

**H.740, An Act Relating to Transportation Improvement Fees
Overview (Bill as Introduced), House Natural Resources and Energy, March 12, 2014**

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1. *Topic of bill:* Mechanism to allocate costs of transportation infrastructure projects to development through 10 V.S.A. chapter 151 (Act 250) and state highway access permits

2. *Background*

- Act 250 requires a permit prior to development or subdivision as defined in the Act.
- Before issuing an Act 250 permit, the District Commission (the Commission) must find that the development or subdivision will not cause unreasonable traffic congestion or unsafe traffic conditions and will not materially interfere with the function, safety, and efficiency of public facilities including highways.
- The obligation to mitigate transportation impacts often falls on the development or subdivision whose traffic impacts cause existing traffic conditions to become unsafe or unreasonably congested.
- The mitigation may benefit not only the applicant's projects but existing and future development and the state transportation system.

3. *Rationale for bill*

Proponents of the bill seek to provide the Commissions and the Agency of Transportation (AOT) with a mechanism to allocate the costs to mitigate transportation impacts among the State and the development projects that have traffic impact and will benefit from mitigation.

4. *Summary of bill*

The bill would enable the Commissions and AOT to assess transportation improvement fees:

- AOT may establish transportation improvement districts (TIDs) to allocate the costs of capital transportation projects in the Capital Transportation Program to land development. AOT may allocate fees through state highway access permits unless the project is subject to Act 250.
- The Commissions may require an Act 250 project within a TID to pay the fee established by AOT. The Commissions also may require an applicant outside of a TID to pay a transportation fee for a capital transportation project undertaken by a municipality. They also may require an applicant to pay the entire cost of a capital transportation project, and retain their existing authority, including requiring on-site mitigation.
- The bill requires that the fee be set by a formula and sets out the items that the formula must account for.
- The bill would create a Transportation Improvement District Fund into which the fees would be deposited and sets out procedures for refund and the period after which unused fee amounts must be returned.
- The bill sets out procedures for creation of TIDs and for appeal of TID and transportation fee decisions.