

1 Introduced by Committee on Transportation

2 Date:

3 Subject: Transportation; annual Transportation Program; Lamoille Valley Rail

4 Trail (LVRT); Central Garage Fund; Transportation Alternatives

5 Grant Program; vehicle incentive programs; plug-in electric vehicles

6 (PEVs); plug-in hybrid electric vehicles (PHEVs); battery electric

7 vehicles (BEVs); Incentive Program for New PEVs; MileageSmart;

8 Replace Your Ride Program; Electrify Your Fleet Program; mileage-

9 based user fee (MBUF); public-private partnerships (P3s); **repeals;**

10 **Carbon Reduction Program; PROTECT Formula Program; complete**

11 **streets**

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

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

14 laws related to transportation.

15 An act relating to the Transportation Program and miscellaneous changes to

16 laws related to transportation

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

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

3 Technical Correction * * *

4 Sec. 1. TRANSPORTATION PROGRAM ADOPTED; DEFINITIONS;

5 TECHNICAL CORRECTION

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

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

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

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

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

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

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

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

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

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

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

4 **NOTE: PER RESPONSE TO HAC.**

5 **SEC. 2 WAS NOT RECOMMENDED FOR FUNDING!**

6 * * * Rail Trail Community Connectivity Grants * * *

7 Sec. 2. RAIL TRAIL COMMUNITY CONNECTIVITY GRANTS

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

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

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

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

1 * * * St. Albans District Maintenance Facility * * *

2 Sec. 3. ST. ALBANS DISTRICT MAINTENANCE FACILITY

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

7 * * * Project Cancellations; Project Addition * * *

8 Sec. 4. PROJECT CANCELLATIONS; PROJECT ADDITION

9 (a) 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 Roadway Program: Bennington Bypass South NH F 019-1(4) –
12 Southern Segment of the Bennington Bypass.

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

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

1 * * * Agency of Transportation Positions * * *

2 Sec. 5. AGENCY OF TRANSPORTATION POSITIONS

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

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

9 * * * Central Garage Fund * * *

10 Sec. 6. 19 V.S.A. § 13 is amended to read:

11 § 13. CENTRAL GARAGE FUND

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

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

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

20 (b) ~~To~~ In order to maintain a safe; and reliable equipment fleet, the Agency
21 shall use Central Garage Fund monies to acquire new or replacement highway

1 ~~maintenance equipment shall be acquired using Central Garage Fund monies.~~

2 The Agency is authorized to acquire replacement pieces for existing highway

3 equipment or new, additional equipment equivalent to equipment already

4 owned; ~~however, the Agency shall not increase the total number of~~

5 ~~permanently assigned or authorized motorized or self-propelled vehicles~~

6 ~~without approval by the General Assembly.~~

7 (c)(1) For the purpose specified in subsection (b) of this section, the

8 following amount shall be transferred from the Transportation Fund to the

9 Central Garage Fund:

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

11 (B) in subsequent fiscal years, at a minimum, the amount specified in

12 subdivision (A) of this subdivision (1) as adjusted annually by increasing the

13 previous fiscal year's amount by the percentage increase in the Bureau of

14 Labor Statistics Consumer Price Index for All Urban Consumers (CPI-U)

15 during the two most recently closed State fiscal years.

16 (2) Each fiscal year, the sum of the following shall be appropriated from

17 the Central Garage Fund exclusively for the purpose specified in subsection (b)

18 of this section:

19 (A) the amount transferred pursuant to subdivision (1) of this

20 subsection;

1 (B) the amount of the equipment depreciation expense from the prior
2 fiscal year or, for equipment that is fully depreciated and still actively in
3 service, an amount equal to the depreciation on that piece of equipment from
4 the prior year; and

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

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

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

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

14 (g) [Repealed.]

15 * * * Transportation Alternatives Grant Program * * *

16 **Sec. 7. TRANSPORTATION ALTERNATIVES GRANT PROGRAM**

17 **AWARDS IN STATE FISCAL YEARS 2024 TO 2027**

18 **Notwithstanding 19 V.S.A. § 38(c), Transportation Alternatives Grant**

19 **Program awards in State fiscal years 2024 to 2027 shall not exceed**

20 **\$600,000.00 per grant allocation.**

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

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

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

7 VEHICLES

8 (a) Creation; administration.

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

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

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

19 (1) shall apply to both purchases and leases of new PEVs with an
20 emphasis on incentivizing the purchase and lease of battery electric vehicles
21 (BEVs) and plug-in hybrid electric vehicles (PHEVs) with an electric range of

1 20 miles or greater per complete charge as rated by the Environmental
2 Protection Agency when the vehicle was new;

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

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

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

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

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

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

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

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

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

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

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

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

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

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

3 (5) shall apply to:

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

12 (B) manufactured PHEVs with a Base MSRP as determined by the
13 Agency of Transportation and meeting the following requirements:

14 (i) shall not exceed a Base MSRP of \$XX,000.00;

15 (ii) shall phase out incentives for PHEVs with an electric range of
16 less than 20 miles as rated by the Environmental Protection Agency when the
17 vehicle was new, and

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

20 (C) manufactured BEVs with a Base MSRP as determined by the
21 Agency of Transportation and meeting the following requirements:

1 (i) shall not exceed a Base MSRP of \$XX,000.00; and

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

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

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

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

18 § 2903. MILEAGESMART

19 (a) Creation; administration.

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

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 MileageSmart.

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

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

16 (2) provide not more than one point-of-sale voucher worth up to
17 \$5,000.00 to an individual who is a member of a household with an adjusted
18 gross income that is at or below 80 percent of the State median income.

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

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

8 § 2904. REPLACE YOUR RIDE PROGRAM

9 (a) Creation; administration.

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

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

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

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

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

11 (1) Income eligibility.

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

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

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

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

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

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

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

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

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

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

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

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

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

15 (2) Vehicle removal.

16 (A) In order for an individual to qualify for an incentive under the
17 Replace Your Ride Program, the individual must remove an older low-
18 efficiency vehicle from operation and switch to a mode of transportation that
19 produces fewer greenhouse gas emissions. The entity that administers the
20 Replace Your Ride Program, in conjunction with the Agency of
21 Transportation, shall establish Program guidelines that specifically provide for

1 how someone can show that the vehicle removal eligibility requirement has
2 been, or will be, met.

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

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

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

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

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

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

11 (V) has an internal combustion engine; and

12 (VI) passed the annual inspection required under 23 V.S.A.
13 § 1222 within the prior year.

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

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

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

1 (II) purchasing a new or used bicycle, electric bicycle, electric
2 cargo bicycle, or motorcycle that is fully electric, and the necessary safety
3 equipment; and

4 (III) utilizing shared-mobility services.

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

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

15 § 2905. ELECTRIFY YOUR FLEET PROGRAM

16 (a) Creation; administration.

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

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

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

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

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

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

15 (B) electric bicycles and electric cargo bicycles with a Base MSRP as
16 determined by the Agency of Transportation and benchmarked to a Base
17 MSRP of the equivalent of approximately \$6,000.00 or less in model year
18 2023;

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

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

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

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

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

16 § 2906. ANNUAL REPORTING

17 (a) The Agency shall annually evaluate the programs established under this
18 chapter to gauge effectiveness and shall submit a written report on the
19 effectiveness of the programs to the House and Senate Committees on
20 Transportation, the House Committee on Environment and Energy, and the

1 Senate Committee on Finance on or before the 31st day of January in each year
2 following a year that an incentive was provided through one of the programs.

3 (b) The report shall also include:

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

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

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

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

18 **Sec. 10. 2022 Acts and Resolves No. 184, Sec. 5 is amended to read:**

19 **Sec. 5. VEHICLE INCENTIVE PROGRAMS**

20 **(a) Incentive Program for New PEVs. The Agency is authorized to spend**
21 **up to \$12,000,000.00 as appropriated in the fiscal year 2023 budget on the**

1 Incentive Program for New PEVs established in 2019 Acts and Resolves No.
2 59, Sec. 34, as amended, and subsequently codified in 19 V.S.A. chapter 29.

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

7 (c) Replace Your Ride Program. The Agency is authorized to spend up to
8 \$3,000,000.00 as appropriated in the fiscal year 2023 budget on the Replace
9 Your Ride Program established in 2021 Acts and Resolves No. 55, Sec. 27, as
10 amended, and subsequently codified in 19 V.S.A. chapter 29.

11 * * *

12 * * * Authorization for Electrify Your Fleet Program * * *

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

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

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

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

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

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

14 Sec. 14. ELECTRIFY YOUR FLEET AUTHORIZATION

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

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

19 **Sec. 14a. MILEAGE-BASED USER FEE LEGISLATIVE INTENT**

20 **It is the intent of the General Assembly for the State:**

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

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

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

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

16 Sec. 15. MILEAGE-BASED USER FEE AUTHORIZATION

17 (a) Within the Agency of Transportation’s Proposed Fiscal Year 2024
18 Transportation Program for Environmental Policy and Sustainability, the
19 Agency of Transportation, including the Department of Motor Vehicles, is
20 authorized to apply for and accept a competitive federal Strategic Innovation
21 for Revenue Collection grant established pursuant to the Infrastructure

1 Investment and Jobs Act, Pub. L. No. 117-58 (IIJA), Sec. 13001 in an amount
2 not to exceed \$3,500,000.00 in federal monies, with up to \$350,000.00 in
3 Transportation Fund monies authorized for the nonfederal match in fiscal year
4 2024.

5 (b) As permitted under federal regulations and grant terms, the Agency
6 shall utilize grant monies to design a mileage-based user fee that is consistent
7 with Secs. 14a and 16 of this act.

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

11 **Sec. 16. MILEAGE-BASED USER FEE DESIGN**

12 (a) Definitions. As used in this section and Secs. 14a and 17 of this act:

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

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

19 (3) “Mileage-based user fee” means the total amount that an owner or
20 lessee of a BEV registered in Vermont owes the State and is calculated by
21 multiplying the mileage-based user fee rate by the annual vehicle miles

1 traveled or, in the case of a terminating event, by multiplying the mileage-
2 based user fee rate by the vehicle miles traveled between the last Vermont
3 annual inspection and the terminating event.

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

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

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

9 (7) “Plug-in electric vehicle (PEV)” has the same meaning as in
10 23 V.S.A. § 4(85) and includes battery electric vehicles (BEVs) and plug-in
11 hybrid electric vehicles (PHEVs), which have the same meaning as in
12 23 V.S.A. § 4(85)(A) and (B).

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

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

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

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

6 Sec. 17. REPORTS

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

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

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

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

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

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

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

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

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

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

19 (D) an estimate of the average amount in motor fuel revenue and
20 increased registration fee that was collected for a pleasure car that is a plug-in

1 hybrid electric vehicle with low, medium, and high annual vehicle miles
2 traveled in the prior fiscal year;

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

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

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

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

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

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

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

1 Sec. 19. AGENCY OF TRANSPORTATION EFFORTS TO IMPLEMENT
2 THE FEDERAL CARBON REDUCTION PROGRAM AND
3 PROTECT FORMULA PROGRAM; PRIORITIZATION; EQUITY

4 (a) The Agency of Transportation, through its development of the State's
5 Carbon Reduction Strategy, shall:

6 (1) develop a methodology to:

7 (A) quantify the emissions reductions the Agency will achieve from
8 the State's Transportation Program;

9 (B) measure the gap between the emissions reductions calculated
10 under subdivision (A) of this subdivision (a)(1) and the emissions reductions
11 required under the Global Warming Solutions Act, as codified in 10 V.S.A.
12 § 578; and

13 (C) evaluate what additional emissions reductions are possible
14 through the implementation of additional policies and programs within the
15 State's Transportation Program;

16 (2) articulate the ongoing investments, particularly under the Carbon
17 Reduction Program, established through the Infrastructure Investment and Jobs
18 Act, Pub. L. No. 117-58 (IIJA) and codified as 23 U.S.C. § 175, that the
19 Agency intends to implement through the State's annual Transportation
20 Program in order to reduce emissions from activities within the control of the
21 Agency;

1 (3) identify and evaluate the effectiveness of other policies to reduce
2 transportation sector greenhouse gas emissions as required by the Global
3 Warming Solutions Act and codified in 10 V.S.A. § 578; and

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

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

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

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

1 ~~and accommodation of all transportation system users, regardless of age,~~
2 ~~ability, or modal preference; and~~

3 (2) the need for transportation projects that will improve the State’s
4 economic infrastructure, as well as the use of resources in efficient,
5 coordinated, integrated, cost-effective, and environmentally sound ways, and
6 that will be consistent with the recommendations of the Comprehensive
7 Energy Plan (CEP) issued under 30 V.S.A. § 202b.

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

11 (1) ~~to~~ ensure that the transportation system as a whole is integrated; ~~that~~
12 access to the transportation system as a whole is integrated; ~~and that statewide,~~
13 local, and regional conservation and efficiency opportunities and practices are
14 integrated; and

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

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

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

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

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

17 (ii) ~~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~~

1 ~~Agency shall consult local and regional plans, as appropriate, in assessing~~
2 ~~these and any other relevant factors.~~

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

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

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

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

11 * * *

12 Sec. 22. REPEAL

13 19 V.S.A. § 309d (policy for municipally managed transportation projects)
14 is repealed.

15 Sec. 23. 19 V.S.A. chapter 24 is added to read:

16 CHAPTER 24. COMPLETE STREETS

17 § 2401. DEFINITION

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

21 § 2402. STATE POLICY

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

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

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

9 (3) are sensitive to the surrounding community, including current and
10 planned buildings, parks, and trails and current and expected transportation
11 needs.

12 § 2403. PROJECTS NOT INCORPORATING COMPLETE STREETS

13 PRINCIPLES

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

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

20 (2) The cost of incorporating complete streets principles is
21 disproportionate to the need or probable use as determined by factors including

1 land use, current and projected user volumes, population density, crash data,
2 historic and natural resource constraints, and maintenance requirements. The
3 Agency shall consult local and regional plans, as appropriate, in assessing
4 these and any other relevant factors.

5 (3) Incorporating complete streets principles is outside the limited scope
6 of a project.

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

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

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

19 (3) Incorporating complete streets principles is outside the limited scope
20 of a project.

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

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

9 § 2404. ANNUAL REPORT; PUBLIC DATABASE

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

15 (b) Public database.

16 (1) The Agency of Transportation shall post to a web page dedicated to
17 complete streets on the Agency’s website a database of all State-managed
18 transportation projects for which preliminary engineering is completed and that
19 have been bid since January 1, 2023 along with a description of the project, the
20 location of the project, which complete streets principles were incorporated in
21 the project, as applicable, and an explanation as to which circumstance or

1 circumstances contained in subsection 2403(a) of this chapter existed in the
2 case of projects not incorporating complete streets principles.

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

5 Sec. 24. IMPLEMENTATION; PUBLIC DATABASE

6 The Agency shall create and post the database required under 19 V.S.A.
7 § 2404(b), as added by Sec. 23 of this act, on or before January 1, 2024.

8 Sec. 25. MUNICIPAL TRAINING ON COMPLETE STREETS

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

12 Sec. 26. REPLACEMENT OF THE CURRENT VERMONT STATE
13 STANDARDS

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

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

