

1 H.868

2 Introduced by Committee on Transportation

3 Date:

4 Subject: Transportation; annual Transportation Program; surety bonds;
5 transportation planning; appropriations calculations; Central Garage
6 Fund; town highway aid; right-of-way permit fees; vehicle incentive
7 programs; electric vehicle supply equipment (EVSE); beneficial
8 electrification; electric distribution utilities; public transit; mobility
9 services; Mobility and Transportation Innovations (MTI) Grant
10 Program; Vermont Rail Plan; Amtrak; Vermont State Design
11 Standards; complete streets; State-designated centers; emissions

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 fiscal year 2025 Transportation Program and
16 miscellaneous changes to laws related to transportation

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

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

1 Sec. 1. TRANSPORTATION PROGRAM ADOPTED; DEFINITIONS

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

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

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

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

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

18 (4) “Electric vehicle supply equipment (EVSE)” and “electric vehicle
19 supply equipment available to the public” have the same meanings as in
20 30 V.S.A. § 201.

1 (5) “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 (6) “Mileage-based user fee” or “MБУF” means a fee for vehicle use of
6 the public road system with distance, stated in miles, as the measure of use.

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

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

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

1 * * * Public Transit; Carbon Reduction Program;
2 Environmental Policy and Sustainability Program; Central Garage;
3 Electric Vehicle Supply Equipment (EVSE) * * *
4 Sec. 2. PUBLIC TRANSIT; CARBON REDUCTION PROGRAM;
5 ENVIRONMENTAL POLICY AND SUSTAINABILITY
6 PROGRAM; CENTRAL GARAGE; ELECTRIC VEHICLE SUPPLY
7 EQUIPMENT (EVSE)

8 (a) Public Transit.

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

12	<u>FY25</u>	<u>As Proposed</u>	<u>As Amended</u>	<u>Change</u>
13	Person. Svcs.	4,612,631	4,612,631	0
14	Operat. Exp.	119,894	119,894	0
15	Grants	51,907,700	50,207,700	-1,700,000
16	Total	56,640,225	54,940,225	-1,700,000
17	<u>Sources of funds</u>			
18	State	9,807,525	9,807,525	0
19	Federal	46,692,700	44,992,700	-1,700,000
20	Interdept.	140,000	140,000	0
21	Total	56,640,225	54,940,225	-1,700,000

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

5 (b) Environmental Policy and Sustainability Program.

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

9	<u>FY25</u>	<u>As Proposed</u>	<u>As Amended</u>	<u>Change</u>
10	Person. Svcs.	6,953,362	6,953,362	0
11	Operat. Exp.	76,411	1,776,411	1,700,000
12	Grants	1,480,000	1,480,000	0
13	Total	8,509,773	10,209,773	1,700,000
14	<u>Sources of funds</u>			
15	State	531,909	531,909	0
16	Federal	6,800,327	8,500,327	1,700,000
17	Local	1,177,537	1,177,537	0
18	Total	8,509,773	10,209,773	1,700,000

19 (2) Of the funds authorized by this subsection, the Environmental Policy
20 and Sustainability Program, in consultation with Central Garage, shall spend
21 \$1,700,000.00 for electrification of the Central Garage fleet.

1 (c) Central Garage. Within the Agency of Transportation’s Proposed
2 Fiscal Year 2025 Transportation Program for the Central Garage, authorized
3 spending is amended as follows:

4	<u>FY25</u>	<u>As Proposed</u>	<u>As Amended</u>	<u>Change</u>
5	Person. Svcs.	5,480,920	5,480,920	0
6	Operat. Exp.	19,170,315	17,470,315	-1,700,000
7	Total	24,651,235	22,951,235	-1,700,000

8 Sources of funds

9	Int. Svc.	24,651,235	22,951,235	-1,700,000
10	Total	24,651,235	22,951,235	-1,700,000

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

18 (e) Notwithstanding 19 V.S.A. § 13(c), in fiscal year 2025, the amount
19 of \$1,700,000.00 is transferred from the Central Garage Fund, created in
20 19 V.S.A. § 13, to the Transportation Fund.

1 * * * Highway Maintenance * * *

2 Sec. 3. HIGHWAY MAINTENANCE

3 (a) Within the Agency of Transportation's Proposed Fiscal Year 2025

4 Transportation Program for Maintenance, authorized spending is amended as
5 follows:

6 <u>FY25</u>	<u>As Proposed</u>	<u>As Amended</u>	<u>Change</u>
7 Person. Svcs.	42,757,951	42,757,951	0
8 Operat. Exp.	65,840,546	63,840,546	-2,000,000
9 Total	108,598,497	106,598,497	-2,000,000
10 <u>Sources of funds</u>			
11 State	107,566,483	105,566,483	-2,000,000
12 Federal	932,014	932,014	0
13 Inter Unit	100,000	100,000	0
14 Total	108,598,497	106,598,497	-2,000,000

15 (b) Restoring the fiscal year 2025 Maintenance Program appropriation and
16 authorization to the level included in the Agency of Transportation's Proposed
17 Fiscal Year 2025 Transportation Program shall be the top fiscal priority of the
18 Agency.

19 (1) If there are unexpended State fiscal year 2024 appropriations of
20 Transportation Fund monies, then, at the close of State fiscal year 2024, an
21 amount up to \$2,000,000.00 of any unencumbered Transportation Fund monies

1 appropriated in 2023 Acts and Resolves No. 78, Secs. B.900–B.922, which
2 would otherwise be authorized to carry forward, is reappropriated for the
3 Agency of Transportation’s Proposed Fiscal Year 2025 Transportation
4 Program for Maintenance 30 days after the Agency sends written notification
5 of the request for the unencumbered Transportation Fund monies to be
6 reappropriated to the Joint Transportation Oversight Committee, provided that
7 the Joint Transportation Oversight Committee does not send written objection
8 to the Agency.

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

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

1 authorized to transact business in this State; The surety bond shall be in such
2 sum as the Agency shall direct, conditioned for the payment, settlement,
3 liquidation, and discharge of the claims of all creditors for material,
4 merchandise, labor, rent, hire of vehicles, power shovels, rollers, concrete
5 mixers, tools, and other appliances, professional services, premiums, and other
6 services used or employed in carrying out the terms of the contract between the
7 contractor and the State and further conditioned for the following accruing
8 during the term of performance of the contract: the payment of taxes, both
9 State and municipal, and contributions to the Vermont Commissioner of Labor;
10 ~~accruing during the term of performance of the contract.~~ However, in order to
11 obtain the benefit of the security, the claimant shall file with the Secretary a
12 sworn statement of the claimant's claim, within 90 days after the final
13 acceptance of the project by the State or within 90 days from the time the taxes
14 or contributions to the Vermont Commissioner of Labor are due and payable,
15 and, within one year after the filing of the claim, shall bring a petition in the
16 Superior Court in the name of the Secretary, with notice and summons to the
17 principal, surety, and the Secretary, to enforce the claim or intervene in a
18 petition already filed. The Secretary may, if the Secretary determines that it is
19 in the best interests of the State, accept other good and sufficient surety in lieu
20 of a bond and, in cases involving contracts for \$100,000.00 or less, may waive
21 the requirement of a surety bond.

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* * * Delays; Transportation Program Statute;

Increased Estimated Costs; Technical Corrections * * *

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

§ 10g. ANNUAL REPORT; TRANSPORTATION PROGRAM;

ADVANCEMENTS, CANCELLATIONS, AND DELAYS

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

1 and project priorities developed through the capital planning process under
2 section 10i of this title.

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

5 * * *

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

12 (d) [Repealed.]

13 (e) Prior expenditures and appropriations carried forward.

14 * * *

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

1 (g) Project updates. The Agency's annual proposed Transportation
2 Program shall include project updates referencing this section and listing the
3 following:

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

6 (2) all projects for which total estimated costs have increased by more
7 than ~~\$8,000,000.00~~ \$5,000,000.00 from the estimate in the adopted
8 Transportation Program for the prior fiscal year or by more than ~~100~~
9 75 percent from the estimate in the ~~prior fiscal year's approved~~ adopted
10 Transportation Program for the prior fiscal year; ~~and~~

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

17 (4) all projects funded for construction in the prior fiscal year's
18 ~~approved~~ adopted Transportation Program that are no longer funded in the
19 proposed Transportation Program submitted to the General Assembly, the
20 projected costs for such projects in the prior fiscal year's ~~approved~~ adopted

1 Transportation Program, and the total costs incurred over the life of each such
2 project.

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

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

10 (2) The Secretary is further authorized to undertake projects to resolve
11 emergency or safety issues that are not included in the adopted Transportation
12 Program for the current fiscal year. Upon authorizing a project to resolve an
13 emergency or safety issue, the Secretary shall give prompt notice of the
14 decision and action taken to the Joint Fiscal Office and to the House and
15 Senate Committees on Transportation when the General Assembly is in
16 session, and ~~when the General Assembly is not in session,~~ to the Joint
17 Transportation Oversight Committee, the Joint Fiscal Office, and the Joint
18 Fiscal Committee when the General Assembly is not in session. ~~Should an~~
19 ~~approved~~

20 (3) If a project in the current adopted Transportation Program ~~require~~ for
21 the current fiscal year requires additional funding to maintain the ~~approved~~

1 schedule in the adopted Transportation Program for the current fiscal year, the
2 Agency is authorized to allocate the necessary resources. However, the
3 Secretary shall not delay or suspend work on ~~approved~~ projects in the adopted
4 Transportation Program for the current fiscal year to reallocate funding for
5 other projects except when other funding options are not available. In such
6 case, the Secretary shall notify the Joint Transportation Oversight Committee,
7 the Joint Fiscal Office, and the Joint Fiscal Committee when the General
8 Assembly is not in session and the House and Senate Committees on
9 Transportation and the Joint Fiscal Office when the General Assembly is in
10 session. With respect to projects in the approved Transportation Program, the
11 Secretary shall notify, ~~in the district affected~~, the regional planning
12 commission for the district where the affected project is located, the
13 municipality where the affected project is located, the legislators for the district
14 where the affected project is located, the House and Senate Committees on
15 Transportation, and the Joint Fiscal Office of any change that likely will affect
16 the fiscal year in which the project is planned to go to construction.

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

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

11 (j) Plan for advancing projects. The Agency of Transportation, in
12 coordination with the Agency of Natural Resources and the Division for
13 Historic Preservation, shall prepare and implement a plan for advancing
14 ~~approved~~ projects contained in the ~~approved~~ adopted Transportation Program
15 for the current fiscal year. The plan shall include the assignment of a project
16 manager from the Agency of Transportation for each project. The Agency of
17 Transportation, the Agency of Natural Resources, and the Division for Historic
18 Preservation shall set forth provisions for expediting the permitting process
19 and establishing a means for evaluating each project during concept design
20 planning if more than one agency is involved to determine whether it should be
21 advanced or deleted from the Program.

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

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

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

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

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

11 (l) Numerical grading system; priority rating. The Agency shall develop a
12 numerical grading system to assign a priority rating to all Program
13 Development Paving, Program Development Roadway, Program Development
14 Safety and Traffic Operations, Program Development State and Interstate
15 Bridge, Town Highway Bridge, and Bridge Maintenance projects. The rating
16 system shall consist of two separate, additive components as follows:

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

20 * * *

1 Transportation Program prepared pursuant to subsection (f) of this section shall
2 include the year in which ~~such~~ the projects were first ~~approved by the General~~
3 ~~Assembly~~ included in an adopted Transportation Program.

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

9 * * *

10 Sec. 9. PLAN FOR REPORTING DELAYS; REPORT

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

15 * * * Appropriation Calculations * * *

16 * * * Central Garage Fund * * *

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

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

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

1 appropriation by the same percentage change as the following, whichever is
2 less, or shall remain at the previous fiscal year's appropriation if either of the
3 following are negative or zero:

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

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

12 (2) ~~If the year-over-year change in appropriations specified in either~~
13 ~~subdivision (1)(A) or (B) of this subsection is negative, then the appropriation~~
14 ~~to town highways under this subsection shall be equal to the previous fiscal~~
15 ~~year's appropriation~~ For purposes of subdivision (1)(B) of this subsection, the
16 percentage change in the CPI-U is calculated by determining the increase or
17 decrease, to the nearest one-tenth of a percent, in the CPI-U for the month
18 ending on June 30 in the calendar year one year prior to the first day of the
19 fiscal year for which the appropriation will be made compared to the CPI-U for
20 the month ending on June 30 in the calendar year two years prior to the first
21 day of the fiscal year for which the appropriation will be made.

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

Sec. 12. 19 V.S.A. § 1112 is amended to read:

§ 1112. DEFINITIONS; FEES

(a) As used in this section:

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

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

* * *

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

* * *

(3) minor commercial development: \$250.00

* * *

(c) Notwithstanding subdivision (b)(3) of this section, the Secretary may waive the collection of the fee for a permit issued pursuant to section 1111 of this chapter for a minor commercial development if the Governor has declared

1 a state of emergency under 20 V.S.A. chapter 1 and the Secretary has
2 determined that the permit applicant is facing hardship, provided that the
3 permit is applied for during the declared state of emergency or within the six
4 months following the conclusion of the declared state of emergency.

5 * * * Vehicle Incentive Programs * * *

6 * * * Replace Your Ride Program * * *

7 Sec. 13. 19 V.S.A. § 2904(d)(2)(B) is amended to read:

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

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

10 * * *

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

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

15 § 2904a. REPLACE YOUR RIDE PROGRAM FLEXIBILITY;

16 EMERGENCIES

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

1 (d) Program structure. The Electrify Your Fleet Program shall reduce the
2 greenhouse gas emissions of persons operating a motor vehicle fleet in
3 Vermont by structuring purchase and lease incentive payments on a first-come,
4 first-served basis to replace vehicles other than a plug-in electric vehicle (PEV)
5 cycled out of a motor vehicle fleet or avoid the purchase of vehicles other than
6 a PEV for a motor vehicle fleet. Specifically, the Electrify Your Fleet Program
7 shall:

8 * * *

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

10 * * *

11 (C) electric bicycles and electric cargo bicycles with a base MSRP of
12 ~~\$6,000.00~~ \$10,000.00 or less;

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

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

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

16 and

17 (G) electric all-terrain vehicles (ATVs), as defined in 23 V.S.A.

18 § 3501 and including electric utility terrain vehicles (UTVs), with a base

19 MSRP of \$50,000.00 or less;

20 * * *

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

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

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

9 Sec. 18. TRANSFER OF MONIES FROM VEHICLE INCENTIVE
10 PROGRAMS TO EBIKE INCENTIVE PROGRAM IN STATE
11 FISCAL YEAR 2024

12 (a) Notwithstanding 32 V.S.A. § 706 and any appropriations or
13 authorizations of monies for vehicle incentive programs created under
14 19 V.S.A. §§ 2902–2904, in State fiscal year 2024 the Secretary of
15 Transportation may transfer up to \$50,000.00 from any vehicle incentive
16 program created under 19 V.S.A. §§ 2902–2904 to the eBike Incentive
17 Program established pursuant to 2021 Acts and Resolves No. 55, Sec. 28, as
18 amended by 2022 Acts and Resolves No. 184, Sec. 23.

19 (b) Any funds transferred pursuant to this section are intended to advance
20 funding to the eBike Incentive Program in State fiscal year 2024 to continue
21 the program pending the appropriation of additional funds effective in State

1 fiscal year 2025. Any funds transferred by the Secretary pursuant to
2 subsection (a) of this section shall be restored to the program or programs from
3 which they were transferred by a transfer from the fiscal year 2025
4 appropriations made to the eBike Incentive Program.

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

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

9 Sec. 19. TRANSFER OF MONIES BETWEEN VEHICLE INCENTIVE

10 PROGRAMS IN STATE FISCAL YEAR 2025

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

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

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

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

8 § 2907. ANNUAL REPORTING; ELECTRIC VEHICLE SUPPLY

9 EQUIPMENT

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

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

15 (2) file a report on additional efforts to deploy EVSE through any State
16 EVSE grant programs, including grant programs to increase Vermonters'
17 access to charging at workplaces, multiunit dwellings, and community
18 attractions with the House and Senate Committees on Transportation not later
19 than January 15 each year in a year following a calendar year in which a State
20 EVSE grant program provides funding for EVSE; and

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

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

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

14 GOALS

15 2021 Acts and Resolves No. 55, Sec. 30, as amended by 2022 Acts and
16 Resolves No. 184, Sec. 4 (EVSE network in Vermont goals; report of annual
17 map) is repealed.

18 Sec. 22. EVSE PLAN; REPORT

19 The Agency of Transportation, in consultation with the Agencies of
20 Agriculture, Food and Markets and of Commerce and Community
21 Development, shall prepare a written plan, which may incorporate other plans

1 that have been prepared to secure federal funding under the National Electric
2 Vehicle Infrastructure Formula Program, for how to fund and maintain the
3 EVSE necessary for Vermont to meet that portion of the goals of the
4 Comprehensive Energy Plan and the Vermont Climate Action Plan. The
5 written plan shall be filed with the House and Senate Committees on
6 Transportation not later than January 15, 2025.

7 Sec. 23. RECOMMENDATION ON EVSE REGULATION

8 (a) The Agency of Agriculture, Food and Markets, in consultation with the
9 Agencies of Transportation and of Commerce and Community Development,
10 the Department of Public Service, the Public Utility Commission, the Office of
11 the Attorney General, Consumer Protection Division, Drive Electric Vermont,
12 and EVSE industry participants, shall prepare written recommendations on
13 what regulations, if any, should be placed on EVSE available to the public that
14 is not owned and operated by an electric distribution utility and on EVSE
15 available to the public that is owned and operated by an electric distribution
16 utility. The written recommendations shall include clear explanations for
17 regulatory recommendations regarding EVSE, trade professionals, fees,
18 penalties, appeals; the number of affected EVSE and trade professionals;
19 projected revenues and program costs; initial findings regarding EVSE
20 tolerances and noncompliant EVSE; and plans for education and outreach in
21 advance of the implementation of any regulations or enforcement. The written

1 recommendations shall be filed with the House and Senate Committees on
2 Transportation, the House Committees on Commerce and Economic
3 Development and on Environment and Energy, and the Senate Committees on
4 Economic Development, Housing and General Affairs, on Finance, and on
5 Natural Resources and Energy not later than November 15, 2024.

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

11 * * * Beneficial Electrification * * *

12 Sec. 24. ELECTRIC DISTRIBUTION UTILITY LINE EXTENSION
13 COSTS; REPORT

14 In the report due not later than January 15, 2025, pursuant to 2021 Acts and
15 Resolves No. 55, Sec. 33, the Public Utility Commission shall include a
16 reporting of line extension tariffs across all electric distribution utilities, which
17 shall also include an analysis and comparison of electric distribution utility
18 practices related to requests for line extensions and service upgrades.

19 * * * Expansion of Public Transit Service * * *

20 * * * Mobility Services Guide; Car Share * * *

1 Sec. 25. MOBILITY SERVICES GUIDE; ORAL UPDATE

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

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

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

16 (2) information related to existing initiatives, including developmental
17 and pilot programs, that meet any of the program types or options defined
18 pursuant to subdivision (1) of this subsection and information related to any
19 pertinent studies or reports, whether completed or ongoing, related to the
20 program types or options defined pursuant to subdivision (1) of this
21 subsection;

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

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

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

9 (B) the service area characteristics;

10 (C) the revenue capture options;

11 (D) technical assistance resources; and

12 (E) existing or potential funding resources.

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

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

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

19 GRANT PROGRAM; EXPANSION

20 The Mobility and Transportation Innovations (MTI) Grant Program, which
21 was created pursuant to 2020 Acts and Resolves No. 121, Sec. 16 (identified in

1 that act as a transportation demand management and micro-transit innovations
2 grant program), shall continue to support projects that improve both mobility
3 and access to services for transit-dependent Vermonters, reduce the use of
4 single-occupancy vehicles, and reduce greenhouse gas emissions but shall be
5 expanded as follows:

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

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

17 * * * Vermont Rail Plan; Amtrak * * *

18 Sec. 27. DEVELOPMENT OF NEW VERMONT RAIL PLAN; BICYCLE
19 STORAGE; REPORT

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

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

3 (2) expanding service on the Valley Flyer to provide increased service
4 on the Vermonter route.

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

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

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

15 Sec. 28. REPLACEMENT FOR THE VERMONT STATE DESIGN

16 STANDARDS

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

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

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

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

13 (4) Consult directly, through a series of large-group, specialty focus
14 groups and one-on-one meetings, with key stakeholders in order to achieve
15 stakeholder engagement and afford a voice in the development of the
16 replacement for the Vermont State Design Standards and related documents.
17 At a minimum, stakeholders shall include the House and Senate Committees
18 on Transportation, the Federal Highway Administration (FHWA), the Vermont
19 Agency of Commerce and Community Development (ACCD), the Vermont
20 Agency of Natural Resources (ANR), the Vermont Department of Health
21 (VDH), the Vermont Department of Public Service (DPS), the Vermont

1 League of Cities and Towns (VLCT), Vermont’s regional planning
2 commissions (RPCs), the Vermont chapter of the American Association of
3 Retired Persons (AARP), Transportation for Vermonters (T4VT), Local
4 Motion, the Sierra Club, Conservation Law Foundation, the Vermont Natural
5 Resources Council, the Vermont Truck and Bus Association, the Vermont
6 Public Transportation Association (VPTA), the American Council of
7 Engineering Companies (ACEC), the Association of General Contractors
8 (AGC), and Vermont Transportation Equity Framework stakeholders.

9 (b) The Agency shall provide oral updates on its progress preparing the
10 replacement to the Vermont State Design Standards, including the process
11 required under subsection (a) of this section, to the House and Senate
12 Committees on Transportation not later than February 15, 2025 and February
13 15, 2026.

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

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

16 § 2402. STATE POLICY

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

1 issued under 30 V.S.A. § 202b and the recommendations of the Vermont
2 Climate Action Plan (CAP) issued under 10 V.S.A. § 592.

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

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

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

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

14 (4) when desired by the municipality:

15 (A) implement street design for purposes of calming and slowing
16 traffic in State-designated centers under 24 V.S.A. chapter 76A; and

17 (B) support the land uses that develop and evolve in tandem with
18 transit and accessibility, including those that provide enhanced benefits to the
19 public, such as through improved health and access to employment, services,
20 and housing.

1 § 2403. PROJECTS NOT INCORPORATING COMPLETE STREETS

2 PRINCIPLES

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

7 * * *

8 (2) The cost of incorporating complete streets principles is
9 disproportionate to the need or probable use as determined by factors including
10 land use, current and projected user volumes, population density, crash data,
11 historic and natural resource constraints, and maintenance requirements. The
12 Agency shall consult local and regional plans, as appropriate, in assessing
13 these and any other relevant factors. If the project manager bases the written
14 determination required under this subsection in whole or in part on this
15 subdivision then the project manager shall provide a supplemental written
16 determination with specific details on costs, needs, and probable uses, as
17 applicable, but shall not need to address, in the supplemental written
18 determination, any design elements desired by the municipality pursuant to
19 subdivision 2402(b)(4)(B) of this chapter.

20 * * *

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

5 * * *

6 (2) The cost of incorporating complete streets principles is
7 disproportionate to the need or probable use as determined by factors such as
8 land use, current and projected user volumes, population density, crash data,
9 historic and natural resource constraints, and maintenance requirements. The
10 municipality shall consult local and regional plans, as appropriate, in assessing
11 these and any other relevant factors. If the municipality managing the project
12 bases the written determination required under this subsection in whole or in
13 part on this subdivision then the project manager shall provide a supplemental
14 written determination with specific details on costs, needs, and probable uses,
15 as applicable, but shall not need to address, in the supplemental written
16 determination, any design elements desired by the municipality pursuant to
17 subdivision 2402(b)(4)(B) of this chapter.

18 * * *

19 * * * Sustainability of Vermont's Transportation System;

20 Emissions Reductions * * *

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

2 TRANSPORTATION EMISSIONS REDUCTIONS

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

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

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

14 (3) An addendum to the CAP, supported by a majority of the VCC,
15 stated that: “The only currently known policy options for which there is strong
16 evidence from other states, provinces[,] and countries of the ability to
17 confidently deliver the scale and pace of emissions reductions that are required
18 of the transportation sector by the [Global Warming Solutions Act (GWSA)]
19 are one or a combination of: a) a cap and invest/cap and reduce policy
20 covering transportation fuels and/or b) a performance standard/performance-
21 based regulatory approach covering transportation fuels. Importantly, based on

1 research associated with their potential implementation, these approaches can
2 also be designed in a cost-effective and equitable manner.”

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

13 (5) The CRS, which was filed with the FHWA in November 2023,
14 models that the State may meet its 2025 reduction requirement in the
15 transportation sector, but that, even with additional investments for
16 programmatic, policy, and regulatory options, the modeling shows a gap
17 between projected “business as usual” emissions in the transportation sector
18 and the portion of GWSA emission reduction requirements for 2030 and 2050
19 that are attributable to the transportation sector.

20 (6) The CRS reaffirms that, without adoption of additional polices, the
21 portion of GWSA emission reduction requirements for 2030 and 2050 that are

1 attributable to the transportation sector will not be met and states that: “Of the
2 additional programs, a cap-and-invest and/or Clean Transportation Standard
3 program are likely the two most promising options to close the gap in projected
4 emissions vs. required emissions levels for the transportation sector. . . .”

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

7 (b) Written analysis. The Agency of Natural Resources, specifically the
8 Climate Action Office, and the Agency of Transportation, in consultation with
9 the State Treasurer; the Departments of Finance and Management, of Motor
10 Vehicles, and of Taxes; and the VCC, including those councilors appointed by
11 the General Assembly to provide expertise in energy and data analysis,
12 expertise and professional experience in the design and implementation of
13 programs to reduce greenhouse gas emissions, and representation of a
14 statewide environmental organization as outlined in the adopted January 12,
15 2024 Transportation Addendum to the Climate Action Plan, shall prepare a
16 written analysis of policy and investment scenarios to reduce emissions in the
17 transportation sector in Vermont and meet the greenhouse gas reduction
18 requirements of 10 V.S.A. § 578, as amended by Sec. 3 of the Global Warming
19 Solutions Act (2020 Acts and Resolves No. 153).

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

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

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

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

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

18 (e) Revenue and cost estimate; timeline. The written analysis completed
19 pursuant to subsections (b)–(d) of this section shall be provided to the State
20 Treasurer to review cost and revenue projections for each scenario. The State

1 Treasurer shall make a written recommendation to the General Assembly
2 regarding any viable approaches.

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

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

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

14 (3) The Agencies of Natural Resources and of Transportation, in
15 consultation with the State Treasurer, shall file the written analysis required
16 under subsection (b) of this section and the State Treasurer's written
17 recommendation to the General Assembly regarding any viable approaches
18 required under subsection (e) of this section with the House and Senate
19 Committees on Transportation, the House Committees on Environment and
20 Energy and on Ways and Means, and the Senate Committees on Finance and
21 on Natural Resources and Energy not later than February 15, 2025.

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

8 (h) Costs.

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

14 (2) The State Treasurer may use funds appropriated in State fiscal year
15 2025 to complete the work required under subsection (e) of this section,
16 including administrative costs and third-party consultation.

17 * * * Better Connections Grant Program * * *

18 Sec. 31. 19 V.S.A. § 319 is added to read:

19 § 319. BETTER CONNECTIONS GRANT PROGRAM

20 (a) The Better Connections Grant Program is created and shall be
21 administered and staffed by the Policy, Planning and Research Bureau of the

1 Agency in collaboration with the Agency of Commerce and Community
2 Development and the Agency of Natural Resources.

3 (b) The Program shall be funded through appropriations to the Agency for
4 policy, planning, and research.

5 (c) The Program shall provide planning grants to aid municipalities to
6 coordinate municipal land use decisions with transportation investments that
7 build community resilience to:

8 (1) provide a safe, multimodal, and resilient transportation system that
9 supports the Vermont economy;

10 (2) support downtown and village economic development and
11 revitalization efforts; and

12 (3) lead directly to project implementation demonstrated by municipal
13 capacity and readiness to implement.

14 * * * Transportation Funding Study * * *

15 Sec. 32. TRANSPORTATION FUNDING STUDY; CONSULTANT;

16 REPORT

17 (a) The General Assembly finds:

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

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

4 (3) In order to keep up with the maintenance, repair, and construction
5 necessary to maintain the State's transportation infrastructure, additional State
6 revenue needs to be raised in order to meet the nonfederal match for all federal
7 monies for which Vermont is eligible and that is awarded to Vermont through
8 competitive federal grants.

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

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

19 (6) The Agency of Transportation is studying and seeking federal
20 competitive grant funding to implement, possibly as early as July 1, 2025, a
21 mileage-based user fee (MBUF) as a way to supplant lost motor fuel tax

1 revenue from Vermonters who own a battery electric vehicle that is charged at
2 home.

3 (7) While motor fuels represent a significant source of funding for the
4 Transportation Fund, they are only one component of the State's overall
5 transportation funding.

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

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

12 (c) The consultant shall consider and evaluate issues related to
13 transportation funding in order to identify mechanisms to sufficiently fund
14 transportation projects and operations through appropriations by the General
15 Assembly. Specifically, the consultant shall:

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

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

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

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

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

7 (d) The Agency shall send to the House and Senate Committees on
8 Transportation, the House Committee on Ways and Means, and the Senate
9 Committee on Finance:

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

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

14 * * * Effective Dates * * *

15 Sec. 33. EFFECTIVE DATES

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

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