

**Act No. 40 (H.488). Transportation; taxation**

**An act relating to the State's Transportation Program and miscellaneous changes to laws related to transportation**

This act:

- Adopts the Agency of Transportation's (Agency) proposed fiscal year 2016 Transportation Program (proposed FY16 budget) except as amended by the bill.
- Cuts overall spending authority under the proposed FY16 budget by \$1.5 million, with the savings to be achieved through a combination of personnel, labor, or consultant cost savings identified by the Secretary of Transportation (Secretary).
- Amends spending authority in the Program Development portion of the proposed FY16 budget to increase spending authority of transportation funds, reduce spending authority of TIB funds, and reduce spending authority of federal funds. The net spending reductions of \$3,085,004 in State funds and of \$12,340,016 in federal funds are to be achieved by reducing spending on projects selected at the discretion of the Secretary; however, the Secretary is directed not to delay any projects that otherwise would have proceeded in FY16 unless the spending reductions cannot be achieved through other means.
- Establishes contingent spending authority in the event that there exists a "net balance" in the Transportation Fund or TIB Fund at the end of FY15, or if there exists a "net increase" in forecasted Transportation Fund or TIB Fund revenues for FY16 under the July 2015 consensus revenue forecast. If the contingency is met, then up to \$3 million in State transportation and TIB funds and \$12 million in federal funds are authorized to be used on projects that otherwise may be required to be delayed under the bill, and then on approved Paving Program projects and activities.
- Reduces by \$700,000 spending authority in the Maintenance Program portion of the proposed FY16 budget.
- Increases by \$3.15 million spending authority in the Town Highway Structures Program portion of the proposed FY16 budget, an amount equal to the \$3.15 million cut in the appropriation to the FY15 Town Highway Structures Program under 2015 Acts and Resolves No. 4, Sec. 56a.
- Cancels a candidate project from the Town Highway Bridge Program, cancels the Derby rest area expansion project, and adds a project to the Rest Area Program candidate list for the rehabilitation of the Derby rest area.
- Transfers \$162,504 from the Transportation Fund to the Central Garage Fund.

- Directs the Agency to identify and evaluate funding sources, other than motor vehicle fuel taxes, needed to maintain the State's transportation system in good repair and that account for State and federal policies that have and will continue to reduce motor vehicle fuel consumption. The Agency is required to submit a written report to the Committees on Transportation on or before January 15, 2016.
- Directs the Agency to study the financial and operational feasibility of a commuter rail service in the corridor between St. Albans and Montpelier, including connecting service to Burlington, and to report its findings to the Committees on Transportation on or before January 15, 2017.
- Directs the Agency to study the costs and benefits, implementation steps, and timeline associated with initiating an Albany to Manchester to Bennington bus service under various service models, and to report its findings to the Committees on Transportation on or before January 15, 2016.
- Directs the Agency to review the Elders and Persons with Disabilities Transportation Program in order to analyze the gap between current and projected Program resources and Program needs for transportation services over a 10-year time frame, and to analyze various challenges and opportunities related to the Program. The Agency is required to submit a written report to the Committees on Transportation on or before January 15, 2016.
- Clarifies the authority of the Agency to accept and expend grant or gift money or federal money, and amends existing law related to the establishment of transportation policies and the authority of the Secretary.
- Grants the Secretary authority to provide training for municipal employees and to pay for that training where appropriate.
- Authorizes construction of the Middlebury Rail Tunnel Project with a minimum vertical clearance of 21 feet, if the Agency, the railroad, and any affected municipality agree to this clearance, without prior approval of the Transportation Board.
- Adds an exemption to the law governing potable water supply and wastewater system permits in order to exempt from permitting requirements the subdivision of property for an authorized highway or other transportation project.
- Requires that the Director of the Agency's Highway Division be licensed as a professional engineer.
- Amends the Transportation Alternatives Grant Program to create a \$1.1 million set-aside for municipal environmental mitigation projects related to stormwater and highways, and to eliminate a \$50,000 cap on grants for eligible salt and sand shed projects.

- Requires that monies disbursed from the Clean Water Fund for municipalities for environmental mitigation projects related to stormwater and highways be administered by the Agency through the Agency's Municipal Mitigation Grant Program. This section takes effect when the Clean Water Fund is established — see H.35 of 2015.
- Directs the General Assembly to approve at least \$1 million in additional spending authority for the Municipal Mitigation Grant Program for fiscal years 2017, 2018, and 2019, for grants to municipalities for projects that address town highways and stormwater management. Not less than \$1 million of the additional spending authority must be drawn from transportation funds made available from the reduction in the transfer from the Transportation Fund to the Department of Public Safety that is scheduled to occur in fiscal year 2017 under H.490 of 2015.
- Adds a new project to the State Highway Bridge Program, the “Missisquoi Bay Causeway Scoping Study,” and authorizes spending of \$125,000 for the study.
- Establishes a floor of 3.96 cents per gallon on the two percent transportation infrastructure assessment.
- Names the Bennington Welcome Center to be the “Senator James M. Jeffords Welcome Center”, and renames the Newport State Airport in Coventry to be the “Northeast Kingdom International Airport.”
- Establishes a new process for the naming of State transportation facilities, and makes related conforming changes.
- Eliminates the Byways Advisory Council and makes related conforming changes; specifies that State Scenic Roads or Byways can only be designated or discontinued on recommendation of affected municipalities and regional planning commissions; and makes consistent the terminology used to refer to scenic roads and byways.
- Creates an exemption for public agencies from the obligation to file a property transfer tax return in connection with transfers of property for highway purposes, if the consideration for the transfer is \$10,000 or less.
- Creates an exemption from the land gains tax for transfers of property for authorized transportation projects.
- Directs the Agency to evaluate the merits of an Adopt a Park and Ride Program and of an Adopt a Highway Program.

Multiple effective dates, beginning on the establishment of the Clean Water Fund created in H.35 of 2015.

<b>FY16 Transportation Program</b>		
Line #	All funding sources	
1	<b>Administration-finance-planning</b>	
2	Central Admin & Finance	13,730,429
3	Policy & Planning	10,007,648
4	Transportation Board	224,434
5	Department of Motor Vehicles	26,992,907
6	Subtotal	50,955,418
7	<b>Facilities</b>	
8	Rest Areas	625,000
9	AOT Buildings	2,000,000
10	Subtotal	2,625,000
11	<b>Alternate modes</b>	
12	Public Transit	27,122,035
13	Aviation	14,756,868
14	Pedestrian & Bike Facilities	6,135,622
15	Park & Ride	2,673,394
16	Multi-Modal Facilities	1,848,980
17	Rail infrastructure	27,398,831
18	Amtrak	7,750,000
19	Subtotal	87,685,730
20	<b>State Highway infrastructure</b>	
21	Maintenance	87,069,584
22	Paving	100,017,221
23	Roadway	43,407,714
24	State bridges	49,164,341
25	Interstate bridges	44,010,852
26	Traffic Operations	17,989,271
27	PD Admin & Tech Services	21,751,789
28	TIB cut & partial TFund-TIB switch	-15,425,020
29	Subtotal	347,985,752
30	<b>Town programs</b>	
31	TH Aid	25,982,744
32	Town Bridges	22,956,001
33	TH Class 2	7,248,750
34	TH Structures	9,483,500
35	TH Class 1 supplemental grants	128,750
36	Enhancements	4,768,081
37	TH State aid nonfederal disasters	1,150,000
38	TH State aid federal disasters	1,440,000
39	FEMA grant program	33,865,000
40	TH VT Local Roads	394,700
41	Municipal mitigation grants	650,000
42	Subtotal	108,067,526
43	Cross-agency labor savings	-1,500,000

44	<b>Total All Programs</b>	<b>595,819,426</b>
45	Central Garage internal funds	20,309,560
46	Total including internal funds	616,128,986