1	* * * Town Highway Aid * * *
2	Sec. 10a. 19 V.S.A. § 306(a) is amended to read:
3	§ 306. APPROPRIATION; STATE AID FOR TOWN HIGHWAYS
4	(a) General State aid to town highways.
5	(1) An annual appropriation to class 1, 2, and 3 town highways shall be
6	made. This appropriation shall increase over the previous fiscal year's
7	appropriation by the same percentage as the following, whichever is less:
8	(A) the year-over-year increase in the two most recently closed fiscal
9	years in the Agency's total appropriations in the previous fiscal year funded by
10	Transportation Fund revenues, excluding the appropriation appropriations for
11	town highways under this subsection (a) for that year; or
12	(B) the percentage increase in the Bureau of Labor Statistics
13	Consumer Price Index for All Urban Consumers (CPI-U) during the previous
14	State fiscal year same period in subdivision (1)(A) of this subsection.
15	(2) If the year-over-year change in appropriations specified in either
16	subdivision (1)(A) or (B) of this subsection is negative, then the appropriation
17	to town highways under this subsection shall be equal to the previous fiscal
18	year's appropriation.
19	(3) The funds appropriated shall be distributed to towns as follows:
20	(A) Six percent of the State's annual town highway appropriation
21	shall be apportioned to class 1 town highways. The apportionment for each

- town shall be that town's percentage of class 1 town highways of the total class 1 town highway mileage in the State.
 - (B) Forty-four percent of the State's annual town highway appropriation shall be apportioned to class 2 town highways. The apportionment for each town shall be that town's percentage of class 2 town highways of the total class 2 town highway mileage in the State.
 - (C) Fifty percent of the State's annual town highway appropriation shall be apportioned to class 3 town highways. The apportionment for each town shall be that town's percentage of class 3 town highways of the total class 3 town highway mileage in the State.
 - (D) Monies apportioned under subdivisions (1), (2), and (3) of this subsection shall be distributed to each town in quarterly payments beginning July 15 in each year.
 - (E) Each town shall use the monies apportioned to it solely for town highway construction, improvement, and maintenance purposes or as the nonfederal share for public transit assistance. These funds may also be used for the establishment and maintenance of bicycle routes <u>and sidewalks</u>. The members of the selectboard shall be personally liable to the State, in a civil action brought by the Attorney General, for making any unauthorized expenditures from money apportioned to the town under this section.