to the surrounding community, including current and
13 planned buildings, parks, and trails and current and expected transportation
14 needs.

15 § 2403. PROJECTS NOT INCORPORATING COMPLETE STREETS

16 PRINCIPLES

17 (a) State projects. A State-managed project shall incorporate complete
18 streets principles unless the project manager makes a written determination,
19 supported by documentation, that one or more of the following circumstances
20 exist:

1 (1) Use of the transportation facility by pedestrians, bicyclists, or other
2 users is prohibited by law.

3 (2) The cost of incorporating complete streets principles is
4 disproportionate to the need or probable use as determined by factors including
5 land use, current and projected user volumes, population density, crash data,
6 historic and natural resource constraints, and maintenance requirements. The
7 Agency shall consult local and regional plans, as appropriate, in assessing
8 these and any other relevant factors. If the project manager bases the written
9 determination required under this subsection in whole or in part on this
10 subdivision then the project manager shall provide a supplemental written
11 determination with specific details on costs, needs, and probable uses, as
12 applicable.

13 (3) Incorporating complete streets principles is outside the limited scope
14 of a project as defined in the latest version of the Agency’s Complete Streets
15 Guidance.

16 (b) Municipal projects. A municipally managed project shall incorporate
17 complete streets principles unless the municipality managing the project makes
18 a written determination, supported by documentation, that one or more of the
19 following circumstances exist:

20 (1) Use of the transportation facility by pedestrians, bicyclists, or other
21 users is prohibited by law.

1 (2) The cost of incorporating complete streets principles is
2 disproportionate to the need or probable use as determined by factors such as
3 land use, current and projected user volumes, population density, crash data,
4 historic and natural resource constraints, and maintenance requirements. The
5 municipality shall consult local and regional plans, as appropriate, in assessing
6 these and any other relevant factors. If the municipality managing the project
7 bases the written determination required under this subsection in whole or in
8 part on this subdivision then the project manager shall provide a supplemental
9 written determination with specific details on costs, needs, and probable uses,
10 as applicable.

11 (3) Incorporating complete streets principles is outside the limited scope
12 of a project as defined in the latest version of the Agency’s Complete Streets
13 Guidance.

14 (c) Finality of determinations. The written determinations required by
15 subsections (a) and (b) of this section shall be final and shall not be subject to
16 appeal or further review.

17 (d) Posting of determinations. The written determinations required by
18 subsections (a) and (b) of this section shall be posted to the municipality’s
19 website, in the case of a municipally managed project, and a web page on the
20 Agency of Transportation’s website dedicated to complete streets, in the case
21 of a State-managed project.

1 § 2404. ANNUAL REPORT; PUBLIC DATABASE

2 (a) Annual report. Notwithstanding 2 V.S.A. § 20(d), the Agency shall
3 annually, on or before September 1 starting in 2025, submit a report detailing
4 the State’s efforts in following the complete streets policy established in
5 section 2402 of this chapter during the previous fiscal year to the House and
6 Senate Committees on Transportation.

7 (b) Public database.

8 (1) The Agency of Transportation shall post to a web page dedicated to
9 complete streets on the Agency’s website a database of all State-managed
10 transportation projects that have been bid since January 1, 2023 along with a
11 description of the project, the location of the project, which complete streets
12 principles were incorporated in the project, as applicable, and an explanation as
13 to which circumstance or circumstances contained in subsection 2403(a) of this
14 chapter existed in the case of projects not incorporating complete streets
15 principles.

16 (2) The database required under this subsection shall be updated on at
17 least an annual basis.

18 Sec. 29. IMPLEMENTATION; PUBLIC DATABASE

19 The Agency shall create and post the database required under 19 V.S.A.
20 § 2404(b), as added by Sec. 28 of this act, on or before January 1, 2024.

1 Sec. 30. MUNICIPAL TRAINING ON COMPLETE STREETS

2 The Agency of Transportation, in consultation with the Vermont League of
3 Cities and Towns and regional planning commissions, shall design and
4 implement a program to provide training on complete streets to municipalities.

5 Sec. 31. REPLACEMENT OF THE CURRENT VERMONT STATE
6 STANDARDS

7 (a) The Agency of Transportation will be preparing replacements to the
8 current Vermont State Standards and related documents, standards, guidance,
9 and procedures in accordance with the plan required pursuant to 2022 Acts and
10 Resolves No. 184, Sec. 19.

11 (b) The Agency shall provide an oral update on the process to replace the
12 current Vermont State Standards and related documents, standards, guidance,
13 and procedures to the House and Senate Committees on Transportation on or
14 before February 15, 2024.

15 * * * Sunset Extension * * *

16 Sec. 32. 2018 Acts and Resolves No. 158, Sec. 21 is amended to read:

17 Sec. 21. REPEAL OF TRANSPORTATION P3 AUTHORITY

18 19 V.S.A. §§ ~~2613 (Agency of Transportation's P3 authority) and 2614~~
19 ~~(legislative approval of P3 proposals)~~ chapter 26, subchapter 2 shall be
20 repealed on July 1, ~~2023~~ 2026.

* * * Repeals * * *

1
2 Sec. 33. REPEALS

3 (a) 5 V.S.A. § 3616 (connection of passenger trains; Board may determine)
4 is repealed.

5 (b) 19 V.S.A. § 314 (covered bridges restrictions; vote at town meeting) is
6 repealed.

7 * * * Municipal and Regional Support for a Route 5 Bicycle Corridor * * *

8 **Sec. 34. SUPPORT FOR A ROUTE 5 BICYCLE CORRIDOR; SURVEY**
9 **REPORT**

10 (a) The Agency of Transportation, in partnership with regional planning
11 commissions through the annual Transportation Planning Initiative, shall
12 conduct a survey of municipal support for the creation of a bicycle corridor—
13 consisting of one or more segments of bicycle lanes or bicycle paths, or both—
14 to provide a safe means of travel via bicycle on or along a route that is roughly
15 adjacent to U.S. Route 5 for the approximately 190 miles spanning between the
16 State border with Massachusetts and the State border with Quebec, Canada.

17 (b) The survey shall address the level of interest of municipalities and
18 regional planning commissions in prioritizing the creation of a bicycle corridor
19 along some or all of U.S. Route 5, including the consideration of the costs of
20 creation and benefits to the tourism industry in Vermont in general and to the
21 municipalities along U.S. Route 5 in particular.

1 (c) The Agency shall provide a report on outcome of the survey to the
2 House and Senate Committees on Transportation on or before January 15,
3 2024.

4 * * * Agency of Transportation Positions * * *

5 Sec. 35. AGENCY OF TRANSPORTATION POSITIONS

6 (a) The conversion of the following limited-service positions to permanent
7 classified positions is authorized in fiscal year 2024: nine State Airport
8 Maintenance Workers and one State Airport Operations Specialist.

9 (b) The establishment of the following new permanent classified positions
10 is authorized in fiscal year 2024: one Transportation Operations Technician III
11 and one Transportation Technician IV within Highway Maintenance.

12 * * * Effective Dates * * *

13 Sec. 36. EFFECTIVE DATES

14 (a) This section and Secs. 16 (authority to modify eBike Incentive Program
15 eligibility requirements) and 32 (extension of sunset for Agency of
16 Transportation’s P3 authority) shall take effect on passage.

17 (b) All other sections shall take effect on July 1, 2023.