

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; electric vehicle supply equipment (EVSE); beneficial

7 electrification; electric distribution utilities; public transit; mobility

8 services; Mobility and Transportation Innovations (MTI) Grant

9 Program; Vermont Rail Plan; Amtrak; Vermont State Design

10 Standards; complete streets; State-designated centers; emissions

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

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

13 laws related to transportation.

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

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

17 * * * Transportation Program Adopted as Amended;

18 Definitions * * *

19 Sec. 1. TRANSPORTATION PROGRAM ADOPTED; DEFINITIONS

1 (a) Adoption. The Agency of Transportation’s Proposed Fiscal Year 2025
2 Transportation Program appended to the Agency of Transportation’s proposed
3 fiscal year 2025 budget (Revised February 15, 2024), as amended by this act,
4 is adopted to the extent federal, State, and local funds are available.

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

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

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

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

17 (4) “Electric vehicle supply equipment (EVSE)” and “electric vehicle
18 supply equipment available to the public” have the same meanings as in
19 30 V.S.A. § 201.

20 (5) “Front-of-book project” means a project approved by the General
21 Assembly that is anticipated to have construction expenditures during the

1 budget year or the following three years, or both, with expected expenditures
2 shown over four years.

3 (6) “Mileage-based user fee” or “MBUF” means a fee for vehicle use of
4 the public road system with distance, stated in miles, as the measure of use.

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

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

8 (9) The table heading “As Proposed” means the Proposed
9 Transportation Program referenced in subsection (a) of this section; the table
10 heading “As Amended” means the amendments as made by this act; the table
11 heading “Change” means the difference obtained by subtracting the “As
12 Proposed” figure from the “As Amended” figure; the terms “change” or
13 “changes” in the text refer to the project- and program-specific amendments,
14 the aggregate sum of which equals the net “Change” in the applicable table
15 heading; and “State” in any tables amending authorizations indicates that the
16 source of funds is State monies in the Transportation Fund, unless otherwise
17 specified.

18 *** Public Transit; Carbon Reduction Program;

19 Environmental Policy and Sustainability Program; Central Garage;

20 Electric Vehicle Supply Equipment (EVSE) ***

1 **Sec. 2. PUBLIC TRANSIT; CARBON REDUCTION PROGRAM;**
2 **ENVIRONMENTAL POLICY AND SUSTAINABILITY**
3 **PROGRAM; CENTRAL GARAGE; ELECTRIC VEHICLE SUPPLY**
4 **EQUIPMENT (EVSE)**

5 (a) Public Transit.

6 (1) Within the Agency of Transportation’s Proposed Fiscal Year 2025
7 Transportation Program for Public Transit, authorized spending is amended as
8 follows:

| <u>FY25</u> | <u>As Proposed</u> | <u>As Amended</u> | <u>Change</u> |
|---------------|--------------------|-------------------|---------------|
| Person. Svcs. | 4,612,631 | 4,612,631 | 0 |
| Operat. Exp. | 119,894 | 119,894 | 0 |
| Grants | 51,907,700 | 50,207,700 | -1,700,000 |
| Total | 56,640,225 | 54,940,225 | -1,700,000 |

14 Sources of funds

| | | | |
|------------|------------|------------|------------|
| State | 9,807,525 | 9,807,525 | 0 |
| Federal | 46,692,700 | 44,992,700 | -1,700,000 |
| Interdept. | 140,000 | 140,000 | 0 |
| Total | 56,640,225 | 54,940,225 | -1,700,000 |

19 (2) The amendment set forth in subdivision (1) of this subsection shall
20 be reflected in a \$1,700,000.00 reduction of Carbon Reduction Funding for the
21 Capital-CRF CRFP (24) (sprinter vans), from \$4,000,000.00 to \$2,300,000.00.

1 (b) Environmental Policy and Sustainability Program.

2 (1) Within the Agency of Transportation’s Proposed Fiscal Year 2025

3 Transportation Program for the Environmental Policy and Sustainability

4 Program, authorized spending is amended as follows:

| 5 | <u>FY25</u> | <u>As Proposed</u> | <u>As Amended</u> | <u>Change</u> |
|---|---------------|--------------------|-------------------|---------------|
| 6 | Person. Svcs. | 6,953,362 | 6,953,362 | 0 |
| 7 | Operat. Exp. | 76,411 | 1,776,411 | 1,700,000 |
| 8 | Grants | 1,480,000 | 1,480,000 | 0 |
| 9 | Total | 8,509,773 | 10,209,773 | 1,700,000 |

10 Sources of funds

| | | | | |
|----|---------|-----------|------------|-----------|
| 11 | State | 531,909 | 531,909 | 0 |
| 12 | Federal | 6,800,327 | 8,500,327 | 1,700,000 |
| 13 | Local | 1,177,537 | 1,177,537 | 0 |
| 14 | Total | 8,509,773 | 10,209,773 | 1,700,000 |

15 (2) Of the funds authorized by this subsection (b), the Environmental

16 Policy and Sustainability Program, in consultation with Central Garage, shall

17 spend \$1,700,000.00 for electrification of the Central Garage fleet.

18 (c) Central Garage. Within the Agency of Transportation’s Proposed

19 Fiscal Year 2025 Transportation Program for the Central Garage, authorized

20 spending is amended as follows:

| 21 | <u>FY25</u> | <u>As Proposed</u> | <u>As Amended</u> | <u>Change</u> |
|----|-------------|--------------------|-------------------|---------------|
|----|-------------|--------------------|-------------------|---------------|

| | | | | |
|---|---------------|------------|------------|------------|
| 1 | Person. Svcs. | 5,480,920 | 5,480,920 | 0 |
| 2 | Operat. Exp. | 19,170,315 | 17,470,315 | -1,700,000 |
| 3 | Total | 24,651,235 | 22,951,235 | -1,700,000 |

4 Sources of funds

| | | | | |
|---|-------|------------|------------|------------|
| 5 | State | 24,651,235 | 22,951,235 | -1,700,000 |
| 6 | Total | 24,651,235 | 22,951,235 | -1,700,000 |

7 (d) Electric vehicle supply equipment (EVSE). Notwithstanding of 19
8 V.S.A. § 11a or any other provision of law to the contrary, the Agency shall
9 distribute \$1,700,000.00 in one-time Transportation Fund monies to the
10 Agency of Commerce and Community Development for the purpose of
11 providing grants to increase Vermonters’ access to level 1 and 2 EVSE
12 charging ports at workplaces or multiunit dwellings, or both, as those terms are
13 defined in 2022 Acts and Resolves No. 185, Sec. E.903.

14 * * * Highway Maintenance * * *

15 Sec. 3. HIGHWAY MAINTENANCE

16 (a) Within the Agency of Transportation’s Proposed Fiscal Year 2025
17 Transportation Program for Maintenance, authorized spending is amended as
18 follows:

| 19 | <u>FY25</u> | <u>As Proposed</u> | <u>As Amended</u> | <u>Change</u> |
|----|---------------|--------------------|-------------------|---------------|
| 20 | Person. Svcs. | 42,757,951 | 42,757,951 | 0 |
| 21 | Operat. Exp. | 65,840,546 | 63,840,546 | -2,000,000 |

1 Total 108,598,497 106,598,497 -2,000,000

2 Sources of funds

3 State 107,566,483 105,566,483 -2,000,000

4 Federal 932,014 932,014 0

5 Inter Unit 100,000 100,000 0

6 Total 108,598,497 106,598,497 -2,000,000

7 (b) Restoring the fiscal year 2025 Maintenance Program appropriation and
8 authorization to the level included in the Agency of Transportation’s Proposed
9 Fiscal Year 2025 Transportation Program shall be the top fiscal priority of the
10 Agency.

11 (1) If there are unexpended State fiscal year 2024 appropriations of
12 Transportation Fund monies, then, at the close of State fiscal year 2024, an
13 amount up to \$2,000,000.00 of any unencumbered Transportation Fund monies
14 appropriated in 2023 Acts and Resolves No. 78, Secs. B.900–B.922, as
15 amended by 2024 Acts and Resolves No. [REDACTED], Secs. [REDACTED], that would
16 otherwise be authorized to carry forward is reappropriated for the Agency of
17 Transportation’s Proposed Fiscal Year 2025 Transportation Program for
18 Maintenance 30 days after the Agency sends written notification of the request
19 for the unencumbered Transportation Fund monies to be reappropriated to the
20 Joint Transportation Oversight Committee, provided that the Joint

1 Transportation Oversight Committee does not send written objection to the
2 Agency.

3 (2) If any unencumbered Transportation Fund monies are reappropriated
4 pursuant to subdivision (1) of this subsection, then, within the Agency of
5 Transportation’s Proposed Fiscal Year 2025 Transportation Program for
6 Maintenance, authorized spending is further amended to increase operating
7 expenses by not more than \$2,000,000.00 in Transportation Fund monies.

8 (3) Notwithstanding subdivisions (1)–(2) of this subsection, the Agency
9 may request further amendments to the Agency of Transportation’s Proposed
10 Fiscal Year 2025 Transportation Program for Maintenance through the State
11 fiscal year budget adjustment act.

12 * * * Town Highway Aid * * *

13 Sec. 4. TOWN HIGHWAY AID MONIES

14 (a) Within the Agency of Transportation’s Proposed Fiscal Year 2025
15 Transportation Program for Town Highway Aid, and notwithstanding the
16 provisions of 19 V.S.A. § 306(a), authorized spending is amended as follows:

| <u>FY25</u> | <u>As Proposed</u> | <u>As Amended</u> | <u>Change</u> |
|---------------|--------------------|-------------------|----------------|
| <u>Grants</u> | <u>28,672,753</u> | <u>29,532,753</u> | <u>860,000</u> |
| <u>Total</u> | <u>28,672,753</u> | <u>29,532,753</u> | <u>860,000</u> |

20 Sources of funds

| | | | |
|--------------|-------------------|-------------------|----------------|
| <u>State</u> | <u>28,672,753</u> | <u>29,532,753</u> | <u>860,000</u> |
|--------------|-------------------|-------------------|----------------|

1 Total 28,672,753 29,532,753 860,000

2 * * * Town Highway Structures * * *

3 **Sec. 5. TOWN HIGHWAY STRUCTURES MONIES**

4 (a) Within the Agency of Transportation’s Proposed Fiscal Year 2025

5 Transportation Program for Town Highway Structures, authorized spending is
6 amended as follows:

| 7 FY25 | As Proposed | As Amended | Change |
|--------------------|-------------|------------|-----------|
| 8 Grants | 7,416,000 | 8,416,000 | 1,000,000 |
| 9 Total | 7,416,000 | 8,416,000 | 1,000,000 |

10 Sources of funds

| | | | |
|--------------------|-----------|-----------|-----------|
| 11 State | 7,416,000 | 8,416,000 | 1,000,000 |
| 12 Total | 7,416,000 | 8,416,000 | 1,000,000 |

13 (b) In State fiscal year 2025, the Agency shall approve qualifying projects
14 with a total estimated State share cost that is at least \$1,000,000.00 more than
15 the minimum set forth in 19 V.S.A. § 306(e)(2).

16 * * * eBike Incentives; Public Transit Programs; Authorization * * *

17 **Sec. 6. ONE-TIME EBIKE INCENTIVE PROGRAM MONIES**

18 (a) The definitions in 19 V.S.A. § 2901 shall apply to this section.

19 (b) In fiscal year 2025, the Agency is authorized to spend up to
20 \$140,000.00 in one-time Transportation Fund monies to provide incentives
21 under the eBike Incentive Program established pursuant to 2021 Acts and

1 Resolves No. 55, Sec. 28, as amended by 2022 Acts and Resolves No. 184,

2 Sec. 23.

3 * * * Agency of Transportation Duties; Bonding * * *

4 Sec. 7. 19 V.S.A. § 10 is amended to read:

5 § 10. DUTIES

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

7 * * *

8 (9) Require any contractor or contractors employed in any project of the
9 Agency for construction of a transportation improvement to file an additional
10 surety bond to the Secretary and the Secretary's successor in office, for the
11 benefit of labor, materialmen, and others, executed by a surety company
12 authorized to transact business in this State; The surety bond shall be in such
13 sum as the Agency shall direct, conditioned for the payment, settlement,
14 liquidation, and discharge of the claims of all creditors for material,
15 merchandise, labor, rent, hire of vehicles, power shovels, rollers, concrete
16 mixers, tools, and other appliances, professional services, premiums, and other
17 services used or employed in carrying out the terms of the contract between the
18 contractor and the State and further conditioned for the following accruing
19 during the term of performance of the contract: the payment of taxes, both
20 State and municipal, and contributions to the Vermont Commissioner of Labor;
21 ~~accruing during the term of performance of the contract.~~ However, in order to

1 obtain the benefit of the security, the claimant shall file with the Secretary a
2 sworn statement of the claimant’s claim, within 90 days after the final
3 acceptance of the project by the State or within 90 days from the time the taxes
4 or contributions to the Vermont Commissioner of Labor are due and payable,
5 and, within one year after the filing of the claim, shall bring a petition in the
6 Superior Court in the name of the Secretary, with notice and summons to the
7 principal, surety, and the Secretary, to enforce the claim or intervene in a
8 petition already filed. The Secretary may, if the Secretary determines that it is
9 in the best interests of the State, accept other good and sufficient surety in lieu
10 of a bond and, in cases involving contracts for \$100,000.00 or less, may waive
11 the requirement of a surety bond.

12 * * *

13 * * * Delays; Transportation Program Statute;

14 Increased Estimated Costs; Technical Corrections * * *

15 Sec. 8. 19 V.S.A. § 10g is amended to read:

16 § 10g. ANNUAL REPORT; TRANSPORTATION PROGRAM;

17 ADVANCEMENTS, CANCELLATIONS, AND DELAYS

18 (a) Proposed Transportation Program. The Agency of Transportation shall
19 annually present to the General Assembly for adoption a multiyear
20 Transportation Program covering the same number of years as the Statewide
21 Transportation Improvement Program (STIP), consisting of the recommended

1 budget for all Agency activities for the ensuing fiscal year and projected
2 spending levels for all Agency activities for the following fiscal years. The
3 Program shall include a description and year-by-year breakdown of
4 recommended and projected funding of all projects proposed to be funded
5 within the time period of the STIP and, in addition, a description of all projects
6 that are not recommended for funding in the first fiscal year of the proposed
7 Program but that are scheduled for construction during the time period covered
8 by the STIP. The Program shall be consistent with the planning process
9 established by 1988 Acts and Resolves No. 200, as codified in 3 V.S.A.
10 chapter 67 and 24 V.S.A. chapter 117, the statements of policy set forth in
11 sections 10b–10f of this title, and the long-range systems plan, corridor studies,
12 and project priorities developed through the capital planning process under
13 section 10i of this title.

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

16 * * *

17 (c) Systemwide performance measures. The Program proposed by the
18 Agency shall include systemwide performance measures developed by the
19 Agency to describe the condition of the Vermont transportation network. The
20 Program shall discuss the background and utility of the performance measures,

1 track the performance measures over time, and, where appropriate, recommend
2 the setting of targets for the performance measures.

3 (d) [Repealed.]

4 (e) Prior expenditures and appropriations carried forward.

5 * * *

6 (f) Adopted Transportation Program. Each year following ~~enactment~~
7 adoption of a Transportation Program under this section, the Agency shall
8 prepare and make available to the public the Transportation Program
9 ~~established~~ adopted by the General Assembly. The resulting document shall
10 be entered in the permanent records of the Agency ~~and of the Board~~, and shall
11 constitute the State’s official Transportation Program.

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

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

17 (2) all projects for which total estimated costs have increased by more
18 than ~~\$8,000,000.00~~ \$5,000,000.00 from the estimate in the adopted
19 Transportation Program for the prior fiscal year or by more than ~~100~~
20 75 percent from the estimate in the ~~prior fiscal year’s approved~~ adopted
21 Transportation Program for the prior fiscal year; ~~and~~

1 (3) all projects for which the total estimated costs have, for the first
2 time, increased by more than \$8,000,000.00 from the estimate in the adopted
3 Transportation Program for the fiscal year when the project first appears as a
4 front-of-book project or by more than 50 percent from the estimate in the
5 adopted Transportation Program for the fiscal year when the project first
6 appears as a front-of-book project; and

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

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

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

20 (2) The Secretary is further authorized to undertake projects to resolve
21 emergency or safety issues that are not included in the adopted Transportation

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

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

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

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

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

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

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

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

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

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

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

1 evaluation of projects. ~~In the approved annual Transportation Program, these~~
2 These funds shall be reserved to the identified projects subject to the discretion
3 of the Secretary to reallocate funds to other projects within the program when
4 it is determined that the scheduled expenditure of the identified funds will be
5 delayed due to permitting, local decision making, the availability of federal or
6 State funds, or other unanticipated problems.

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

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

19 * * *

1 Sec. 9. PLAN FOR REPORTING DELAYS; REPORT

2 The Agency of Transportation shall file a written report containing a plan
3 for how to provide sufficient notice when projects in the adopted
4 Transportation Program are delayed to the House and Senate Committees on
5 Transportation not later than December 15, 2024.

6 * * * Appropriation Calculations * * *

7 * * * Central Garage Fund * * *

8 Sec. 10. 19 V.S.A. § 13(c) is amended to read:

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

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

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

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

21 * * *

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

2 * * *

3 (VI) passed the safety inspection portion, but not necessarily
4 the emissions or on board diagnostic (OBD) systems inspection portion, of the
5 annual inspection required under 23 V.S.A. § 1222 within the prior year.

6 Sec. 14. 19 V.S.A. § 2904a is added to read:

7 § 2904a. REPLACE YOUR RIDE PROGRAM FLEXIBILITY;

8 EMERGENCIES

9 Notwithstanding subdivisions 2904(d)(2)(A) and (d)(2)(B)(i)(IV)–(VI) of
10 this chapter, the Agency of Transportation is authorized to waive or modify the
11 eligibility requirements for the Replace Your Ride Program under subdivisions
12 (d)(2)(B)(i)(IV)–(VI) that pertain to the removal of an eligible vehicle as
13 required under subdivision 2904(d)(2)(A) of this chapter provided that:

14 (1) the Governor has declared a state of emergency under 20 V.S.A.
15 chapter 1 and, due to the event or events underlying the state of emergency,
16 motor vehicles registered in Vermont have been damaged or totaled;

17 (2) the waived or modified eligibility requirements are prominently
18 posted on any websites maintained by or at the direction of the Agency for
19 purposes of providing information on the vehicle incentive programs;

20 (3) the waived or modified eligibility requirements are only applicable:

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

2 * * *

3 (C) electric bicycles and electric cargo bicycles with a base MSRP of
4 ~~\$6,000.00~~ \$10,000.00 or less;

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

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

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

8 and

9 (G) electric all-terrain vehicles (ATVs), as defined in 23 V.S.A.
10 § 3501 and including electric utility terrain vehicles (UTVs), with a base
11 MSRP of \$50,000.00 or less;

12 * * *

13 * * * eBike Incentives; Eligibility * * *

14 **Sec. 16.** 2023 Acts and Resolves No. 62, Sec. 22 is amended to read:

15 Sec. 22. MODIFICATIONS TO EBIKE INCENTIVE PROGRAM;

16 REPORT

17 * * *

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

- 1 (1) the demographics of who received an incentive under the eBike
2 Incentive Program;
- 3 (2) a breakdown of where vouchers were redeemed;
- 4 (3) a breakdown, by manufacturer and type, of electric bicycles, electric
5 cargo bicycles, and adaptive electric cycles incentivized;
- 6 (4) a detailed summary of information provided in the self-certification
7 forms and a description of the Agency’s post-voucher sampling audits and
8 audit findings, together with any recommendations to improve program design
9 and cost-effectively direct funding to recipients who need it most; and
- 10 (5) a detailed summary of information collected through participant
11 surveys.

12 * * * Annual Reporting * * *

13 Sec. 17. 19 V.S.A. § 2905 is amended to read:

14 § 2905. ANNUAL REPORTING; VEHICLE INCENTIVE PROGRAMS

- 15 (a) The Agency shall annually evaluate the programs established under
16 sections 2902–2904 of this chapter to gauge effectiveness and shall submit a
17 written report on the effectiveness of the programs and the State’s marketing
18 and outreach efforts related to the programs to the House and Senate
19 Committees on Transportation, the House Committee on Environment and
20 Energy, and the Senate Committee on Finance ~~Finance~~ Natural Resources and Energy

1 on or before the 31st day of January in each year following a year that an
2 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; and

13 (3) any recommendations for how to better conduct outreach and
14 marketing to ensure the greatest possible uptake of incentives under the
15 programs.

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

1 * * * Authority to Transfer Monies in State Fiscal Year 2024 * * *

2 Sec. 18. TRANSFER OF MONIES FROM VEHICLE INCENTIVE

3 PROGRAMS TO EBIKE INCENTIVE PROGRAM IN STATE

4 FISCAL YEAR 2024

5 (a) Notwithstanding 32 V.S.A. § 706 and any appropriations or

6 authorizations of monies for vehicle incentive programs created under

7 19 V.S.A. §§ 2902–2904, in State fiscal year 2024 the Secretary of

8 Transportation may transfer up to \$50,000.00 from any vehicle incentive

9 program created under 19 V.S.A. §§ 2902–2904 to the eBike Incentive

10 Program established pursuant to 2021 Acts and Resolves No. 55, Sec. 28, as

11 amended by 2022 Acts and Resolves No. 184, Sec. 23.

12 (b) Any transfers made pursuant to subsections (a) of this section shall be

13 reported to the Joint Transportation Oversight Committee and the Joint Fiscal

14 Office within 30 days after the transfer.

15 * * * Authority to Transfer Monies in State Fiscal Year 2025 * * *

16 Sec. 19. TRANSFER OF MONIES BETWEEN VEHICLE INCENTIVE

17 PROGRAMS IN STATE FISCAL YEAR 2025

18 (a) Notwithstanding 32 V.S.A. § 706 and any appropriations or

19 authorizations of monies for vehicle incentive programs created under

20 19 V.S.A. §§ 2902–2904, in State fiscal year 2025 the Secretary of

21 Transportation may transfer up to 50 percent of any remaining monies for a

1 vehicle incentive program created under 19 V.S.A. §§ 2902–2904 to any other
2 vehicle incentive program created under 19 V.S.A. §§ 2902–2904 that has less
3 than \$500,000.00 available for distribution as a vehicle incentive.

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

7 * * * Electric Vehicle Supply Equipment (EVSE) * * *

8 Sec. 20. 19 V.S.A. chapter 29 is amended to read:

9 CHAPTER 29. VEHICLE INCENTIVE PROGRAMS; ELECTRIC

10 VEHICLE SUPPLY EQUIPMENT

11 § 2901. DEFINITIONS

12 As used in this chapter:

13 * * *

14 (4) “Electric vehicle supply equipment (EVSE)” and “electric vehicle
15 supply equipment available to the public” have the same meanings as in
16 30 V.S.A. § 201.

17 (5) “Plug-in electric vehicle (PEV),” “battery electric vehicle (BEV),”
18 and “plug-in hybrid electric vehicle (PHEV)” have the same meanings as in
19 23 V.S.A. § 4(85).

20 * * *

1 § 2906. ELECTRIC VEHICLE SUPPLY EQUIPMENT GOALS

2 It shall be the goal of the State to have, as practicable, level 3 EVSE
3 charging ports available to the public:

4 (1) within three driving miles of every exit of the Dwight D. Eisenhower
5 National System of Interstate and Defense Highways within the State;

6 (2) within 25 driving miles of another level 3 EVSE charging port
7 available to the public along a State highway, as defined in subdivision 1(20)
8 of this title; and

9 (3) co-located with or within a safe and both walkable and rollable
10 distance of publicly accessible amenities such as restrooms, restaurants, and
11 convenience stores to provide a safe, consistent, and convenient experience for
12 the traveling public along the State highway system.

13 § 2907. ANNUAL REPORTING; ELECTRIC VEHICLE SUPPLY
14 EQUIPMENT

15 (a) Notwithstanding 2 V.S.A. § 20(d), the Agency of Transportation shall:

16 (1) file a report, with a map, on the State’s efforts to meet its federally
17 required Electric Vehicle Infrastructure Deployment Plan, as updated, with the
18 House and Senate Committees on Transportation not later than January 15
19 each year until the Deployment Plan is met;

20 (2) file a report on additional efforts to deploy EVSE through any State
21 EVSE grant programs, including grant programs to increase Vermonters’

1 access to charging at workplaces, multiunit dwellings, and community
2 attractions with the House and Senate Committees on Transportation not later
3 than January 15 each year in a year following a calendar year in which a State
4 EVSE grant program provides funding for EVSE; and

5 (3) file a report on the current conditions of EVSE available to the
6 public and deployed through the assistance of public, State or federal, funding;
7 how other states or jurisdictions are addressing broken or unavailable EVSE
8 available to the public; and any recommendations on how best to minimize the
9 frequency that EVSE available to the public is broken or unavailable with the
10 House and Senate Committees on Transportation not later than January 15
11 each year.

12 (b) The reports required under subsection (a) of this section can be
13 combined when filing with the House and Senate Committees on
14 Transportation and shall prominently be posted on the Agency of
15 Transportation and Agency of Commerce and Community Development's
16 websites, as applicable.

17 Sec. 21. REPEAL OF CURRENT EVSE MAP REPORT AND EXISTING

18 GOALS

19 2021 Acts and Resolves No. 55, Sec. 30, as amended by 2022 Acts and
20 Resolves No. 184, Sec. 4 (EVSE network in Vermont goals; report of annual
21 map) is repealed.

1 Sec. 22. EVSE PLAN; REPORT

2 The Agency of Transportation, in consultation with the Agencies of
3 Agriculture, Food and Markets and of Commerce and Community
4 Development, shall prepare a written plan, which may incorporate other plans
5 that have been prepared to secure federal funding under the National Electric
6 Vehicle Infrastructure Formula Program, for how to fund and maintain the
7 EVSE necessary for Vermont to meet that portion of the goals of the
8 Comprehensive Energy Plan and the Vermont Climate Action Plan. The
9 written plan shall be filed with the House and Senate Committees on
10 Transportation not later than January 15, 2025.

11 Sec. 23. RECOMMENDATION ON EVSE REGULATION

12 (a) The Agency of Agriculture, Food and Markets, in consultation with the
13 Agencies of Transportation and of Commerce and Community Development,
14 the Department of Public Service, the Public Utility Commission, the Office of
15 the Attorney General, Consumer Protection Division, Drive Electric Vermont,
16 and EVSE industry participants, shall prepare written recommendations on
17 what regulations, if any, should be placed on EVSE available to the public that
18 is not owned and operated by an electric distribution utility and on EVSE
19 available to the public that is owned and operated by an electric distribution
20 utility. The written recommendations shall include clear explanations for
21 regulatory recommendations regarding EVSE, trade professionals, fees,

1 penalties, appeals; the number of affected EVSE and trade professionals;
2 projected revenues and program costs; initial findings regarding EVSE
3 tolerances and noncompliant EVSE; and plans for education and outreach in
4 advance of the implementation of any regulations or enforcement. The written
5 recommendations shall be filed with the House and Senate Committees on
6 Transportation, the House Committees on Commerce and Economic
7 Development and on Environment and Energy, and the Senate Committees on
8 Economic Development, Housing and General Affairs, on Finance, and on
9 Natural Resources and Energy not later than November 15, 2024.

10 (b) Notwithstanding 9 V.S.A. chapter 73 and any State law or rule that may
11 authorize regulation of EVSE not owned by an electric distribution utility, the
12 State shall not implement an EVSE regulatory program or take any
13 enforcement action related to EVSE regulation before the report required under
14 subsection (a) of this section is filed.

15 * * * Beneficial Electrification * * *

16 Sec. 24. ELECTRIC DISTRIBUTION UTILITY LINE EXTENSION
17 COSTS; REPORT

18 In the report due not later than January 15, 2025, pursuant to 2021 Acts and
19 Resolves No. 55, Sec. 33, the Public Utility Commission shall include a
20 reporting of line extension tariffs across all electric distribution utilities, which

1 shall also include an analysis and comparison of electric distribution utility
2 practices related to requests for line extensions and service upgrades.

3 * * * Expansion of Public Transit Service * * *

4 * * * Mobility Services Guide; Car Share * * *

5 Sec. 25. MOBILITY SERVICES GUIDE; ORAL UPDATE

6 (a) The Agency of Transportation, in consultation with existing nonprofit
7 mobility services organizations incorporated in the State of Vermont for the
8 purpose of providing Vermonters with transportation alternatives to personal
9 vehicle ownership, such as through carsharing, and other nonprofit
10 organizations working to achieve the goals of the Comprehensive Energy Plan,
11 the Vermont Climate Action Plan, and the Agency of Transportation’s
12 community engagement plan for environmental justice, shall develop a web-
13 page-based guide to outline the different mobility service models that could be
14 considered for deployment in Vermont.

15 (b) At a minimum, the web-page-based guide required under subsection (a)
16 of this section shall include the following:

17 (1) definitions of program types or options, such as car sharing, mobility
18 for all, micro-transit, bike sharing, and other types of programs that meet the
19 goals identified in subsection (a) of this section;

20 (2) information related to existing initiatives, including developmental
21 and pilot programs, that meet any of the program types or options defined

1 pursuant to subdivision (1) of this subsection and information related to any
2 pertinent studies or reports, whether completed or ongoing, related to the
3 program types or options defined pursuant to subdivision (1) of this
4 subsection;

5 (3) details of other existing programs that may impact program design,
6 such as fixed-route public transit service, Medicaid transportation service,
7 older adults and persons with disability transportation service, job access
8 transportation service, and other similar programs; and

9 (4) for each possible program type or option defined pursuant
10 subdivision (1) of this subsection, additional details outlining:

11 (A) the range of start-up, capital, facilities, and ongoing operating
12 and maintenance costs;

13 (B) the service area characteristics;

14 (C) the revenue capture options;

15 (D) technical assistance resources; and

16 (E) existing or potential funding resources.

17 (c) The Agency of Transportation shall make itself available to provide an
18 oral update and demonstration of the web-page-based guide required under
19 subsection (a) of this section to the House and Senate Committees on
20 Transportation not later than February 15, 2025.

1 * * * Mobility and Transportation Innovations (MTI) Grant Program * * *

2 Sec. 26. MOBILITY AND TRANSPORTATION INNOVATIONS (MTI)

3 GRANT PROGRAM; EXPANSION

4 The Mobility and Transportation Innovations (MTI) Grant Program, which
5 was created pursuant to 2020 Acts and Resolves No. 121, Sec. 16 (identified in
6 that act as a transportation demand management and micro-transit innovations
7 grant program), shall continue to support projects that improve both mobility
8 and access to services for transit-dependent Vermonters, reduce the use of
9 single-occupancy vehicles, and reduce greenhouse gas emissions but shall be
10 expanded as follows:

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

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

1 * * * Replacement for the Vermont State Design Standards * * *

2 Sec. 28. REPLACEMENT FOR THE VERMONT STATE DESIGN
3 STANDARDS

4 (a) In preparing the replacement for the Vermont State Design Standards,
5 the Agency of Transportation shall do all of the following:

6 (1) Release a draft of the replacement to the Vermont State Design
7 Standards and related documents not later than January 1, 2026.

8 (2) Conduct not less than four public hearings across the State
9 concerning the replacement to the Vermont State Design Standards and related
10 documents.

11 (3) Provide a publicly available responsiveness summary detailing the
12 public participation activities conducted in developing the final draft of the
13 replacement for the Vermont State Design Standards and related documents, as
14 applicable; a description of the matters on which members of the public or
15 stakeholders, or both, were consulted; a summary of the views of the
16 participating members of the public and stakeholders; and significant
17 comments, criticisms, and suggestions received by the Agency and the
18 Agency’s specific responses, including an explanation of any modifications
19 made in response.

20 (4) Consult directly, through a series of large-group, specialty focus
21 groups and one-on-one meetings, with key stakeholders in order to achieve

1 stakeholder engagement and afford a voice in the development of the
2 replacement for the Vermont State Design Standards and related documents.
3 At a minimum, stakeholders shall include the House and Senate Committees
4 on Transportation, the Federal Highway Administration (FHWA), the Vermont
5 Agency of Commerce and Community Development (ACCD), the Vermont
6 Agency of Natural Resources (ANR), the Vermont Department of Health
7 (VDH), the Vermont Department of Public Service (DPS), the Vermont
8 League of Cities and Towns (VLCT), Vermont’s regional planning
9 commissions (RPCs), the Vermont chapter of the American Association of
10 Retired Persons (AARP), Transportation for Vermonters (T4VT), Local
11 Motion, the Sierra Club, Conservation Law Foundation, the Vermont Natural
12 Resources Council, the Vermont Truck and Bus Association, the Vermont
13 Public Transportation Association (VPTA), the American Council of
14 Engineering Companies (ACEC), the Association of General Contractors
15 (AGC), and Vermont Transportation Equity Framework stakeholders.

16 (b) The Agency shall provide oral updates on its progress preparing the
17 replacement to the Vermont State Design Standards, including the process
18 required under subsection (a) of this section, to the House and Senate
19 Committees on Transportation not later than February 15, 2025 and February
20 15, 2026.

1 * * * Complete Streets; Traffic Calming Measures; Designated Centers * * *

2 Sec. 29. 19 V.S.A. §§ 2402 and 2403 are amended to read:

3 § 2402. STATE POLICY

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

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

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

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

19 (3) are sensitive to the surrounding community, including current and
20 planned buildings, parks, and trails and current and expected transportation
21 needs; and

1 subdivision then the project manager shall provide a supplemental written
2 determination with specific details on costs, needs, and probable uses, as
3 applicable, but shall not need to address, in the supplemental written
4 determination, any design elements desired by the municipality pursuant to
5 subdivision 2402(b)(4)(B) of this chapter.

6 * * *

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 * * *

12 (2) The cost of incorporating complete streets principles is
13 disproportionate to the need or probable use as determined by factors such as
14 land use, current and projected user volumes, population density, crash data,
15 historic and natural resource constraints, and maintenance requirements. The
16 municipality shall consult local and regional plans, as appropriate, in assessing
17 these and any other relevant factors. If the municipality managing the project
18 bases the written determination required under this subsection in whole or in
19 part on this subdivision then the project manager shall provide a supplemental
20 written determination with specific details on costs, needs, and probable uses,
21 as applicable, but shall not need to address, in the supplemental written

1 determination, any design elements desired by the municipality pursuant to
2 subdivision 2402(b)(4)(B) of this chapter.

3 * * *

4 * * * Sustainability of Vermont’s Transportation System;

5 Emissions Reductions * * *

6 Sec. 30. ANALYSIS AND REPORT ON SUSTAINABILITY OPTIONS;

7 TRANSPORTATION EMISSIONS REDUCTIONS

8 (a) Findings of fact. The General Assembly finds:

9 (1) A majority of the Vermont Climate Council (VCC) voted to
10 recommend participation in the Transportation & Climate Initiative Program
11 (TCI-P), a regional cap-and-invest program, as a lead policy and regulatory
12 approach to reduce emissions from the transportation sector in the Vermont
13 Climate Action Plan (CAP), adopted in December 2021.

14 (2) Shortly before adoption of the CAP in December 2021, participating
15 in TCI-P became unviable and the VCC agreed to include in the CAP that the
16 VCC would continue work on an alternative recommendation to reduce
17 emissions from the transportation sector in Vermont and pursue participating
18 in TCI-P if it again became viable.

19 (3) An addendum to the CAP, supported by a majority of the VCC,
20 stated that: “The only currently known policy options for which there is strong
21 evidence from other states, provinces[,] and countries of the ability to

1 confidently deliver the scale and pace of emissions reductions that are required
2 of the transportation sector by the [Global Warming Solutions Act (GWSA)]
3 are one or a combination of: a) a cap and invest/cap and reduce policy
4 covering transportation fuels and/or b) a performance standard/performance-
5 based regulatory approach covering transportation fuels. Importantly, based on
6 research associated with their potential implementation, these approaches can
7 also be designed in a cost-effective and equitable manner.”

8 (4) The development of the State’s Carbon Reduction Strategy (CRS),
9 which is required by the Federal Highway Administration (FHWA) pursuant to
10 the federal Infrastructure Investment and Jobs Act (IIJA) for states to access
11 federal monies under the Carbon Reduction Program and required by the
12 General Assembly pursuant to 2023 Acts and Resolves No. 62, Sec. 31, and
13 the accompanying planning and public engagement process provided the Cross
14 Section Mitigation Subcommittee of the VCC a timely opportunity to
15 undertake additional analysis required for a potential preferred
16 recommendation or recommendations to fill the gap in reductions of
17 transportation emissions.

18 (5) The CRS, which was filed with the FHWA in November 2023,
19 models that the State may meet its 2025 reduction requirement in the
20 transportation sector, but that, even with additional investments for
21 programmatic, policy, and regulatory options, the modeling shows a gap

1 between projected “business as usual” emissions in the transportation sector
2 and the portion of GWSA emission reduction requirements for 2030 and 2050
3 that are attributable to the transportation sector.

4 (6) The CRS reaffirms that, without adoption of additional polices, the
5 portion of GWSA emission reduction requirements for 2030 and 2050 that are
6 attributable to the transportation sector will not be met and states that: “Of the
7 additional programs, a cap-and-invest and/or Clean Transportation Standard
8 program are likely the two most promising options to close the gap in projected
9 emissions vs. required emissions levels for the transportation sector. . . .”

10 (7) There remains a need for further, more detailed analysis of policy
11 options.

12 (b) Written analysis. The Agency of Natural Resources, specifically the
13 Climate Action Office, and the Agency of Transportation, in consultation with
14 the State Treasurer; the Departments of Finance and Management, of Motor
15 Vehicles, and of Taxes; and the VCC, including those councilors appointed by
16 the General Assembly to provide expertise in energy and data analysis,
17 expertise and professional experience in the design and implementation of
18 programs to reduce greenhouse gas emissions, and representation of a
19 statewide environmental organization as outlined in the adopted January 12,
20 2024 Transportation Addendum to the Climate Action Plan, shall prepare a
21 written analysis of policy and investment scenarios to reduce emissions in the

1 transportation sector in Vermont and meet the greenhouse gas reduction
2 requirements of 10 V.S.A. § 578, as amended by Sec. 3 of the Global Warming
3 Solutions Act (2020 Acts and Resolves No. 153).

4 (c) Scenario development. At a minimum, the written analysis required
5 under subsection (b) of this section shall address the pros, cons, costs, and
6 benefits of the following:

7 (1) Vermont participating in regional or cap-and-invest program, such as
8 the Western Climate Initiative (WCI) and the New York Cap-and-Invest
9 program;

10 (2) Vermont adopting a clean transportation fuel standard, which would
11 be a performance standard or performance-based regulatory approach covering
12 transportation fuels; and

13 (3) Vermont implementing other potential revenue-raising, carbon-
14 pollution reduction strategies.

15 (d) Emission reduction scenarios; administration. The written analysis
16 shall include an estimate of the amount of emissions reduction to be generated
17 from a minimum of four scenarios, to include a business-as-usual, low-,
18 medium-, and high-greenhouse gas emissions reduction, analyzed under
19 subsection (c) of this section and a summary of how each proposal analyzed
20 under subsection (c) of this section would be administered.

1 (e) Revenue and cost estimate; timeline. The written analysis completed
2 pursuant to subsections (b)–(d) of this section shall be provided to the State
3 Treasurer to review cost and revenue projections for each scenario. The State
4 Treasurer shall make a written recommendation to the General Assembly
5 regarding any viable approaches.

6 (f) Public access; committees; due date.

7 (1) The Climate Action Office shall maintain a publicly accessible
8 website with information related to the development of the written analysis
9 required under subsection (b) of this section.

10 (2) The Agencies of Natural Resources and of Transportation, in
11 consultation with the State Treasurer, shall file a status update on the
12 development of the written analysis required under subsection (b) of this
13 section with the House and Senate Committees on Transportation, the House
14 Committees on Environment and Energy and on Ways and Means, and the
15 Senate Committees on Finance and on Natural Resources and Energy not later
16 than November 15, 2024.

17 (3) The Agencies of Natural Resources and of Transportation, in
18 consultation with the State Treasurer, shall file the written analysis required
19 under subsection (b) of this section and the State Treasurer’s written
20 recommendation to the General Assembly regarding any viable approaches
21 required under subsection (e) of this section with the House and Senate

1 Committees on Transportation, the House Committees on Environment and
2 Energy and on Ways and Means, and the Senate Committees on Finance and
3 on Natural Resources and Energy not later than February 15, 2025.

4 (g) Use of consultant. The Agencies of Natural Resources and of
5 Transportation shall retain a consultant that is an expert in comprehensive
6 transportation policy with a core focus on emission reductions and economic
7 modeling to undertake the analysis and to provide the State Treasurer with any
8 additional information needed to inform the State Treasurer’s
9 recommendations regarding any viable approaches required under subsections
10 (b)–(e) of this section.

11 (h) Costs.

12 (1) If the costs of the consultant required under subsection (g) of this
13 section are eligible expenditures under the U.S. Environmental Protection
14 Agency’s (EPA) Climate Pollution Reduction Grants (CPRG) program then
15 that shall be the source of funding to cover the costs of the consultant required
16 under subsection (g) of this section.

17 (2) The State Treasurer may use funds appropriated in State fiscal year
18 2025 to complete the work required under subsection (e) of this section,
19 including administrative costs and third-party consultation.

* * * Transportation Funding Study * * *

1
2 Sec. 32. TRANSPORTATION FUNDING STUDY; CONSULTANT;
3 REPORT

4 (a) The General Assembly finds:

5 (1) Vermont’s transportation system is crucial to every resident, student,
6 worker, visitor, and business located in Vermont; serves as the backbone of the
7 economy; and is a critical component of Vermont’s economic competitiveness.

8 (2) The State must continue to pursue an equitable transportation
9 network in which communities have improved access to all modes of
10 transportation, enhancing access to jobs, housing, and other services.

11 (3) In order to keep up with the maintenance, repair, and construction
12 necessary to maintain the State’s transportation infrastructure, additional State
13 revenue needs to be raised in order to meet the nonfederal match for all federal
14 monies for which Vermont is eligible and that is awarded to Vermont through
15 competitive federal grants.

16 (4) Several public transit funding studies have been presented to the
17 General Assembly, in 2015, 2021, and 2024, that highlight growing labor
18 costs, changed ridership habits, a reduction in federal monies intended to
19 minimize person-to-person contact during the COVID-19 pandemic, increased
20 service needs, and an anticipated funding cliff just to maintain current levels of
21 service and operation in State fiscal year 2026.

1 (5) Vermont will continue to contend with transportation funding
2 shortfalls due to decreased motor fuel tax revenue, on both gasoline and diesel,
3 due to increasing vehicle fuel efficiency and the continued adoption of plug-in
4 electric vehicles.

5 (6) The Agency of Transportation is studying and seeking federal
6 competitive grant funding to implement, possibly as early as July 1, 2025, a
7 mileage-based user fee (MBUF) as a way to supplant lost motor fuel tax
8 revenue from Vermonters who own a battery electric vehicle that is charged at
9 home.

10 (7) While motor fuels represent a significant source of funding for the
11 Transportation Fund, they are only one component of the State’s overall
12 transportation funding.

13 (8) In addition to an MBUF, the State must identify new and innovative
14 funding and policy options needed to adequately maintain Vermont’s
15 transportation system and support future growth.

16 (b) The Agency of Transportation shall invest not more than \$100,000.00
17 to contract with an independent third-party consultant with expertise in
18 transportation funding and finance.

19 (c) The consultant shall consider and evaluate issues related to
20 transportation funding in order to identify mechanisms to sufficiently fund

1 transportation projects and operations through appropriations by the General
2 Assembly. Specifically, the consultant shall:

3 (1) evaluate current transportation funding in Vermont, taking into
4 account the viability of existing revenue sources and funding distributions;

5 (2) consider future trends that will impact the multimodal transportation
6 system, including inflation, safety needs, racial equity, electric vehicles, and
7 climate change;

8 (3) consider new and innovative funding options and alternative
9 solutions employed by other states;

10 (4) consider how an MBUF can, along with other new and traditional
11 funding mechanisms, provide sustainable transportation funding; and

12 (5) provide a report of transportation revenue projection scenarios
13 through 2030, including new sources.

14 (d)(1) The Agency shall send to the House and Senate Committees on
15 Transportation, the House Committee on Ways and Means, and the Senate
16 Committee on Finance:

17 (1) on or before December 15, 2024, a written update of work performed
18 and, if available, a draft of the final report; and

19 (2) on or before January 15, 2025, the final written report and
20 recommendations required by this section.

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* * * Effective Dates * * *

Sec. 33. EFFECTIVE DATES

(a) This section and Sec. 18 (vehicle incentive programs transfers; fiscal year 2024) shall take effect on passage.

(b) All other sections shall take effect on July 1, 2024.