



VERMONT LEGISLATIVE  
**Joint Fiscal Office**

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## Fiscal Note

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### **H.868 – An act relating to fiscal year 2025 Transportation Program and miscellaneous changes to laws related to transportation**

#### **As Recommended by the Senate Committee on Transportation**

#### **Bill Summary**

The fiscal year 2025 Transportation Bill (H.868) adopts and amends Vermont's annual Transportation Program. It contains numerous statutory amendments and funding authorizations related to transportation. The funding authorizations included in H.868 are subject to appropriations in the fiscal year 2025 appropriations bill. As recommended by the Senate Committee on Transportation, H.868 would also authorize the implementation of a surcharge on battery electric and plug-in hybrid electric vehicles registered as pleasure cars. It would dedicate these revenues to increasing Vermonters' access to electric vehicle supply equipment.

#### **Fiscal Impact**

The Joint Fiscal Office (JFO) estimates this bill would increase State revenues to the Transportation Fund by \$912,000 in fiscal year 2025 and \$1.7 million in fiscal year 2026.

#### **Details on Sections with Fiscal Impact**

##### **Sec. 10 – Emergency Waivers of Certain Right-of-Way Access Permit Application Fees**

This section proposes to amend 19 V.S.A. § 1112 to grant the Secretary of the Agency of Transportation (AOT) the authority to waive the \$250 application fee for a right-of-way access permit for a minor commercial development if the Governor has declared a state of emergency under 20 V.S.A. chapter 1 and the Secretary determines that the applicant is facing hardship. The applicant must have applied for the permit during or within six months after the state of emergency.

Given the variability and subjectivity of some of the requirements, JFO cannot determine the exact fiscal impact of this proposed amendment. However, because of the nature of the prerequisites and the limited pool of viable applicants, i.e. minor commercial developments facing hardship during or shortly after a state of emergency, any fiscal impact associated with this proposed amendment is likely to be de minimis.

##### **Sec. 27 – Electric and Plug in Hybrid Vehicle Road Usage Surcharge**

This section proposes to enact an annual road usage surcharge to the pleasure car registration fee on battery electric vehicles (BEV) and plug-in hybrid electric vehicles (PHEV). This surcharge would be levied in addition to the standard pleasure car registration fee and would be due at the time of registration. The amount of the surcharge would differ based on whether the vehicle being registered is a BEV or PHEV to reflect the

difference in gasoline consumption between the two types of vehicles. BEVs, being fully electric, pay no gasoline taxes and would be subject to a surcharge equal to the one-year registration fee (\$89). In the case of a biannual registration, the surcharge would be equal to two times the one-year registration fee (\$178). PHEVs, which use a combination of gasoline and electric power, would be subject to a surcharge equal to one-half the annual registration fee (\$44.50). In the case of a biannual PHEV registration, the surcharge would be equal to the one-year registration fee (\$89).

The surcharge would take effect on passage and could be implemented as early as October 2024 but no later than January 1, 2025. Using current AOT forecasts for electric vehicle adoption rates, JFO estimates that the surcharge would generate \$912,000 in fiscal year 2025 and \$1.7 million in fiscal year 2026 for the Transportation Fund. Revenue would be used to increase Vermonters' access to electric vehicle supply equipment. The surcharge on BEVs would be repealed upon the implementation of a mileage-based user fee (MBUF) on BEVs.