

1 Introduced by Committee on Transportation

2 Date:

3 Subject: Transportation; annual Transportation Program; surety bonds;

4 transportation planning; appropriations calculations; Central Garage

5 Fund; town highway aid; right-of-way permit fees; vehicle incentive

6 programs; **beneficial electrification; electric distribution utilities;**

7 **Vermont Rail Plan; Amtrak; Vermont State Standards**

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

11 An act relating to the fiscal year 2025 Transportation Program and
12 miscellaneous changes to laws related to transportation

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

14 * * * Transportation Program Adopted as Amended;

15 Definitions * * *

16 Sec. 1. TRANSPORTATION PROGRAM ADOPTED; DEFINITIONS

17 (a) Adoption. The Agency of Transportation’s Proposed Fiscal Year **2025**
18 Transportation Program appended to the Agency of Transportation’s proposed
19 fiscal year **2025 budget (Revised February XX, 2024)**, as amended by this act,
20 is adopted to the extent federal, State, and local funds are available.

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

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

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

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

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

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

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

20 (7) The table heading “As Proposed” means the Proposed
21 Transportation Program referenced in subsection (a) of this section; the table

1 heading “As Amended” means the amendments as made by this act; the table
2 heading “Change” means the difference obtained by subtracting the “As
3 Proposed” figure from the “As Amended” figure; the terms “change” or
4 “changes” in the text refer to the project- and program-specific amendments,
5 the aggregate sum of which equals the net “Change” in the applicable table
6 heading; and “State” in any tables amending authorizations indicates that the
7 source of funds is State monies in the Transportation Fund, unless otherwise
8 specified.

9 * * * Agency of Transportation Duties; Bonding * * *

10 Sec. 2. 19 V.S.A. § 10 is amended to read:

11 § 10. DUTIES

12 The Agency shall, except where otherwise specifically provided by law:

13 * * *

14 (9) Require any contractor or contractors employed in any project of the
15 Agency for construction of a transportation improvement to file an additional
16 surety bond to the Secretary and the Secretary’s successor in office, for the
17 benefit of labor, materialmen, and others, executed by a surety company
18 authorized to transact business in this State;. The surety bond shall be in such
19 sum as the Agency shall direct, conditioned for the payment, settlement,
20 liquidation, and discharge of the claims of all creditors for material,
21 merchandise, labor, rent, hire of vehicles, power shovels, rollers, concrete

1 mixers, tools, and other appliances, professional services, premiums, and other
2 services used or employed in carrying out the terms of the contract between the
3 contractor and the State and further conditioned for the following accruing
4 during the term of performance of the contract: the payment of taxes, both
5 State and municipal, and contributions to the Vermont Commissioner of Labor,
6 ~~accruing during the term of performance of the contract.~~ However, in order to
7 obtain the benefit of the security, the claimant shall file with the Secretary a
8 sworn statement of the claimant’s claim, within 90 days after the final
9 acceptance of the project by the State or within 90 days from the time the taxes
10 or contributions to the Vermont Commissioner of Labor are due and payable,
11 and, within one year after the filing of the claim, shall bring a petition in the
12 Superior Court in the name of the Secretary, with notice and summons to the
13 principal, surety, and the Secretary, to enforce the claim or intervene in a
14 petition already filed. The Secretary may, if the Secretary determines that it is
15 in the best interests of the State, accept other good and sufficient surety in lieu
16 of a bond and, in cases involving contracts for \$100,000.00 or less, may waive
17 the requirement of a surety bond.

18 * * *

1 * * * Transportation Program Statute; Technical Corrections * * *

2 Sec. 3. 19 V.S.A. § 10g is amended to read:

3 § 10g. ANNUAL REPORT; TRANSPORTATION PROGRAM;
4 ADVANCEMENTS, CANCELLATIONS, AND DELAYS

5 (a) Proposed Transportation Program. The Agency of Transportation shall
6 annually present to the General Assembly for adoption a multiyear
7 Transportation Program covering the same number of years as the Statewide
8 Transportation Improvement Program (STIP), consisting of the recommended
9 budget for all Agency activities for the ensuing fiscal year and projected
10 spending levels for all Agency activities for the following fiscal years. The
11 Program shall include a description and year-by-year breakdown of
12 recommended and projected funding of all projects proposed to be funded
13 within the time period of the STIP and, in addition, a description of all projects
14 that are not recommended for funding in the first fiscal year of the proposed
15 Program but that are scheduled for construction during the time period covered
16 by the STIP. The Program shall be consistent with the planning process
17 established by 1988 Acts and Resolves No. 200, as codified in 3 V.S.A.
18 chapter 67 and 24 V.S.A. chapter 117, the statements of policy set forth in
19 sections 10b–10f of this title, and the long-range systems plan, corridor studies,
20 and project priorities developed through the capital planning process under
21 section 10i of this title.

1 (b) Projected spending. Projected spending in future fiscal years shall be
2 based on revenue estimates as follows:

3 * * *

4 (c) Systemwide performance measures. The Program proposed by the
5 Agency shall include systemwide performance measures developed by the
6 Agency to describe the condition of the Vermont transportation network. The
7 Program shall discuss the background and utility of the performance measures,
8 track the performance measures over time, and, where appropriate, recommend
9 the setting of targets for the performance measures.

10 (d) [Repealed.]

11 (e) Prior expenditures and appropriations carried forward.

12 * * *

13 (f) Adopted Transportation Program. Each year following ~~enactment~~
14 adoption of a Transportation Program under this section, the Agency shall
15 prepare and make available to the public the Transportation Program
16 ~~established~~ adopted by the General Assembly. The resulting document shall
17 be entered in the permanent records of the Agency ~~and of the Board~~, and shall
18 constitute the State’s official Transportation Program.

19 (g) Project updates. The Agency’s annual proposed Transportation
20 Program shall include project updates referencing this section and listing the
21 following:

1 (1) all proposed projects in the Program that would be new to the State
2 Transportation Program ~~if adopted~~;

3 (2) all projects for which total estimated costs have increased by more
4 than \$8,000,000.00 or by more than 100 percent from the estimate in the prior
5 fiscal year's ~~approved~~ adopted Transportation Program; and

6 (3) all projects funded for construction in the prior fiscal year's
7 ~~approved~~ adopted Transportation Program that are no longer funded in the
8 proposed Transportation Program submitted to the General Assembly, the
9 projected costs for such projects in the prior fiscal year's ~~approved~~ adopted
10 Transportation Program, and the total costs incurred over the life of each such
11 project.

12 (h) ~~Should~~ Project delays; emergency and safety issues; additional funding;
13 cancellations.

14 (1) If capital projects in the Transportation Program ~~be~~ are delayed
15 because of unanticipated problems with permitting, right-of-way acquisition,
16 construction, local concern, or availability of federal or State funds, the
17 Secretary is authorized to advance other projects in the ~~approved~~ adopted
18 Transportation Program for the current fiscal year.

19 (2) The Secretary is further authorized to undertake projects to resolve
20 emergency or safety issues that are not included in the adopted Transportation
21 Program for the current fiscal year. Upon authorizing a project to resolve an

1 emergency or safety issue, the Secretary shall give prompt notice of the
2 decision and action taken to the Joint Fiscal Office and to the House and
3 Senate Committees on Transportation when the General Assembly is in
4 session; and ~~when the General Assembly is not in session~~, to the Joint
5 Transportation Oversight Committee, the Joint Fiscal Office, and the Joint
6 Fiscal Committee when the General Assembly is not in session. ~~Should an~~
7 ~~approved~~

8 (3) If a project in the current adopted Transportation Program require for
9 the current fiscal year requires additional funding to maintain the ~~approved~~
10 schedule in the adopted Transportation Program for the current fiscal year, the
11 Agency is authorized to allocate the necessary resources. However, the
12 Secretary shall not delay or suspend work on ~~approved~~ projects in the adopted
13 Transportation Program for the current fiscal year to reallocate funding for
14 other projects except when other funding options are not available. In such
15 case, the Secretary shall notify the Joint Transportation Oversight Committee,
16 the Joint Fiscal Office, and the Joint Fiscal Committee when the General
17 Assembly is not in session and the House and Senate Committees on
18 Transportation and the Joint Fiscal Office when the General Assembly is in
19 session. With respect to projects in the ~~approved~~ **approved adopted** Transportation
20 Program, the Secretary shall notify, ~~in the district affected~~, the regional
21 planning commission for the district where the affected project is located, the

1 municipality where the affected project is located, the legislators for the district
2 where the affected project is located, the House and Senate Committees on
3 Transportation, and the Joint Fiscal Office of any change that likely will affect
4 the fiscal year in which the project is planned to go to construction.

5 (4) No project shall be canceled without the approval of the General
6 Assembly, except that the Agency may cancel a municipal project upon the
7 request or concurrence of the municipality, provided that notice of the
8 cancellation is included in the Agency's annual proposed Transportation
9 Program.

10 (i) Economic development proposals. For the purpose of enabling the
11 State, without delay, to take advantage of economic development proposals
12 that increase jobs for Vermonters, a transportation project certified by the
13 Governor as essential to the economic infrastructure of the State economy, or a
14 local economy, may, if approval is required by law, be approved for
15 construction by a committee comprising the Joint Fiscal Committee meeting
16 with the ~~Chairs~~ chairs of the ~~Transportation~~ House and Senate Committees on
17 Transportation or their designees without explicit project authorization through
18 an ~~enacted~~ adopted Transportation Program, ~~in the event that such~~
19 ~~authorization is otherwise required by law~~.

20 (j) Plan for advancing projects. The Agency of Transportation, in
21 coordination with the Agency of Natural Resources and the Division for

1 Historic Preservation, shall prepare and implement a plan for advancing
2 ~~approved~~ projects contained in the ~~approved~~ adopted Transportation Program
3 for the current fiscal year. The plan shall include the assignment of a project
4 manager from the Agency of Transportation for each project. The Agency of
5 Transportation, the Agency of Natural Resources, and the Division for Historic
6 Preservation shall set forth provisions for expediting the permitting process
7 and establishing a means for evaluating each project during concept design
8 planning if more than one agency is involved to determine whether it should be
9 advanced or deleted from the Program.

10 (k) Definition. ~~For purposes of~~ As Used in subsection (h) of this section,
11 “emergency or safety issues” ~~shall mean~~ means:

12 (1) serious damage to a transportation facility caused by a natural
13 disaster over a wide area, such as a flood, hurricane, earthquake, severe storm,
14 or landslide; ~~or~~

15 (2) catastrophic or imminent catastrophic failure of a transportation
16 facility from any cause; ~~or~~

17 (3) any condition identified by the Secretary as hazardous to the
18 traveling public; or

19 (4) any condition evidenced by fatalities or a high incidence of crashes.

20 (l) Numerical grading system; priority rating. The Agency shall develop a
21 numerical grading system to assign a priority rating to all Program

1 Development Paving, Program Development Roadway, Program Development
2 Safety and Traffic Operations, Program Development State and Interstate
3 Bridge, Town Highway Bridge, and Bridge Maintenance projects. The rating
4 system shall consist of two separate, additive components as follows:

5 (1) One component shall be limited to asset management- and
6 performance-based factors that are objective and quantifiable and shall
7 consider, ~~without limitation,~~ the following:

8 * * *

9 (2) The second component of the priority rating system shall consider,
10 ~~without limitation,~~ the following factors:

11 * * *

12 (m) Inclusion of priority rating. The annual proposed Transportation
13 Program shall include an individual priority rating pursuant to subsection (l) of
14 this section for each highway paving, roadway, safety and traffic operations,
15 and bridge project in the ~~program~~ Program along with a description of the
16 system and methodology used to assign the ratings.

17 (n) Development and evaluation projects; delays. The Agency's annual
18 proposed Transportation Program shall include a project-by-project description
19 in each program of all proposed spending of funds for the development and
20 evaluation of projects. ~~In the approved annual Transportation Program, these~~
21 These funds shall be reserved to the identified projects subject to the discretion

1 of the Secretary to reallocate funds to other projects within the program when
2 it is determined that the scheduled expenditure of the identified funds will be
3 delayed due to permitting, local decision making, the availability of federal or
4 State funds, or other unanticipated problems.

5 (o) Year of first inclusion. For projects initially ~~approved by the General~~
6 ~~Assembly for inclusion in the State~~ included in a Transportation Program
7 adopted after January 1, 2006, the Agency’s proposed Transportation Program
8 prepared pursuant to subsection (a) of this section and the ~~official~~ adopted
9 Transportation Program prepared pursuant to subsection (f) of this section shall
10 include the year in which ~~such~~ the projects were first ~~approved by the General~~
11 ~~Assembly~~ included in an adopted Transportation Program.

12 (p) Lamoille Valley Rail Trail. The Agency shall include the annual
13 maintenance required for the Lamoille Valley Rail Trail (LVRT), running from
14 Swanton to St. Johnsbury, in the Transportation Program it presents to the
15 General Assembly under subsection (a) of this section. The proposed
16 authorization for the maintenance of the LVRT shall be sufficient to cover:

17 * * *

18 * * * Appropriation Calculations * * *

19 * * * Central Garage Fund * * *

20 Sec. 4. 19 V.S.A. § 13(c) is amended to read:

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

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

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

11 (B) the amount transferred for the previous fiscal year if the
12 percentage change is zero or negative.

13 * * *

14 (3) For purposes of subdivision (1) of this subsection, the percentage
15 change in the CPI-U is calculated by determining the increase or decrease, to
16 the nearest one-tenth of a percent, in the CPI-U for the month ending on June
17 30 in the calendar year one year prior to the first day of the fiscal year for
18 which the transfer will be made compared to the CPI-U for the month ending
19 on June 30 in the calendar year two years prior to the first day of the fiscal year
20 for which the transfer will be made.

21 * * * Town Highway Aid * * *

1 Sec. 5. 19 V.S.A. § 306(a) is amended to read:

2 (a) General State aid to town highways.

3 (1) An annual appropriation to class 1, 2, and 3 town highways shall be
4 made. This appropriation shall increase over the previous fiscal year's
5 appropriation by the same percentage change as the following, whichever is
6 less, or shall remain at the previous fiscal year's appropriation if either of the
7 following are negative or zero:

8 (A) ~~the year-over-year increase in the two most recently closed fiscal~~
9 ~~years in~~ percentage change of the Agency's total appropriations funded by
10 Transportation Fund revenues, excluding appropriations for town highways
11 under this subsection (a), for the most recently closed fiscal year as compared
12 to the fiscal year immediately preceding the most recently closed fiscal year; or

13 (B) the percentage ~~increase~~ change in the Bureau of Labor Statistics
14 Consumer Price Index for All Urban Consumers (CPI-U) ~~during the same~~
15 ~~period in subdivision (1)(A) of this subsection.~~

16 (2) ~~If the year-over-year change in appropriations specified in either~~
17 ~~subdivision (1)(A) or (B) of this subsection is negative, then the appropriation~~
18 ~~to town highways under this subsection shall be equal to the previous fiscal~~
19 ~~year's appropriation~~ For purposes of subdivision (1)(B) of this subsection, the
20 percentage change in the CPI-U is calculated by determining the increase or
21 decrease, to the nearest one-tenth of a percent, in the CPI-U for the month

1 ending on June 30 in the calendar year one year prior to the first day of the
2 fiscal year for which the appropriation will be made compared to the CPI-U for
3 the month ending on June 30 in the calendar year two years prior to the first
4 day of the fiscal year for which the appropriation will be made.

5 * * *

6 * * * Right-of-Way Permits; Fees * * *

7 Sec. 6. 19 V.S.A. § 1112 is amended to read:

8 § 1112. DEFINITIONS; FEES

9 (a) As used in this section:

10 (1) “Major commercial development” means a commercial development
11 for which the Agency requires the applicant to submit a traffic impact study in
12 support of its application under section 1111 of this ~~title~~ chapter.

13 (2) “Minor commercial development” means a commercial development
14 for which the Agency does not require the applicant to submit a traffic impact
15 study in support of its application under section 1111 of this ~~title~~ chapter.

16 * * *

17 (b) The Secretary shall collect the following fees for each application for
18 the following types of permits issued pursuant to section 1111 of this ~~title~~
19 chapter:

20 * * *

1 was damaged or totaled due to the event or events underlying the state of
2 emergency at the time of the event or events underlying the state of
3 emergency; and

4 (B) for six months after the conclusion of the state of emergency; and
5 (4) the waiver or modification of eligibility requirements and resulting
6 impact are addressed in the annual reporting required under section 2905 of
7 this chapter.

8 **Sec. 8. TRANSFER OF MONIES BETWEEN VEHICLE INCENTIVE**
9 **PROGRAMS IN STATE FISCAL YEAR 2025**

10 (a) Notwithstanding 32 V.S.A. § 706 and any appropriations or
11 authorizations of monies for vehicle incentive programs created under
12 19 V.S.A. §§ 2902–2904, in State fiscal year 2025 the Secretary of
13 Transportation may transfer up to 50 percent of any remaining monies for a
14 vehicle incentive program created under 19 V.S.A. §§ 2902–2904 to any other
15 vehicle incentive program created under 19 V.S.A. §§ 2902–2904 that has less
16 than \$500,000.00 available for distribution as a vehicle incentive.

17 (b) Any transfers made pursuant to subsection (a) of this section shall be
18 reported to the Joint Transportation Oversight Committee and the Joint Fiscal
19 Office within 30 days after the transfer.

20 * * * Beneficial Electrification * * *

21 Sec. **A.** BENEFCIAL ELECTRIFICATION; STANDARD LEVEL OF

1 SERVICE; PUBLIC UTILITY COMMISSION; REPORT

2 (a) Legislative intent. It is the intent of the General Assembly that the
3 standard level of service to the meter, as defined in each regulated electric
4 utility’s tariffs for line extensions and service upgrades, shall enable residential
5 customers at existing locations who so request to participate in substantial
6 domestic electrification including managed level 2 charging capability for
7 electric vehicles.

8 (b) Report. The Public Utility Commission shall include the following in
9 in the report due not later than January 15, 2025 pursuant to 2021 Acts and
10 Resolves No. 55, Sec. 33:

11 (1) the Public Utility Commission’s efforts to ensure that the standard
12 level of service to the meter enables residential customers at existing locations
13 who so request to participate in substantial domestic electrification; and

14 (2) the anticipated timeline for when the standard level of service to the
15 meter across all of Vermont will enable residential customers at existing
16 locations who so request to participate in substantial domestic electrification.

17 Sec. B. MOBILITY AND TRANSPORTATION INNOVATION (MTI)

18 GRANT PROGRAM; APPROPRIATION

19 (a) Appropriation. The sum of \$XXX.00 is appropriated from the
20 Transportation Fund to the Agency of Transportation in fiscal year 2025 for a
21 continuation of the Mobility and Transportation Innovation (MTI) Grant

1 Program, which was created pursuant to 2020 Acts and Resolves No. 121,
2 Sec. 16.

3 (b) Implementation. The Program shall continue to support projects that
4 improve both mobility and access to services for transit-dependent
5 Vermonters, reduce the use of single-occupancy vehicles, and reduce
6 greenhouse gas emissions but shall be expanded as follows:

7 (1) Grant awards shall be made available for both capital and
8 operational costs that expand new or existing programs and result in
9 greenhouse gas emissions reductions. Funding under the MTI Grant Program
10 shall not be used to supplant existing funding.

11 (2) The Agency of Transportation shall expand the application period
12 for the MTI Grant Program, opening the application process in May of each
13 year that grants are offered and providing entities requiring technical assistance
14 or pre-review of a draft application direct assistance between the opening of
15 the application period and August of each year that grants are offered. Final
16 applications shall be due in early September of each year that grants are
17 offered.

18 * * * Vermont Rail Plan; Amtrak * * *

19 Sec. **C**. DEVELOPMENT OF NEW VERMONT RAIL PLAN; BICYCLE
20 STORAGE; REPORT

1 (a) As the Agency of Transportation develops the new Vermont Rail Plan,
2 it shall consider and address the following:

3 (1) adding additional daily service on the Vermonter for some or all of
4 the service area; and

5 (2) expanding service on the Valley Flyer to provide increased service
6 on the Vermonter route.

7 (b) The Agency of Transportation shall consult with Amtrak and the State-
8 Amtrak Intercity Passenger Rail Committee (SAIPRC) on passenger education
9 of and sufficient capacity for bicycle storage on Amtrak trains on the
10 Vermont and Ethan Allen Express routes.

11 (c) The Agency of Transportation shall provide an oral update on the
12 development of the Vermont Rail Plan in general and the requirements of
13 subsection (a) of this section specifically and the consultation efforts required
14 under subsection (b) of this section to the House and Senate Committees on
15 Transportation not later than February 15, 2025.

16 *** Replacement for the Vermont State Standards ***

17 Sec. **D.** **REPLACEMENT FOR THE VERMONT STATE STANDARDS**

18 (a) In preparing the replacement for the Vermont State Standards, the
19 Agency of Transportation shall:

20 (1) release a draft of the replacement to the Vermont State Standards
21 and related documents not later than January 1, 2025;

