

1 TO THE HONORABLE SENATE:

2 The Committee on Transportation to which was referred House Bill No.
3 479 entitled “An act relating to the Transportation Program and miscellaneous
4 changes to laws related to transportation” respectfully reports that it has
5 considered the same and recommends that the Senate propose to the House that
6 the bill be amended by striking out all after the enacting clause and inserting in
7 lieu thereof the following:

8 * * * Transportation Program Adopted as Amended; Definitions;
9 Technical Corrections * * *

10 Sec. 1. TRANSPORTATION PROGRAM ADOPTED; DEFINITIONS;

11 TECHNICAL CORRECTIONS

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

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

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

18 (2) “Candidate project” means a project approved by the General

19 Assembly that is not anticipated to have significant expenditures for

20 preliminary engineering or right-of-way expenditures, or both, during the

1 budget year and funding for construction is not anticipated within a predictable
2 time frame.

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

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

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

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

15 (7) The table heading “As Proposed” means the Proposed
16 Transportation Program referenced in subsection (a) of this section; the table
17 heading “As Amended” means the amendments as made by this act; the table
18 heading “Change” means the difference obtained by subtracting the “As
19 Proposed” figure from the “As Amended” figure; the terms “change” or
20 “changes” in the text refer to the project- and program-specific amendments,
21 the aggregate sum of which equals the net “Change” in the applicable table

1 heading; and “State” in any tables amending authorizations indicates that the
2 source of funds is State monies in the Transportation Fund, unless otherwise
3 specified.

4 (c) Technical corrections.

5 (1) In the Agency of Transportation’s Proposed Fiscal Year 2024
6 Transportation Program for Municipal Mitigation, the value “\$7,685,523” is
7 struck and the value “\$10,113,523” is inserted in lieu thereof to correct a
8 typographic error; the value “\$3,355,523” is struck and the value “\$4,783,523”
9 is inserted in lieu thereof to correct a typographic error; the value “\$4,000,000”
10 is struck and the value “\$5,000,000” is inserted in lieu thereof to correct a
11 typographic error; and the value “\$8,060,523” is struck twice and the value
12 “\$10,488,523” is inserted in lieu thereof twice to correct two typographic
13 errors.

14 (2) In the Agency of Transportation’s Proposed Fiscal Year 2024
15 Transportation Program for Aviation, in the summary chart, the value
16 “\$11,335,874” is struck and the value “\$10,885,874” is inserted in lieu thereof
17 to correct a typographic error; the value “\$4,759,078” is struck and the value
18 “\$4,719,078” is inserted in lieu thereof to correct a typographic error; and the
19 value “\$17,764,405” struck and the value “\$17,274,405” is inserted in lieu
20 thereof to correct a typographic error.

1 (3) In the Agency of Transportation’s Proposed Fiscal Year 2024
2 Transportation Program for Rail, in the project details, the following projects
3 are deleted:

4 (A) Rail Statewide – Railroad Bridges; and

5 (B) Rail Statewide STRBMATN – Various-Railroads.

6 * * * Summary of Transportation Investments * * *

7 Sec. 2. FISCAL YEAR 2024 TRANSPORTATION INVESTMENTS
8 INTENDED TO REDUCE TRANSPORTATION-RELATED
9 GREENHOUSE GAS EMISSIONS, REDUCE FOSSIL FUEL
10 USE, AND SAVE VERMONT HOUSEHOLDS MONEY

11 This act includes the State’s fiscal year 2024 transportation investments
12 intended to reduce transportation-related greenhouse gas emissions, reduce
13 fossil fuel use, and save Vermont households money in furtherance of the
14 policies articulated in 19 V.S.A. § 10b and the goals of the Comprehensive
15 Energy Plan and the Vermont Climate Action Plan and to satisfy the Executive
16 and Legislative Branches’ commitments to the Paris Agreement climate goals.
17 In fiscal year 2024, these efforts will include the following:

18 (1) Park and Ride Program. This act provides for a fiscal year
19 expenditure of \$2,266,045.00, which will fund one construction project to
20 create a new park-and-ride facility; the design and construction of
21 improvements to one existing park-and-ride facility; the design of

1 improvements to one existing park-and-ride facility scheduled for construction
2 in future fiscal years; and paving projects for existing park-and-ride facilities.

3 This year’s Park and Ride Program will create 202 new State-owned spaces.

4 Specific additions and improvements include:

5 (A) Manchester—construction of 50 new spaces;

6 (B) Sharon—design for 10 new spaces; and

7 (C) Williston—construction of 142 new spaces.

8 (2) Bike and Pedestrian Facilities Program.

9 (A) This act provides for a fiscal year expenditure, including local
10 match, of \$13,039,521.00, which will fund 33 bike and pedestrian construction
11 projects; 18 bike and pedestrian design, right-of-way, or design and right-of
12 way projects for construction in future fiscal years; 15 scoping studies; and
13 three projects to improve signage. The construction projects include the
14 creation, improvement, or rehabilitation of walkways, sidewalks, shared-use
15 paths, bike paths, and cycling lanes. Projects are funded in Arlington,
16 Bennington, Berlin, Bethel, Brattleboro, Bristol, Burke, Burlington, Castleton,
17 Chester, Coventry, Dorset, Dover, Enosburg Falls, Fair Haven, Fairfax,
18 Franklin, Hartford, Hartland, Hinesburg, Jericho, Lyndonville, Middlebury,
19 Middlesex, Montpelier, Moretown, New Haven, Newfane, Newport City,
20 Northfield, Pawlet, Proctor, Richford, Royalton, Rutland City, Rutland Town,
21 Shaftsbury, Shelburne, South Burlington, South Hero, Springfield, St. Albans

1 City, St. Albans Town, Sunderland, Swanton, Tunbridge, Vergennes,
2 Wallingford, Waterbury, West Rutland, and Wilmington. This act also
3 provides funding for:

4 (i) some of Local Motion’s operation costs to run the Bike Ferry
5 on the Colchester Causeway, which is part of the Island Line Trail;

6 (ii) the small-scale municipal bicycle and pedestrian grant
7 program for projects to be selected during the fiscal year;

8 (iii) projects funded through the Safe Routes to School program;

9 (iv) education and outreach to K–8 schools to encourage higher
10 levels of walking and bicycling to school; and

11 (v) community grants along the Lamoille Valley Rail Trail
12 (LVRT).

13 (B) Sec. 5 of this act also creates the Rail Trail Community
14 Connectivity Grants, with the purpose to continue the build out and
15 enhancement of LVRT amenities and improve visitor experience.

16 (3) Transportation Alternatives Program. This act provides for a fiscal
17 year expenditure of \$5,195,346.00, including local funds, which will fund 22
18 transportation alternatives construction projects; 19 transportation alternatives
19 design, right-of-way, or design and right-of-way projects; and seven studies,
20 including scoping, historic preservation, and connectivity. Of these 48
21 projects, 16 involve environmental mitigation related to clean water or

1 stormwater concerns, or both clean water and stormwater concerns, and 29
2 involve bicycle and pedestrian facilities. Projects are funded in Bennington,
3 Brandon, Bridgewater, Bristol, Burke, Burlington, Colchester, Derby,
4 Duxbury, Enosburg, Fair Haven, Fairfax, Franklin, Hartford, Hinesburg, Hyde
5 Park, Jericho, Johnson, Killington, Mendon, Milton, Montgomery, Moretown,
6 Newfane, Norwich, Proctor, Putney, Rockingham, Rutland City, South
7 Burlington, Stowe, Swanton, Tinmouth, Vergennes, Wardsboro, Warren, West
8 Rutland, Williston, Wilmington, and Winooski.

9 (4) Public Transit Program. This act provides for a fiscal year
10 expenditure of \$48,795,330.00 for public transit uses throughout the State.

11 Included in the authorization are:

12 (A) Go! Vermont, with an authorization of \$405,000.00. This
13 authorization supports transportation demand management (TDM) strategies,
14 including the State’s Trip Planner and commuter services, to promote the use
15 of carpools and vanpools.

16 (B) Mobility and Transportation Innovations (MTI) Grant Program,
17 with an authorization of \$500,000.00. This authorization continues to support
18 projects that improve both mobility and access to services for transit-dependent
19 Vermonters, reduce the use of single-occupancy vehicles, and reduce
20 greenhouse gas emissions.

1 (5) Rail Program. This act provides for a fiscal year expenditure of
2 \$43,008,320.00, including local funds, for intercity passenger rail service and
3 rail infrastructure throughout the State, including the recent addition of New
4 York City–Burlington passenger rail service.

5 (6) Transformation of the State Vehicle Fleet. The Department of
6 Buildings and General Services, which manages the State Vehicle Fleet,
7 currently has 21 plug-in hybrid electric vehicles and 13 battery electric
8 vehicles in the State Vehicle Fleet. In fiscal year 2024, the Commissioner of
9 Buildings and General Services will continue to purchase and lease vehicles
10 for State use in accordance with 29 V.S.A. § 903(g), which requires, to the
11 maximum extent practicable, that the Commissioner purchase or lease hybrid
12 or plug-in electric vehicles (PEVs), as defined in 23 V.S.A. § 4(85), with not
13 less than 75 percent of the vehicles purchased or leased be hybrid or plug-in
14 electric vehicles.

15 (7) Electric vehicle supply equipment (EVSE). This act provides for a
16 fiscal year expenditure of \$7,625,000.00 to increase the presence of EVSE in
17 Vermont in accordance with the State’s federally approved National Electric
18 Vehicle Infrastructure (NEVI) Plan, which will lead to the installation of
19 Direct Current Fast Charging (DC/FC) along designated alternative fuel
20 corridors. This is in addition to monies that were previously appropriated, but

1 not yet expended, for EVSE at multiunit dwellings, workplaces, and public
2 venues and attractions.

3 (8) Vehicle incentive programs and expansion of the PEV market.

4 (A) Incentive Program for New PEVs, MileageSmart, and Replace
5 Your Ride Program. No additional monies are authorized for the State’s
6 vehicle incentive programs in this act, but it is estimated that approximately the
7 following prior appropriations will be available in fiscal year 2024:

8 (i) \$8,200,000.00 for the Incentive Program for New PEVs;

9 (ii) \$2,250,000.00 for MileageSmart; and

10 (iii) \$3,200,000.00 for the Replace Your Ride Program.

11 (B) Electrify Your Fleet Program. Sec. 17 of this act creates the
12 Electrify Your Fleet Program, which will provide incentives to Vermont
13 municipalities and business entities in Vermont that maintain a fleet of motor
14 vehicles to incentivize a transition to PEVs and reduce greenhouse gas
15 emissions, including a limited number of increased incentives to nonprofit
16 mobility services organizations, and authorizes \$500,000.00 in incentives
17 under the Electrify Your Fleet Program.

18 (C) eBike Incentive Program. Sec. 18 of this act authorizes an
19 additional \$50,000.00 in incentives under the eBike Incentive Program.

20 (9) Carbon Reduction Formula Program and Promoting Resilient
21 Operations for Transformative, Efficient, and Cost-Saving Transportation

1 (PROTECT) Formula Program. This act provides for a fiscal year expenditure
2 of \$12,771,029.00 in State and federal monies under the Carbon Reduction
3 Formula Program and the PROTECT Formula Program.

4 * * * One-Time Appropriations * * *

5 Sec. 3. ONE-TIME APPROPRIATIONS

6 (a) Within the Agency of Transportation’s Proposed Fiscal Year 2024
7 Transportation Program for One-Time Appropriations, authorized spending is
8 amended as follows:

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

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

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

9 Sec. 5. RAIL TRAIL COMMUNITY CONNECTIVITY GRANTS

10 (a) Project addition. The following project is added to the Agency of
11 Transportation’s Proposed Fiscal Year 2024 Transportation Rail Program:
12 Rail Trail Community Connectivity Grants.

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

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

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

3 * * * Project Cancellations; Project Addition * * *

4 Sec. 6. PROJECT CANCELLATIONS; PROJECT ADDITION

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

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

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

17 * * * Transportation Alternatives Grant Program * * *

18 Sec. 7. TRANSPORTATION ALTERNATIVES GRANT PROGRAM

19 AWARDS IN STATE FISCAL YEARS 2024 TO 2027

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 (c);

17 (B) the amount of the equipment depreciation expense from the prior
18 fiscal year; and

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

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

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

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

7 (g) [Repealed.]

8 * * * Appropriation for Acquisition of New or Replacement Equipment in
9 State Fiscal Years 2024–2026 * * *

10 Sec. 9. CALCULATION OF APPROPRIATION FROM CENTRAL
11 GARAGE FUND FOR ACQUISITION OF NEW OR
12 REPLACEMENT EQUIPMENT IN STATE FISCAL YEARS
13 2024–2026

14 Notwithstanding 19 V.S.A. § 13(c)(2)(B), the amount appropriated from the
15 Central Garage Fund exclusively for the purposes specified in 19 V.S.A.

16 § 13(b) in State fiscal years 2024–2026 shall be:

17 (1) the amount transferred pursuant to 19 V.S.A. § 13(c)(1);

18 (2) the amount of the equipment depreciation expense from the prior

19 fiscal year or, for equipment that is fully depreciated and still actively in

20 service, an amount equal to the depreciation on that piece of equipment from

21 the prior year; and

1 Sec. 11. RECOMMENDATIONS ON FUNDING SOURCE FOR
2 NONFEDERAL MATCH; PUBLIC TRANSIT; REPORT

3 The Vermont Public Transportation Association, in consultation with the
4 Agency of Transportation and the Vermont League of Cities and Towns, shall
5 provide the House and Senate Committees on Transportation with a written
6 recommendation on one or more funding sources for the nonfederal match
7 required of public transit providers operating in the statewide transit system not
8 later than January 15, 2024.

9 Sec. 12. STATEWIDE PUBLIC TRANSIT SYSTEM;
10 RECOMMENDATIONS; REPORT

11 (a) The Agency of Transportation, in consultation with the Agency of
12 Human Services, Division of Vermont Health Access, and the Vermont Public
13 Transportation Association, shall conduct a benefit and risk assessment of the
14 current systems for delivering public transit and nonemergency medical
15 transportation services in Vermont, known as the “braided service model.”

16 (b) The assessment shall also include a review of other public transit
17 service approaches implemented in the United States and make
18 recommendations on modifications to the management of Vermont’s statewide
19 mobility service design to make Vermont’s public transit system as efficient,
20 robust, and resilient as possible and fully maximize all available federal
21 funding.

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

3	<u>FY24</u>	<u>As Proposed</u>	<u>As Amended</u>	<u>Change</u>
4	Other	0	500,000	500,000
5	Total	0	500,000	500,000
6	<u>Sources of funds</u>			
7	Federal	0	500,000	500,000
8	Total	0	500,000	500,000

9 * * * Vehicle Incentive Programs * * *

10 * * * Repeal of Existing Vehicle Incentive Programs * * *

11 Sec. 14. REPEALS

12 (a) 2019 Acts and Resolves No. 59, Sec. 34, as amended by 2020 Acts and
13 Resolves No. 121, Sec. 14, 2020 Acts and Resolves No. 154, Sec. G.112, 2021
14 Acts and Resolves No. 3, Sec. 56, 2021 Acts and Resolves No. 55, Secs. 18,
15 19, and 21–24, and 2022 Acts and Resolves No. 184, Sec. 6, is repealed.

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

18 * * * Codification of Vehicle Incentive Programs * * *

19 Sec. 15. 19 V.S.A. chapter 29 is added to read:

20 CHAPTER 29. VEHICLE INCENTIVE PROGRAMS

21 § 2901. DEFINITIONS

1 As used in this chapter:

2 (1) “Adaptive electric cycle” means an electric bicycle or an electric
3 cargo bicycle that has been modified to meet the physical needs or abilities of
4 the operator or a passenger.

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

6 (3) “Electric cargo bicycle” means a motor-assisted bicycle, as defined
7 in 23 V.S.A. § 4(45)(B)(i), with an electric motor, as defined under 23 V.S.A.
8 § 4(45)(B)(i)(II), that is specifically designed and constructed for transporting
9 loads, including at least one or more of the following: goods; one or more
10 individuals in addition to the operator; or one or more animals. A motor-
11 assisted bicycle that is not specifically designed and constructed for
12 transporting loads, including a motor-assisted bicycle that is only capable of
13 transporting loads because an accessory rear or front bicycle rack has been
14 installed, is not an electric cargo bicycle.

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

18 § 2902. INCENTIVE PROGRAM FOR NEW PLUG-IN ELECTRIC

19 VEHICLES

20 (a) Creation; administration.

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

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

7 (b) Program structure. The Incentive Program for New PEVs shall
8 structure PEV purchase and lease incentive payments by income to help all
9 Vermonters benefit from electric driving, including Vermont's most
10 vulnerable. Specifically, the Incentive Program for New PEVs:

11 (1) shall apply to both purchases and leases of new PEVs with an
12 emphasis on incentivizing the purchase and lease of battery electric vehicles
13 (BEVs) and plug-in hybrid electric vehicles (PHEVs) with an electric range of
14 20 miles or greater per complete charge as rated by the Environmental
15 Protection Agency when the vehicle was new;

16 (2) shall provide not more than one incentive of not more than
17 \$3,000.00 for a PEV, per individual per year, to:

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

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

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

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

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

16 (3) shall provide not more than one incentive of not more than
17 \$6,000.00 for a PEV, per individual per year, to:

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

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

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

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

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

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

17 (5) shall apply to:

18 (A) manufactured PEVs with any base Manufacturer's Suggested
19 Retail Price (MSRP) that will be issued a special registration plate by the
20 Commissioner of Motor Vehicles pursuant to 23 V.S.A. § 304a or will
21 predominately be used to provide accessible transportation for the incentive

1 recipient or a member of the incentive recipient's household, provided that the
2 incentive recipient or the member of the incentive recipient's household has a
3 removable windshield placard issued by the Commissioner of Motor Vehicles
4 pursuant to 23 V.S.A. § 304a;

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

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

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

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

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

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

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

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

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

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

11 § 2903. MILEAGESMART

12 (a) Creation; administration.

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

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 MileageSmart.

19 (b) Program structure. MileageSmart shall structure high fuel efficiency
20 purchase incentive payments by income to help all Vermonters benefit from

1 more efficient driving and reduced greenhouse gas emissions, including

2 Vermont’s most vulnerable. Specifically, MileageSmart shall:

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

8 (2) provide not more than one point-of-sale voucher worth up to
9 \$5,000.00 to an individual who is a member of a household with an adjusted
10 gross income that is at or below 80 percent of the State median income.

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

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

1 § 2904. REPLACE YOUR RIDE PROGRAM

2 (a) Creation; administration.

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

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

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

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

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

3 (1) Income eligibility.

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

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

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

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

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

19 (v) an individual who is part of a married couple with at least one
20 spouse domiciled in the State and at least one spouse whose federal income tax
21 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 (B) The higher incentive amount of up to \$5,000.00 is available to
4 the following, provided that all other eligibility requirements are met:

5 (i) 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 (ii) 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 (iii) 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 (iv) 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;

18 (v) 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; or

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

4 (2) Vehicle removal.

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

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

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

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

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

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

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

21 (V) has an internal combustion engine; and

1 (VI) passed the annual inspection required under 23 V.S.A.
2 § 1222 within the prior year.

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

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

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

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

13 (III) utilizing shared-mobility services.

14 (e) Administrative costs. Up to 15 percent of any appropriations for the
15 Replace Your Ride Program may be used for any costs associated with
16 administering and promoting the Replace Your Ride 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 Replace Your
20 Ride Program so that Vermonters who are eligible for an incentive can easily
21 learn how to secure as many different incentives as are available and such costs

1 shall be considered administrative costs for purposes of subsection (e) of this
2 section.

3 § 2905. ANNUAL REPORTING

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

10 (b) The report shall also include:

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

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

20 (c) Notwithstanding 2 V.S.A. § 20(d), the annual report required under this
21 section shall continue to be required if an incentive is provided through one of

1 the programs unless the General Assembly takes specific action to repeal the
2 report requirement.

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

4 Sec. 16. 2022 Acts and Resolves No. 184, Sec. 5 is amended to read:

5 Sec. 5. VEHICLE INCENTIVE PROGRAMS

6 (a) Incentive Program for New PEVs. The Agency is authorized to spend
7 up to \$12,000,000.00 as appropriated in the fiscal year 2023 budget on the
8 Incentive Program for New PEVs established in 2019 Acts and Resolves No.
9 59, Sec. 34, as amended, and subsequently codified in 19 V.S.A. chapter 29.

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

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

18 * * *

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

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

21 Sec. 17. ELECTRIFY YOUR FLEET PROGRAM; AUTHORIZATION

1 (a) Creation; administration.

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

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

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

10 (c) Definitions. The definitions in 19 V.S.A. § 2901, as added by Sec. 15
11 of this act, shall apply to this section.

12 (d) Program structure. The Electrify Your Fleet Program shall reduce the
13 greenhouse gas emissions of persons operating a motor vehicle fleet in
14 Vermont by structuring purchase and lease incentive payments on a first-come,
15 first-served basis to replace vehicles other than a plug-in electric vehicle (PEV)
16 cycled out of a motor vehicle fleet or avoid the purchase of vehicles other than
17 a PEV for a motor vehicle fleet. Specifically, the Electrify Your Fleet Program
18 shall:

19 (1) provide incentives to Vermont municipalities and business entities
20 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) of \$60,000.00 or less;

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

9 (C) electric bicycles and electric cargo bicycles with a base MSRP of
10 \$6,000.00 or less;

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

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

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

14 (3) require a showing that the incentive will be used to electrify the
15 applicant's motor vehicle fleet; and

16 (4) require a showing of any other requirements implemented by the
17 Agency of Transportation that are designed to maximize the impact of State-
18 funded Electrify Your Fleet Program incentives by ensuring that, as applicable,
19 other incentives, subsidies, and credits are fully taken advantage of.

20 (e) Increased incentives for nonprofit mobility services organizations.

21 Nonprofit mobility services organizations incorporated in the State of Vermont

1 for the purpose of providing Vermonters with transportation alternatives to
2 personal vehicle ownership shall be entitled to:

3 (1) up to 15 \$2,500.00 incentives available under subsection (d) of this
4 section on a first-come, first-served basis amongst all applicants for incentives
5 under the Electrify Your Fleet Program over the existence of the Program,
6 provided that the requirements of subsection (d) of this section are met; and

7 (2) notwithstanding subdivisions (d)(1) and (2) of this section, up to five
8 increased incentives at the incentive amount available to individuals who
9 purchase or lease a BEV and who qualify for an incentive under 19 V.S.A.
10 § 2902(b)(3) (the lower-income tier for the Incentive Program for New PEVs),
11 as added by Sec. 15 of this act, for BEVs with a base MSRP of \$55,000.00 or
12 less, provided that the requirements of subdivisions (d)(3) and (4) of this
13 section are met.

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

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

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

3 (h) Reporting. The reporting requirements of 19 V.S.A. § 2905, as added
4 by Sec. 15 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. 18. MODIFICATIONS TO EBIKE INCENTIVE PROGRAM;

10 REPORT

11 (a) Definitions. The definitions in 19 V.S.A. § 2901, as added by Sec. 15
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. 15 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;

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

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

12 (5) an adaptive electric cycle with any base MSRP shall be eligible for
13 an incentive; and

14 (6) only electric bicycles, electric cargo bicycles, and adaptive electric
15 cycles that meet one or more of the following standards shall be eligible for an
16 incentive:

17 (A) American National Standard (ANSI)/Controller Area Network
18 (CAN)/Underwriters Laboratories (UL) 2849 – Standard for Electrical Systems
19 for eBikes, as amended, and any standards incorporated by reference in
20 ANSI/CAN/UL 2849;

1 (B) Europäische Norm (EN) 15194 – Electrically Power Assisted
2 Cycles (EPAC Bicycles), as amended; or
3 (C) another applicable standard designed to reduce the serious risk of
4 dangerous fires, as determined by the Agency of Transportation, if neither of
5 the standards in subdivisions (A) and (B) of this subdivision (6) are applicable.

6 (c) Administrative costs. Up to 15 percent of the authorization in
7 subsection (b) of this section may be used for any costs associated with
8 administering and promoting the eBike Incentive Program.

9 (d) Reporting. The Agency of Transportation shall address incentives for
10 electric bicycles, electric cargo bicycles, and adaptive electric cycles provided
11 pursuant to this section in the January 31, 2024 report required under 19
12 V.S.A. § 2905, as added by Sec. 15 of this act, including:

13 (1) the demographics of who received an incentive under the eBike
14 Incentive Program;

15 (2) a breakdown of where vouchers were redeemed;

16 (3) a breakdown, by manufacturer and type, of electric bicycles, electric
17 cargo bicycles, and adaptive electric cycles incentivized;

18 (4) a detailed summary of information provided in the self-certification
19 forms; and

20 (5) a detailed summary of information collected through participant
21 surveys.

1 Sec. 19. AGENCY OF TRANSPORTATION AUTHORITY TO MODIFY
2 INCOME ELIGIBILITY REQUIREMENTS FOR EBIKE
3 INCENTIVE PROGRAM ON PASSAGE

4 Notwithstanding 2022 Acts and Resolves No. 55, Sec. 28(a)(3), the Agency
5 of Transportation may choose to only provide incentives to individuals who
6 self-certify as to meeting income eligibility requirements under 19 V.S.A.
7 § 2902(b)(3) (the lower-income tier for the Incentive Program for New PEVs),
8 as added by Sec. 15 of this act.

9 * * * Reallocation of Funding * * *

10 Sec. 20. 2022 Acts and Resolves No. 184, Sec. 2(8)(C), as amended by 2023
11 Acts and Resolves No. 3, Sec. 83, is further amended to read:

12 (C) Replace Your Ride Program. Sec. 5(c) of this act authorizes
13 ~~\$2,900,000.00~~ \$2,350,000.00 for incentives under Replace Your Ride, which
14 will be the State’s program to incentivize Vermonters to remove older low-
15 efficiency vehicles from operation and switch to modes of transportation that
16 produce fewer greenhouse gas emissions, and capped administrative costs.

17 Sec. 21. 2022 Acts and Resolves No. 184, Sec. 5(c), as amended by 2023 Acts
18 and Resolves No. 3, Sec. 84, is further amended to read:

19 (c) Replace Your Ride Program. The Agency is authorized to spend up to
20 ~~\$2,900,000.00~~ \$2,350,000.00 as appropriated in the fiscal year 2023 budget on

1 the Replace Your Ride Program established in 2021 Acts and Resolves No. 55,
2 Sec. 27, as amended.

3 Sec. 22. 2022 Acts and Resolves No. 185, Sec. G.600(b)(5), as amended by
4 2023 Acts and Resolves No. 3, Sec. 85, is further amended to read:

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

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

9 Sec. 23. MILEAGE-BASED USER FEE LEGISLATIVE INTENT

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

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

15 (2) to start subjecting plug-in hybrid electric vehicles (PHEVs) that are a
16 pleasure car to an increased annual or a biennial registration fee starting on
17 July 1, 2025, and that PHEVs shall not be subject to a mileage-based user fee;

18 (3) to work towards collecting a fee on kWhs that are dispensed through
19 certain electric vehicle supply equipment available to the public so as to
20 supplant lost gas tax revenue from PEVs; and

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

3 Sec. 24. MILEAGE-BASED USER FEE AUTHORIZATION

4 (a) Within the Agency of Transportation’s Proposed Fiscal Year 2024
5 Transportation Program for Environmental Policy and Sustainability, the
6 Agency of Transportation, including the Department of Motor Vehicles, is
7 authorized to apply for and accept a competitive federal Strategic Innovation
8 for Revenue Collection grant established pursuant to the Infrastructure
9 Investment and Jobs Act, Pub. L. No. 117-58 (IIJA), Sec. 13001, with up to
10 \$350,000.00 in Transportation Fund monies authorized for the nonfederal
11 match in fiscal year 2024 and a to-be-determined amount for the nonfederal
12 match in subsequent fiscal years.

13 (b) As permitted under federal regulations and grant terms, the Agency
14 shall utilize grant monies to design a mileage-based user fee that is consistent
15 with Secs. 23 and 25 of this act.

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

1 Sec. 25. MILEAGE-BASED USER FEE DESIGN

2 (a) Definitions. As used in Secs. 23–26 of this act:

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

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

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

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

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

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

20 (7) “Plug-in electric vehicle (PEV)” has the same meaning as in
21 23 V.S.A. § 4(85) and includes battery electric vehicles (BEVs) and plug-in

1 hybrid electric vehicles (PHEVs), which have the same meaning as in
2 23 V.S.A. § 4(85)(A) and (B).

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

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

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

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

17 Sec. 26. REPORTS

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

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

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

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

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

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

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

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

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

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

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

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

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

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

20 (4) an outline of what the Agency intends to adopt, if authorized, as rule
21 in order to commence collecting, on July 1, 2025, a mileage-based user fee for

1 miles driven by a BEV registered in Vermont, which shall, at a minimum,
2 establish:

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

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

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

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

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

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

20 (5) an update on what other states and the federal government are doing
21 to address lost gas tax revenue from the adoption of PEVs along with any

1 applicable suggestions for opportunities for regional collaboration and an
2 explanation of the source of the information provided under this subdivision.

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

4 PROTECT Formula Program; Prioritization; Equity * * *

5 Sec. 27. AGENCY OF TRANSPORTATION EFFORTS TO IMPLEMENT

6 THE FEDERAL CARBON REDUCTION PROGRAM AND

7 PROTECT FORMULA PROGRAM; PRIORITIZATION; EQUITY

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

10 (1) develop a methodology to:

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

13 (B) measure the gap between the emissions reductions calculated
14 under subdivision (A) of this subdivision (a)(1) and the emissions reductions
15 required under the Global Warming Solutions Act, as codified in 10 V.S.A.

16 § 578; and

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

20 (2) articulate the ongoing investments, particularly under the Carbon
21 Reduction Program, established through the Infrastructure Investment and Jobs

1 Act, Pub. L. No. 117-58 (IIJA) and codified as 23 U.S.C. § 175, that the
2 Agency intends to implement through the State’s annual Transportation
3 Program in order to reduce emissions from activities within the control of the
4 Agency;

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

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

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

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

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

20 (B) working with stakeholders, including environmental groups;
21 community-based organizations that represent equity and environmental

1 justice interests; business community groups, including chambers of
2 commerce; transportation industry associations, including those representing
3 rail and trucking; municipalities; regional planning commissions; and elected
4 officials on ways to reduce transportation sector greenhouse gas emissions;
5 and

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

11 (5) coordinate with the Climate Action Office within the Agency of
12 Natural Resources to track and report progress towards achieving the State’s
13 greenhouse gas emissions as required by the Global Warming Solutions Act
14 and codified in 10 V.S.A. § 578.

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

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

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

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

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

15 Sec. 28. REPORT ON TRANSPORTATION POLICY STATUTES

16 The Agency of Transportation shall provide a written report summarizing
17 the work completed pursuant to Sec. 27 of this act and written
18 recommendations on how to amend statute, including 19 V.S.A. §§ 10b and
19 10i, to reflect the work completed pursuant to Sec. 27 of this act to the House
20 and Senate Committees on Transportation on or before January 15, 2024.

1 local, and regional conservation and efficiency opportunities and practices are
2 integrated; and

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

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

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

13 ~~(2)(A) Consider the safety and accommodation of all transportation~~
14 ~~system users, including motorists, bicyclists, public transportation users, and~~
15 ~~pedestrians of all ages and abilities, consider complete streets principles in all~~
16 State- and municipally managed transportation projects and project phases,
17 including planning, development, construction, and maintenance, except in the
18 case of projects or project components involving unpaved highways. ~~If, after~~
19 ~~the consideration required under this subdivision, a State managed project does~~
20 ~~not incorporate complete streets principles, the project manager shall make a~~
21 ~~written determination, supported by documentation and available for public~~

1 inspection at the Agency, that one or more of the following circumstances
2 exist:

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

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

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

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

16 (3) ~~Promote~~ promote economic opportunities for Vermonters and the
17 best use of the State's environmental and historic resources; and

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

19 * * *

1 Sec. 30. REPEAL

2 19 V.S.A. § 309d (policy for municipally managed transportation projects)
3 is repealed.

4 Sec. 31. 19 V.S.A. chapter 24 is added to read:

5 CHAPTER 24. COMPLETE STREETS

6 § 2401. DEFINITION

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

10 § 2402. STATE POLICY

11 (a) Agency of Transportation funded, designed, or funded and designed
12 projects shall seek to increase and encourage more pedestrian, bicycle, and
13 public transit trips, with the State goal to promote intermodal access to the
14 maximum extent feasible, which will help the State meet the transportation-
15 related recommendations outlined in the Comprehensive Energy Plan (CEP)
16 issued under 30 V.S.A. § 202b and the recommendations of the Vermont
17 Climate Action Plan (CAP) issued under 10 V.S.A. § 592.

18 (b) Except in the case of projects or project components involving unpaved
19 highways, for all transportation projects and project phases managed by the
20 Agency or a municipality, including planning, development, construction, or

1 maintenance, it is the policy of this State for the Agency and municipalities, as
2 applicable, to incorporate complete streets principles that:

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

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

6 (3) are sensitive to the surrounding community, including current and
7 planned buildings, parks, and trails and current and expected transportation
8 needs.

9 § 2403. PROJECTS NOT INCORPORATING COMPLETE STREETS

10 PRINCIPLES

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

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

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

1 these and any other relevant factors. If the project manager bases the written
2 determination required under this subsection in whole or in part on this
3 subdivision then the project manager shall provide a supplemental written
4 determination with specific details on costs, needs, and probable uses, as
5 applicable.

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

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

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

15 (2) The cost of incorporating complete streets principles is
16 disproportionate to the need or probable use as determined by factors such as
17 land use, current and projected user volumes, population density, crash data,
18 historic and natural resource constraints, and maintenance requirements. The
19 municipality shall consult local and regional plans, as appropriate, in assessing
20 these and any other relevant factors. If the municipality managing the project
21 bases the written determination required under this subsection in whole or in

1 part on this subdivision then the project manager shall provide a supplemental
2 written determination with specific details on costs, needs, and probable uses,
3 as applicable.

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

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

10 (d) Posting and availability of determinations. The written determinations
11 required by subsections (a) and (b) of this section shall be posted to a web page
12 on the Agency of Transportation’s website dedicated to complete streets, in the
13 case of a State-managed project, and made available for public inspection at
14 the office of the municipal clerk, in the case of a municipally managed project.

15 § 2404. ANNUAL REPORT; PUBLIC DATA SOURCE

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

21 (b) Public data source.

1 (1) The Agency of Transportation shall maintain a web-accessible and
2 web-searchable data source dedicated to complete streets on the Agency’s
3 website that shall contain information on all State-managed transportation
4 projects that have been bid since January 1, 2023, including a description of
5 the project, the location of the project, which complete streets principles were
6 incorporated in the project, as applicable, and an explanation as to which
7 circumstance or circumstances contained in subsection 2403(a) of this chapter
8 existed in the case of projects not incorporating complete streets principles.

9 (2) The web-accessible and web-searchable data source required under
10 this subsection shall be updated on at least an annual basis.

11 Sec. 32. IMPLEMENTATION; PUBLIC DATA SOURCE

12 The Agency shall create and make accessible to the general public the web-
13 accessible and web-searchable data source required under 19 V.S.A. § 2404(b),
14 as added by Sec. 31 of this act, on or before January 1, 2024.

15 Sec. 33. MUNICIPAL TRAINING ON COMPLETE STREETS

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

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

6 (c) The Agency shall provide a report on outcome of the survey to the
7 House and Senate Committees on Transportation on or before January 15,
8 2024.

9 * * * Micromobility Safety Education Program; Report * * *

10 Sec. 36. MICROMOBILITY SAFETY EDUCATION PROGRAM; REPORT

11 (a) The Agency, in consultation with stakeholders identified by the
12 Agency, shall develop a comprehensive micromobility safety education
13 program that enhances and expands on current efforts to increase safety for
14 individuals who use roads, sidewalks, corridors, and paths in Vermont, with an
15 emphasis on bicycle safety.

16 (b) The Agency shall provide an oral report on micromobility safety
17 program design, recommended modifications to current efforts to increase
18 micromobility safety throughout the State, and any recommendations for
19 statutory changes needed to support expanded micromobility safety in the State
20 to the House and Senate Committees on Transportation on or before January
21 31, 2024.

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* * * Effective Dates * * *

Sec. 39. EFFECTIVE DATES

(a) This section and Secs. 19 (authority to modify eBike Incentive Program eligibility requirements) and 37 (extension of sunset for Agency of Transportation’s P3 authority) shall take effect on passage.

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

(Committee vote: _____)

Senator _____

FOR THE COMMITTEE