

1 H.868

2 An act relating to the fiscal year 2025 Transportation Program and
3 miscellaneous changes to laws related to transportation

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

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

6 Sec. 1. TRANSPORTATION PROGRAM ADOPTED; DEFINITIONS

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

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

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

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

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

1 (4) “Electric vehicle supply equipment (EVSE)” and “electric vehicle
2 supply equipment available to the public” have the same meanings as in
3 30 V.S.A. § 201.

4 (5) “Front-of-book project” means a project approved by the General
5 Assembly that is anticipated to have construction expenditures during the
6 budget year or the following three years, or both, with expected expenditures
7 shown over four years.

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

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

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

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

1 source of funds is State monies in the Transportation Fund, unless otherwise
2 specified.

3 * * * Summary of Transportation Investments * * *

4 Sec. 2. FISCAL YEAR 2025 TRANSPORTATION INVESTMENTS
5 INTENDED TO REDUCE TRANSPORTATION-RELATED
6 GREENHOUSE GAS EMISSIONS, REDUCE FOSSIL FUEL
7 USE, AND SAVE VERMONT HOUSEHOLDS MONEY

8 This act includes the State's fiscal year 2025 transportation investments
9 intended to reduce transportation-related greenhouse gas emissions, reduce
10 fossil fuel use, and save Vermont households money in furtherance of the
11 policies articulated in 19 V.S.A. § 10b and the goals of the Comprehensive
12 Energy Plan and the Vermont Climate Action Plan and to satisfy the Executive
13 and Legislative Branches' commitments to the Paris Agreement climate goals.

14 In fiscal year 2025, these efforts will include the following:

15 (1) Park and Ride Program. This act provides for a fiscal year
16 expenditure of \$1,464,833.00, which will fund one construction project to
17 create a new park-and-ride facility; the design and construction of
18 improvements to one existing park-and-ride facility; funding for a municipal
19 park-and-ride grant program; and paving projects for existing park-and-ride
20 facilities. This year's Park and Ride Program will create 60 new State-owned
21 spaces. Specific additions and improvements include:

1 (A) Manchester—construction of 50 new spaces; and

2 (B) Sharon—design and construction of 10 new spaces.

3 (2) Bike and Pedestrian Facilities Program. This act provides for a
4 fiscal year expenditure, including local match, of \$11,648,752.00, which will
5 fund 28 bike and pedestrian construction projects; 21 bike and pedestrian
6 design, right-of-way, or design and right-of way projects for construction in
7 future fiscal years; and eight scoping studies. The construction projects
8 include the creation, improvement, or rehabilitation of walkways, sidewalks,
9 shared-use paths, bike paths, and cycling lanes. Projects are funded in
10 Arlington, Bennington, Bethel, Brattleboro, Burke, Burlington, Castleton,
11 Chester, Enosburg Falls, Fair Haven, Fairfax, Hartford, Hyde Park, Jericho,
12 Manchester, Middlebury, Montpelier, Moretown, Newport City, Northfield,
13 Pawlet, Richford, Royalton, Rutland City, Rutland Town, Shaftsbury,
14 Shelburne, Sheldon, South Burlington, Springfield, St. Albans City, St. Albans
15 Town, Sunderland, Swanton, Tunbridge, Vergennes, Wallingford, Waterbury,
16 and West Rutland. This act also provides funding for:

17 (A) some of Local Motion’s operation costs to run the bike ferry on
18 the Colchester Causeway, which is part of the Island Line Trail;

19 (B) a small-scale municipal bicycle and pedestrian grant program for
20 projects to be selected during the fiscal year;

21 (C) projects funded through the Safe Routes to School Program; and

1 (D) community grants along the Lamoille Valley Rail Trail (LVRT).

2 (3) Transportation Alternatives Program. This act provides for a fiscal
3 year expenditure of \$5,416,614.00, including local funds, which will fund 28
4 transportation alternatives construction projects; 28 transportation alternatives
5 design, right-of-way, or design and right-of-way projects; and three studies,
6 including scoping, historic preservation, and connectivity. Of these 59
7 projects, 21 involve environmental mitigation related to clean water or
8 stormwater concerns, or both clean water and stormwater concerns, and 38
9 involve bicycle and pedestrian facilities. Projects are funded in Athens, Barre
10 City, Brandon, Bridgewater, Bristol, Burke, Burlington, Cambridge, Castleton,
11 Colchester, Derby, Enosburg Falls, Fair Haven, Fairfax, Franklin, Hartford,
12 Hinesburg, Hyde Park, Jericho, Londonderry, Lyndon, Mendon, Middlebury,
13 Montgomery, Newark, Newfane, Proctor, Richford, Richmond, Rockingham,
14 Rutland City, Sharon, Shelburne, South Burlington, Springfield, St. Albans
15 Town, Swanton, Tinmouth, Vergennes, Wardsboro, Warren, Weston,
16 Williston, Wilmington, and Winooski.

17 (4) Public Transit Program. This act provides for a fiscal year
18 expenditure of \$56,170,225.00 for public transit uses throughout the State.
19 Included in the authorization are:

20 (A) Go! Vermont, with an authorization of \$405,000.00. This
21 authorization supports transportation demand management (TDM) strategies,

1 including the State's Trip Planner and commuter services, to promote the use
2 of carpools and vanpools.

3 (B) Mobility and Transportation Innovations (MTI) Grant Program,
4 with an authorization of \$3,500,000.00, which includes \$3,000,000.00 in
5 federal Carbon Reduction Funds. This authorization continues to support
6 projects that improve both mobility and access to services for transit-dependent
7 Vermonters, reduce the use of single-occupancy vehicles, and reduce
8 greenhouse gas emissions.

9 (5) Rail Program. This act provides for a fiscal year expenditure of
10 \$48,746,831.00, including local funds, for intercity passenger rail service,
11 including funding for the Ethan Allen Express and Vermonter Amtrak services,
12 and rail infrastructure that supports freight rail as well. Moving freight by rail
13 instead of trucks lowers greenhouse gas emissions by up to 75 percent, on
14 average.

15 (6) Transformation of the State Vehicle Fleet.

16 (A) This act authorizes \$1,100,000.00 of federal Carbon Reduction
17 funds in the Environmental Policy and Sustainability program in fiscal year
18 2025 for the Agency of Transportation's Central Garage for fleet
19 electrification.

20 (B) The Department of Buildings and General Services, which
21 manages the State Vehicle Fleet, currently has 14 plug-in hybrid electric

1 vehicles and 15 battery electric vehicles in the State Vehicle Fleet. In fiscal
2 year 2025, the Commissioner of Buildings and General Services will continue
3 to purchase and lease vehicles for State use in accordance with 29 V.S.A. §
4 903(g), which requires, to the maximum extent practicable, that the
5 Commissioner purchase or lease hybrid or plug-in electric vehicles (PEVs), as
6 defined in 23 V.S.A. § 4(85), with not less than 75 percent of the vehicles
7 purchased or leased being hybrid or PEVs.

8 (7) Electric vehicle supply equipment (EVSE).

9 (A) This act provides for a fiscal year expenditure of \$4,833,828.00
10 to increase the presence of EVSE in Vermont in accordance with the State's
11 federally approved National Electric Vehicle Infrastructure (NEVI) Plan,
12 which will lead to the installation of Direct Current Fast Charging (DC/FC)
13 along designated alternative fuel corridors.

14 (B) This act also authorizes \$1,700,000.00 to be distributed to the
15 Agency of Commerce and Community Development in fiscal year 2025 for
16 grants to increase Vermonters' access to level 1 and 2 EVSE charging ports at
17 workplaces or multiunit dwellings, or both.

18 (8) Vehicle incentive programs and expansion of the PEV market.

19 Incentive Program for New PEVs, MileageSmart, Replace Your Ride, and
20 Electrify Your Fleet. It is estimated that prior appropriations of approximately

1 the following amounts will be available for the State's vehicle incentive
2 programs in fiscal year 2025:

3 (A) \$2,600,000.00 for the Incentive Program for New PEVs;

4 (B) \$200,000.00 for MileageSmart; and

5 (C) \$900,000.00 for the Replace Your Ride Program.

6 (9) Promoting Resilient Operations for Transformative, Efficient, and
7 Cost-Saving Transportation (PROTECT) Formula Program. This act provides
8 for a fiscal year expenditure of \$3,871,435.00 under the PROTECT Formula
9 Program. This year's PROTECT Formula Program funds will support
10 increased resiliency at three bridge sites (Coventry, Wilmington, and
11 Shaftsbury) in alignment with the VTrans Resilience Improvement Plan.

12 * * * Heating Systems in Agency of Transportation Buildings * * *

13 Sec. 3. 19 V.S.A. § 45 is added to read:

14 § 45. HEATING SYSTEMS

15 (a) In accordance with the renewable energy goals set forth in the State
16 Comprehensive Energy Plan, the Agency of Transportation shall strive to meet
17 not less than 35 percent of its thermal energy needs from non-fossil fuel
18 sources by 2025 and 45 percent by 2035.

19 (1) In order to meet these goals, the Agency will need to use more
20 renewable fuels, such as local wood fuels, to heat its buildings and continue to
21 increase its use of electricity that is generated from renewable sources.

1 (2) When building new Agency facilities or replacing heating equipment
2 that has reached the end of its useful lifespan, the Agency shall prioritize
3 switching to high-efficiency, advanced heating systems.

4 (b) On or before October 1 every other year, the Agency shall report to the
5 Department of Buildings and General Services the percentage of the Agency's
6 thermal energy usage during each of the previous two fiscal years that came
7 from fossil fuels and from non-fossil fuels. The Agency shall report its non-
8 fossil fuel percentage by fuel source and shall identify each type and amount of
9 wood fuel used.

10 * * * Public Transit; Carbon Reduction Program;

11 Environmental Policy and Sustainability Program; Central Garage;

12 Electric Vehicle Supply Equipment (EVSE) * * *

13 Sec. 4. PUBLIC TRANSIT; CARBON REDUCTION PROGRAM;

14 ENVIRONMENTAL POLICY AND SUSTAINABILITY

15 PROGRAM; CENTRAL GARAGE; ELECTRIC VEHICLE SUPPLY

16 EQUIPMENT (EVSE)

17 (a) Public Transit.

18 (1) Within the Agency of Transportation's Proposed Fiscal Year 2025
19 Transportation Program for Public Transit, authorized spending is amended as
20 follows:

	<u>FY25</u>	<u>As Proposed</u>	<u>As Amended</u>	<u>Change</u>
1				
2	Person. Svcs.	4,612,631	4,612,631	0
3	Operat. Exp.	119,894	119,894	0
4	Grants	51,907,700	50,807,700	-1,100,000
5	Total	56,640,225	55,540,225	-1,100,000
6	<u>Sources of funds</u>			
7	State	9,807,525	9,807,525	0
8	Federal	46,692,700	45,592,700	-1,100,000
9	Interdept.	140,000	140,000	0
10	Total	56,640,225	55,540,225	-1,100,000

11 (2) The amendment set forth in subdivision (1) of this subsection shall
12 be reflected in a \$1,100,000.00 reduction of Carbon Reduction Funding for the
13 Capital-CRF CRFP (24) (for Capital Support for E-Vehicles), from
14 \$4,000,000.00 to \$2,900,000.00.

15 (b) Environmental Policy and Sustainability Program.

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

	<u>FY25</u>	<u>As Proposed</u>	<u>As Amended</u>	<u>Change</u>
19				
20	Person. Svcs.	6,953,362	6,953,362	0
21	Operat. Exp.	76,411	1,176,411	1,100,000

1	Grants	1,480,000	1,480,000	0
2	Total	8,509,773	9,609,773	1,100,000
3	<u>Sources of funds</u>			
4	State	531,909	531,909	0
5	Federal	6,800,327	7,900,327	1,100,000
6	Local	1,177,537	1,177,537	0
7	Total	8,509,773	9,609,773	1,100,000

8 (2) Of the funds authorized by this subsection, the Environmental Policy
9 and Sustainability Program, in consultation with Central Garage, shall spend
10 \$1,100,000.00 for electrification of the Central Garage fleet.

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

14	<u>FY25</u>	<u>As Proposed</u>	<u>As Amended</u>	<u>Change</u>
15	Person. Svcs.	5,480,920	5,480,920	0
16	Operat. Exp.	19,170,315	18,070,315	-1,100,000
17	Total	24,651,235	23,551,235	-1,100,000
18	<u>Sources of funds</u>			
19	Int. Svc.	24,651,235	23,551,235	-1,100,000
20	Total	24,651,235	23,551,235	-1,100,000

1 (2) If the Agency utilizes available federal monies in lieu of one-time
2 Transportation Fund monies for Green Mountain Transit pursuant to Sec. 9(c)
3 of this act, then the one-time Transportation Fund monies authorized for
4 expenditure pursuant to Sec. 9(b) of this act that are not required for public
5 transit may instead go towards restoring the Maintenance and Central Garage
6 appropriations.

7 (3) If any unencumbered Transportation Fund monies are reappropriated
8 pursuant to subdivision (1) of this subsection or made available pursuant to
9 subdivision (2) of this subsection, then, within the Agency of Transportation’s
10 Proposed Fiscal Year 2025 Transportation Program for Maintenance,
11 authorized spending is further amended to increase operating expenses by not
12 more than \$2,160,000.00 in Transportation Fund monies and, within the
13 Agency’s Proposed Fiscal Year 2025 Transportation Program for the Central
14 Garage, authorized spending is further amended to increase operating expenses
15 by not more than \$1,100,000.00 in Transportation Fund monies.

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

1 Total 7,416,000 8,016,000 600,000

2 (b) In State fiscal year 2025, the Agency shall approve qualifying projects
3 with a total estimated State share cost that is at least \$600,000.00 more than the
4 minimum set forth in 19 V.S.A. § 306(e)(2).

5 * * * One-Time Public Transit Monies * * *

6 Sec. 9. ONE-TIME PUBLIC TRANSIT MONIES; GREEN MOUNTAIN
7 TRANSIT; FARE COLLECTION, EVALUATION, AND
8 REORGANIZATION; REPORT

9 (a) Project addition. The following project is added to the Agency of
10 Transportation’s Proposed Fiscal Year 2025 Transportation Program:
11 Increased One-Time Monies for Public Transit for Fiscal Year 2025.

12 (b) Authorization. Spending authority for Increased One-Time Monies for
13 Public Transit for Fiscal Year 2025 is authorized as follows:

<u>FY25</u>	<u>As Proposed</u>	<u>As Amended</u>	<u>Change</u>
Other	0	630,000	630,000
Total	0	630,000	630,000
<u>Sources of funds</u>			
State	0	630,000	630,000
Total	0	630,000	630,000

20 (c) Federal monies. The Agency shall utilize available federal monies in
21 lieu of the authorization in subsection (b) of this section to the greatest extent

1 practicable, provided that there is no negative impact on any local public
2 transit providers.

3 (d) Implementation. The Agency shall distribute the authorization in
4 subsection (b) of this section to Green Mountain Transit as one-time bridge
5 funding for fiscal year 2025 while Green Mountain Transit stabilizes its
6 finances, adjusts its service levels, and transitions to a sustainable funding
7 model.

8 (e) Conditions; report. As a condition of receiving the grant funding,
9 Green Mountain Transit shall do all of the following:

10 (1) begin collecting fares for urban and commuter transit service not
11 later than June 1, 2024;

12 (2) in coordination with the Agency of Transportation, Special Service
13 Transportation Agency, Rural Community Transportation, and Tri-Valley
14 Transit, evaluate alternative options for delivering cost-effective urban fixed-
15 route transit service, rural transit service, commuter service, and any other
16 specialized services currently provided, and prepare a proposed
17 implementation plan, including a three-year cost and revenue plan, for
18 recommended service transitions; and

19 (3) submit to the House and Senate Committees on Transportation an
20 interim report on or before November 15, 2024 and a final report on or before

1 February 1, 2025, detailing the findings, recommendations, and
2 implementation plan as described in subdivision (2) of this subsection.

3 * * * eBike Incentives; Public Transit Programs; Authorization * * *

4 Sec. 10. ONE-TIME EBIKE INCENTIVE PROGRAM MONIES

5 (a) The definitions in 19 V.S.A. § 2901 shall apply to this section.

6 (b) In fiscal year 2025, the Agency is authorized to spend up to \$70,000.00
7 in one-time Transportation Fund monies to provide incentives under the eBike
8 Incentive Program established pursuant to 2021 Acts and Resolves No. 55,
9 Sec. 28, as amended by 2022 Acts and Resolves No. 184, Sec. 23.

10 * * * Agency of Transportation Duties; Bonding * * *

11 Sec. 11. 19 V.S.A. § 10 is amended to read:

12 § 10. DUTIES

13 The Agency shall, except where otherwise specifically provided by law:

14 * * *

15 (9) Require any contractor or contractors employed in any project of the
16 Agency for construction of a transportation improvement to file an additional
17 surety bond to the Secretary and the Secretary's successor in office, for the
18 benefit of labor, materialmen, and others, executed by a surety company
19 authorized to transact business in this State;. The surety bond shall be in such
20 sum as the Agency shall direct, conditioned for the payment, settlement,
21 liquidation, and discharge of the claims of all creditors for material,

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

19 * * *

1 * * * Delays; Transportation Program Statute;
2 Increased Estimated Costs; Technical Corrections * * *

3 Sec. 12. 19 V.S.A. § 10g is amended to read:

4 § 10g. ANNUAL REPORT; TRANSPORTATION PROGRAM;

5 ADVANCEMENTS, CANCELLATIONS, AND DELAYS

6 (a) Proposed Transportation Program. The Agency of Transportation shall
7 annually present to the General Assembly for adoption a multiyear
8 Transportation Program covering the same number of years as the Statewide
9 Transportation Improvement Program (STIP), consisting of the recommended
10 budget for all Agency activities for the ensuing fiscal year and projected
11 spending levels for all Agency activities for the following fiscal years. The
12 Program shall include a description and year-by-year breakdown of
13 recommended and projected funding of all projects proposed to be funded
14 within the time period of the STIP and, in addition, a description of all projects
15 that are not recommended for funding in the first fiscal year of the proposed
16 Program but that are scheduled for construction during the time period covered
17 by the STIP. The Program shall be consistent with the planning process
18 established by 1988 Acts and Resolves No. 200, as codified in 3 V.S.A.
19 chapter 67 and 24 V.S.A. chapter 117, the statements of policy set forth in
20 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 \$10,000,000.00 from the Preliminary Plan
13 estimate or by more than 100 percent from the Preliminary Plan estimate; and

14 (4) all projects funded for construction in the prior fiscal year's
15 ~~approved~~ adopted Transportation Program that are no longer funded in the
16 proposed Transportation Program submitted to the General Assembly, the
17 projected costs for such projects in the prior fiscal year's ~~approved~~ adopted
18 Transportation Program, and the total costs incurred over the life of each such
19 project.

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

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

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

16 (3) If a project in the ~~current~~ adopted Transportation Program require for
17 the current fiscal year requires additional funding to maintain the ~~approved~~
18 schedule in the adopted Transportation Program for the current fiscal year, the
19 Agency is authorized to allocate the necessary resources. However, the
20 Secretary shall not delay or suspend work on ~~approved~~ projects in the adopted
21 Transportation Program for the current fiscal year to reallocate funding for

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

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

18 (i) Economic development proposals. For the purpose of enabling the
19 State, without delay, to take advantage of economic development proposals
20 that increase jobs for Vermonters, a transportation project certified by the
21 Governor as essential to the economic infrastructure of the State economy, or a

1 local economy, may, if approval is required by law, be approved for
2 construction by a committee comprising the Joint Fiscal Committee meeting
3 with the ~~Chairs~~ chairs of the ~~Transportation~~ House and Senate Committees on
4 Transportation or their designees without explicit project authorization through
5 an ~~enacted~~ adopted Transportation Program, ~~in the event that such~~
6 ~~authorization is otherwise required by law.~~

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

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

1 (m) Inclusion of priority rating. The annual proposed Transportation
2 Program shall include an individual priority rating pursuant to subsection (l) of
3 this section for each highway paving, roadway, safety and traffic operations,
4 and bridge project in the ~~program~~ Program along with a description of the
5 system and methodology used to assign the ratings.

6 (n) Development and evaluation projects; delays. The Agency's annual
7 proposed Transportation Program shall include a project-by-project description
8 in each program of all proposed spending of funds for the development and
9 evaluation of projects. ~~In the approved annual Transportation Program, these~~
10 These funds shall be reserved to the identified projects subject to the discretion
11 of the Secretary to reallocate funds to other projects within the program when
12 it is determined that the scheduled expenditure of the identified funds will be
13 delayed due to permitting, local decision making, the availability of federal or
14 State funds, or other unanticipated problems.

15 (o) Year of first inclusion. For projects initially ~~approved by the General~~
16 ~~Assembly for inclusion in the State~~ included in a Transportation Program
17 adopted after January 1, 2006, the Agency's proposed Transportation Program
18 prepared pursuant to subsection (a) of this section and the ~~official~~ adopted
19 Transportation Program prepared pursuant to subsection (f) of this section shall
20 include the year in which ~~such~~ the projects were first ~~approved by the General~~
21 ~~Assembly~~ included in an adopted Transportation Program.

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

6 * * *

7 Sec. 13. PLAN FOR REPORTING DELAYS; REPORT

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

12 * * * Appropriation Calculations * * *

13 * * * Central Garage Fund * * *

14 Sec. 14. 19 V.S.A. § 13(c) is amended to read:

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

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

19 ~~(B) in subsequent fiscal years, at a minimum, the amount specified in~~
20 ~~subdivision (A) of this subdivision (1) as adjusted annually by increasing~~
21 transferred for the previous fiscal year's amount by the percentage increase in

1 ~~the year increased by the percentage change in the~~ Bureau of Labor Statistics
2 Consumer Price Index for All Urban Consumers (CPI-U) ~~during the two most~~
3 ~~recently closed State fiscal years~~ if the percentage change is positive; or

4 (B) the amount transferred for the previous fiscal year if the
5 percentage change is zero or negative.

6 * * *

7 (3) For purposes of subdivision (1) of this subsection, the percentage
8 change in the CPI-U is calculated by determining the increase or decrease, to
9 the nearest one-tenth of a percent, in the CPI-U for the month ending on June
10 30 in the calendar year one year prior to the first day of the fiscal year for
11 which the transfer will be made compared to the CPI-U for the month ending
12 on June 30 in the calendar year two years prior to the first day of the fiscal year
13 for which the transfer will be made.

14 * * * Town Highway Aid * * *

15 Sec. 15. 19 V.S.A. § 306(a) is amended to read:

16 (a) General State aid to town highways.

17 (1) An annual appropriation to class 1, 2, and 3 town highways shall be
18 made. This appropriation shall increase over the previous fiscal year's
19 appropriation by the same percentage change as the following, whichever is
20 less, or shall remain at the previous fiscal year's appropriation if either of the
21 following are negative or zero:

1 determined that the permit applicant is facing hardship, provided that the
2 permit is applied for during the declared state of emergency or within the six
3 months following the conclusion of the declared state of emergency.

4 * * * Vehicle Incentive Programs * * *

5 * * * Replace Your Ride Program * * *

6 Sec. 17. 19 V.S.A. § 2904(d)(2)(B) is amended to read:

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

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

9 * * *

10 (VI) passed the annual inspection required under 23 V.S.A.
11 § 1222 within the prior ~~year~~ 18 months.

12 * * *

13 Sec. 18. 19 V.S.A. § 2904a is added to read:

14 § 2904a. REPLACE YOUR RIDE PROGRAM FLEXIBILITY;

15 EMERGENCIES

16 Notwithstanding subdivisions 2904(d)(2)(A) and (d)(2)(B)(i)(IV)–(VI) of
17 this chapter, the Agency of Transportation is authorized to waive or modify the
18 eligibility requirements for the Replace Your Ride Program under subdivisions
19 (d)(2)(B)(i)(IV)–(VI) that pertain to the removal of an eligible vehicle as
20 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 up to 25 percent of
10 the purchase price, but not to exceed \$2,500.00, for:

11 * * *

12 (C) electric bicycles and electric cargo bicycles with a base MSRP of
13 ~~\$6,000.00~~ \$10,000.00 or less;

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

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

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

17 and

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

19 § 3501 and including electric utility terrain vehicles (UTVs), with a base

20 MSRP of \$50,000.00 or less;

21 * * *

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 2025 * * *

9 Sec. 22. 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, and the
13 goals set forth in section 2906 of this chapter with the House and Senate
14 Committees on Transportation not later than January 15 each year until the
15 Deployment Plan is met; and

16 (2) file a report on the current operability of EVSE available to the
17 public and deployed through the assistance of Agency funding with the House
18 and Senate Committees on Transportation not later than January 15 each year.

19 (b) The reports required under subsection (a) of this section can be
20 combined when filing with the House and Senate Committees on

1 Transportation and shall prominently be posted on the Agency of
2 Transportation's website.

3 Sec. 24. REPEAL OF CURRENT EVSE MAP REPORT AND EXISTING
4 GOALS

5 2021 Acts and Resolves No. 55, Sec. 30, as amended by 2022 Acts and
6 Resolves No. 184, Sec. 4 (EVSE network in Vermont goals; report of annual
7 map) is repealed.

8 Sec. 25. EVSE PLAN; REPORT

9 The Agency of Transportation, in consultation with the Agencies of
10 Agriculture, Food and Markets and of Commerce and Community
11 Development, shall prepare a written plan, which may incorporate other plans
12 that have been prepared to secure federal funding under the National Electric
13 Vehicle Infrastructure Formula Program, for how to fund and maintain the
14 EVSE necessary for Vermont to meet that portion of the goals of the
15 Comprehensive Energy Plan and the Vermont Climate Action Plan. The
16 written plan shall be filed with the House and Senate Committees on
17 Transportation not later than January 15, 2025.

18 Sec. 26. REGULATION OF EVSE; RECOMMENDATIONS; REPORT

19 On or before March 1, 2025, the Agency of Transportation, in consultation
20 with the Agencies of Agriculture, Food and Markets and of Commerce and
21 Community Development; the Department of Public Service; the Public Utility

1 Commission; the Office of the Attorney General, Consumer Protection
2 Division; Drive Electric Vermont; and EVSE industry participants, shall
3 provide testimony to the House and Senate Committees on Transportation, and
4 to other legislative committees upon request, regarding:

5 (1) what regulations, if any, should be placed on EVSE that is available
6 to the public, both for EVSE that is owned and operated by an electric
7 distribution utility and for EVSE that is not owned and operated by an electric
8 distribution utility;

9 (2) how best to ensure that consumers are being charged accurately for
10 the electricity they receive;

11 (3) how best to ensure that vendors are properly charging consumers for
12 the electricity they receive and disclosing any additional costs that may apply;
13 and

14 (4) any recommendations for legislative action to address State
15 regulation of EVSE.

16 * * * Beneficial Electrification Report * * *

17 Sec. 27. ELECTRIC DISTRIBUTION UTILITIES; EVSE-RELATED
18 SERVICE UPGRADES; REPORT

19 In the report due not later than January 15, 2025, pursuant to 2021 Acts and
20 Resolves No. 55, Sec. 33, the Public Utility Commission shall include a
21 reporting of service upgrade practices related to the installation of electric

1 vehicle supply equipment (EVSE) across all electric distribution utilities,
2 including a comparison of EVSE-related service upgrade practices, a
3 description of the frequency and typical costs of EVSE-related service
4 upgrades, and rate-payer impact.

5 * * * Expansion of Public Transit Service * * *

6 * * * Mobility Services Guide; Car Share * * *

7 Sec. 28. MOBILITY SERVICES GUIDE; ORAL UPDATE

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

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

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

1 (2) information related to existing initiatives, including developmental
2 and pilot programs, that meet any of the program types or options defined
3 pursuant to subdivision (1) of this subsection and information related to any
4 pertinent studies or reports, whether completed or ongoing, related to the
5 program types or options defined pursuant to subdivision (1) of this
6 subsection;

7 (3) details of other existing programs that may provide a foundation for
8 or complement a new program in a manner that is not duplicative or
9 competitive; and

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

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

14 (B) the service area characteristics;

15 (C) the revenue capture options;

16 (D) technical assistance resources; and

17 (E) existing or potential funding resources.

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

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

2 Sec. 29. 19 V.S.A. § 10n is added to read:

3 § 10n. MOBILITY AND TRANSPORTATION INNOVATIONS (MTI)

4 GRANT PROGRAM

5 (a) The Mobility and Transportation Innovations (MTI) Grant Program is
6 created within the Public Transit Section of the Agency. The MTI Grant
7 Program shall support innovative transportation demand management
8 programs and transit initiatives that improve mobility and access to services for
9 transit-dependent Vermonters, reduce the use of single-occupancy vehicles,
10 reduce greenhouse gas emissions, and complement existing mobility
11 investments.

12 (b) Grant awards of not more than \$250,000.00 per recipient for capital or
13 operational costs, or both, may be used to create new or expand existing
14 programs for one or more of the following: matching funds for other grant
15 awards, program delivery costs, or the extension of existing programs.

16 (c) Funding under the MTI Grant Program shall not be used to supplant
17 existing State funding for the same project or program.

18 (d) In each year in which funding for grants is available:

19 (1) The Agency shall establish an application period of at least four
20 months.

1 (2) The Agency shall provide direct assistance to entities requiring
2 technical assistance or prereview of a draft application during the application
3 period.

4 (3) Grant awards shall be distributed not later than November 30 in each
5 year in which they are offered.

6 * * * Vermont Rail Plan; Amtrak * * *

7 Sec. 30. DEVELOPMENT OF NEW VERMONT RAIL PLAN; BICYCLE
8 STORAGE; REPORT

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

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

13 (2) expanding service on the Valley Flyer to provide increased service
14 on the Vermonter route.

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

19 (c) The Agency of Transportation shall provide an oral update on the
20 development of the Vermont Rail Plan in general and the requirements of
21 subsection (a) of this section specifically and the consultation efforts required

1 under subsection (b) of this section to the House and Senate Committees on
2 Transportation not later than February 15, 2025.

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

4 Sec. 31. REPLACEMENT FOR THE VERMONT STATE DESIGN
5 STANDARDS

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

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

10 (2) Conduct not fewer than four public hearings across the State
11 concerning the replacement to the Vermont State Design Standards and related
12 documents.

13 (3) Provide a publicly available responsiveness summary detailing the
14 public participation activities conducted in developing the final draft of the
15 replacement for the Vermont State Design Standards and related documents, as
16 applicable; a description of the matters on which members of the public or
17 stakeholders, or both, were consulted; a summary of the views of the
18 participating members of the public and stakeholders; and significant
19 comments, criticisms, and suggestions received by the Agency and the
20 Agency's specific responses, including an explanation of any modifications
21 made in response.

1 (4) In alignment with the Vermont Transportation Equity Framework,
2 consult directly, through a series of large-group, specialty focus groups and
3 one-on-one meetings, with key stakeholders in order to achieve stakeholder
4 engagement and afford a voice in the development of the replacement for the
5 Vermont State Design Standards and related documents. At a minimum,
6 stakeholders shall include the House and Senate Committees on
7 Transportation, the Federal Highway Administration (FHWA), the Vermont
8 Agency of Commerce and Community Development (ACCD), the Vermont
9 Agency of Natural Resources (ANR), the Vermont Department of Health
10 (VDH), the Vermont Department of Public Service (DPS), the Vermont
11 League of Cities and Towns (VLCT), Vermont’s regional planning
12 commissions (RPCs), the Vermont chapter of the American Association of
13 Retired Persons (AARP), Transportation for Vermonters (T4VT), Local
14 Motion, the Sierra Club, Conservation Law Foundation, the Vermont Natural
15 Resources Council, the Vermont Truck and Bus Association, the Vermont
16 Public Transportation Association (VPTA), the American Council of
17 Engineering Companies (ACEC), the Association of General Contractors
18 (AGC), and other stakeholders.

19 (b) The Agency shall provide oral updates on its progress preparing the
20 replacement to the Vermont State Design Standards, including the process
21 required under subsection (a) of this section, to the House and Senate

1 Committees on Transportation not later than February 15, 2025 and February
2 15, 2026.

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

4 Sec. 32. 19 V.S.A. §§ 2402 and 2403 are amended to read:

5 § 2402. STATE POLICY

6 (a) Agency of Transportation funded, designed, or funded and designed
7 projects shall seek to increase and encourage more pedestrian, bicycle, and
8 public transit trips, with the State goal to promote intermodal access to the
9 maximum extent feasible, which will help the State meet the transportation-
10 related recommendations outlined in the Comprehensive Energy Plan (CEP)
11 issued under 30 V.S.A. § 202b and the recommendations of the Vermont
12 Climate Action Plan (CAP) issued under 10 V.S.A. § 592.

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

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

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

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

4 (4) when desired by the municipality or specifically identified in the
5 regional plan, implement street design for purposes of calming and slowing
6 traffic in State-designated centers under 24 V.S.A. chapter 76A.

7 § 2403. PROJECTS NOT INCORPORATING COMPLETE STREETS

8 PRINCIPLES

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

13 * * *

14 (2) The cost of incorporating complete streets principles is
15 disproportionate to the need or probable use as determined by factors including
16 land use, current and projected user volumes, population density, crash data,
17 historic and natural resource constraints, and maintenance requirements. The
18 Agency shall consult local and regional plans, as appropriate, in assessing
19 these and any other relevant factors. If the project manager bases the written
20 determination required under this subsection in whole or in part on this
21 subdivision then the project manager shall provide a supplemental written

1 determination with specific details on costs, needs, and probable uses, as
2 applicable. The supplemental written determination shall also address any
3 design elements that were desired by the municipality or specifically identified
4 in the regional plan pursuant to subdivision 2402(b)(4) of this chapter but were
5 not incorporated.

6 * * *

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

11 * * *

12 (2) The cost of incorporating complete streets principles is
13 disproportionate to the need or probable use as determined by factors such as
14 land use, current and projected user volumes, population density, crash data,
15 historic and natural resource constraints, and maintenance requirements. The
16 municipality shall consult local and regional plans, as appropriate, in assessing
17 these and any other relevant factors. If the municipality managing the project
18 bases the written determination required under this subsection in whole or in
19 part on this subdivision then the project manager shall provide a supplemental
20 written determination with specific details on costs, needs, and probable uses,
21 as applicable. The supplemental written determination shall also address any

1 design elements that were desired by the municipality or specifically identified
2 in the regional plan pursuant to subdivision 2402(b)(4) of this chapter but were
3 not incorporated.

4 * * *

5 * * * Sustainability of Vermont's Transportation System; Emissions

6 Reductions * * *

7 Sec. 33. ANALYSIS AND REPORT ON SUSTAINABILITY OPTIONS;

8 TRANSPORTATION EMISSIONS REDUCTIONS

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

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

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

20 (3) An addendum to the CAP, supported by a majority of the VCC,
21 stated that: "The only currently known policy options for which there is strong

1 evidence from other states, provinces[,] and countries of the ability to
2 confidently deliver the scale and pace of emissions reductions that are required
3 of the transportation sector by the [Global Warming Solutions Act (GWSA)]
4 are one or a combination of: a) a cap and invest/cap and reduce policy
5 covering transportation fuels and/or b) a performance standard/performance-
6 based regulatory approach covering transportation fuels. Importantly, based on
7 research associated with their potential implementation, these approaches can
8 also be designed in a cost-effective and equitable manner.”

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

19 (5) The CRS, which was filed with the FHWA in November 2023,
20 models that the State may meet its 2025 reduction requirement in the
21 transportation sector, but that, even with additional investments for

1 programmatic, policy, and regulatory options, the modeling shows a gap
2 between projected “business as usual” emissions in the transportation sector
3 and the portion of GWSA emission reduction requirements for 2030 and 2050
4 that are attributable to the transportation sector.

5 (6) The CRS reaffirms that, without adoption of additional polices, the
6 portion of GWSA emission reduction requirements for 2030 and 2050 that are
7 attributable to the transportation sector will not be met and states that: “Of the
8 additional programs, a cap-and-invest and/or Clean Transportation Standard
9 program are likely the two most promising options to close the gap in projected
10 emissions vs. required emissions levels for the transportation sector. . . .”

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

13 (b) Written analysis. The Agency of Natural Resources, specifically the
14 Climate Action Office, and the Agency of Transportation, in consultation with
15 the State Treasurer; the Departments of Finance and Management, of Motor
16 Vehicles, and of Taxes; and the VCC, including those councilors appointed by
17 the General Assembly to provide expertise in energy and data analysis,
18 expertise and professional experience in the design and implementation of
19 programs to reduce greenhouse gas emissions, and representation of a
20 statewide environmental organization as outlined in the adopted January 12,
21 2024 Transportation Addendum to the Climate Action Plan, shall prepare a

1 written analysis of policy and investment scenarios to reduce emissions in the
2 transportation sector in Vermont and meet the greenhouse gas reduction
3 requirements of 10 V.S.A. § 578, as amended by Sec. 3 of the Global Warming
4 Solutions Act (2020 Acts and Resolves No. 153).

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

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

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

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

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

1 (e) Revenue and cost estimate; timeline. The written analysis completed
2 pursuant to subsections (b)–(d) of this section shall be provided to the State
3 Treasurer to review cost and revenue projections for each scenario. The State
4 Treasurer shall make a written recommendation to the General Assembly
5 regarding any viable approaches.

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

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

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

17 (3) The Agencies of Natural Resources and of Transportation, in
18 consultation with the State Treasurer, shall file the written analysis required
19 under subsection (b) of this section and the State Treasurer’s written
20 recommendation to the General Assembly regarding any viable approaches
21 required under subsection (e) of this section with the House and Senate

1 Committees on Transportation, the House Committees on Environment and
2 Energy and on Ways and Means, and the Senate Committees on Finance and
3 on Natural Resources and Energy not later than February 15, 2025.

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

11 (h) Costs.

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

17 (2) The State Treasurer may use funds appropriated in State fiscal year
18 2025 to complete the work required under subsection (e) of this section,
19 including administrative costs and third-party consultation.

1 * * * Better Connections Grant Program * * *

2 Sec. 34. 19 V.S.A. § 319 is added to read:

3 § 319. BETTER CONNECTIONS GRANT PROGRAM

4 (a) The Better Connections Grant Program is created and shall be
5 administered and staffed by the Policy, Planning and Research Bureau of the
6 Agency in collaboration with the Agency of Commerce and Community
7 Development and the Agency of Natural Resources.

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

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

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

15 (2) support downtown and village economic development and
16 revitalization efforts; and

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

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

5 (6) The Agency of Transportation is studying and seeking federal
6 competitive grant funding to implement, possibly as early as July 1, 2025, a
7 mileage-based user fee (MBUF) as a way to supplant lost motor fuel tax
8 revenue from Vermonters who own a battery electric vehicle that is charged at
9 home.

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

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

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

19 (c) The consultant shall consider and evaluate issues related to
20 transportation funding in order to identify mechanisms to sufficiently fund

1 transportation projects and operations through appropriations by the General
2 Assembly. Specifically, the consultant shall:

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

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

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

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

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

14 (d) The Agency shall send to the House and Senate Committees on
15 Transportation, the House Committee on Ways and Means, and the Senate
16 Committee on Finance:

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

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

1 * * * Electric and Plug-In Hybrid Vehicles; EV Infrastructure Fee * * *

2 Sec. 36. 23 V.S.A. § 361 is amended to read:

3 § 361. PLEASURE CARS

4 (a) The annual registration fee for a pleasure car, as defined in subdivision
5 4(28) of this title, ~~and~~ including a pleasure car that is a plug-in electric vehicle,
6 as defined in subdivision 4(85) of this title, shall be \$89.00, and the biennial
7 fee shall be \$163.00.

8 (b) In addition to the registration fee set forth in subsection (a) of this
9 section, there shall be an annual electric vehicle (EV) infrastructure fee for a
10 pleasure car that is a battery electric vehicle, as defined in subdivision 4(85)(A)
11 of this title, equal to the amount of the annual fee collected in subsection (a) of
12 this section, or a biennial EV infrastructure fee equal to two times the annual
13 fee collected in subsection (a) of this section.

14 (c) In addition to the registration fee set forth in subsection (a) of this
15 section, there shall be an annual EV infrastructure fee for a pleasure car that is
16 a plug-in hybrid electric vehicle, as defined in subdivision 4(85)(B) of this
17 title, equal to one-half the amount of the annual fee collected in subsection (a)
18 of this section, or a biennial EV infrastructure fee equal to the annual fee
19 collected in subsection (a) of this section.

20 (d) The annual and biennial EV infrastructure fees collected in subsections
21 (b) and (c) of this section shall be allocated to the Transportation Fund for

1 programs administered by the Agency of Commerce and Community
2 Development to increase Vermonters' access to level 1 and 2 electric vehicle
3 supply equipment (EVSE) charging ports at workplaces or multiunit dwellings,
4 or both.

5 Sec. 37. EV INFRASTRUCTURE FEE; ELECTRIC VEHICLES

6 The Department of Motor Vehicles shall implement a public outreach
7 campaign regarding EV infrastructure fees for battery electric vehicles and
8 plug-in electric hybrid vehicles not later than October 1, 2024. The campaign
9 shall disseminate information on the Department's web page and through other
10 outreach methods.

11 Sec. 38. 23 V.S.A. § 361 is amended to read:

12 § 361. PLEASURE CARS

13 * * *

14 (b) ~~In addition to the registration fee set forth in subsection (a) of this~~
15 ~~section, there shall be an annual electric vehicle (EV) infrastructure fee for a~~
16 ~~pleasure car that is a battery electric vehicle, as defined in subdivision 4(85)(A)~~
17 ~~of this title, equal to the amount of the annual fee collected in subsection (a) of~~
18 ~~this section, or a biennial EV infrastructure fee equal to two times the annual~~
19 ~~fee collected in subsection (a) of this section. [Repealed.]~~

20 * * *

1 (d) The annual and biennial EV infrastructure fees collected in ~~subsections~~
2 ~~(b) and subsection~~ (c) of this section shall be allocated to the Transportation
3 Fund for programs administered by the Agency of Commerce and Community
4 Development to increase Vermonters' access to level 1 and 2 electric vehicle
5 supply equipment (EVSE) charging ports at workplaces or multiunit dwellings,
6 or both.

7 Sec. 39. PROPOSED FISCAL YEAR 2026 TRANSPORTATION
8 PROGRAM; EVSE CHARGING PORTS PROJECT

9 The Agency of Transportation's Proposed Fiscal Year 2026 Transportation
10 Program shall include a project that provides the estimated fiscal year 2026
11 revenue from the EV infrastructure fee to the Agency of Commerce and
12 Community Development for the purpose of providing grants to increase
13 Vermonters' access to level 1 and 2 EVSE charging ports at workplaces or
14 multiunit dwellings, or both.

15 * * * Central Garage; Authority to Purchase Real Property * * *

16 Sec. 40. CENTRAL GARAGE; REAL PROPERTY; FACILITY DESIGN;
17 AUTHORITY

18 (a)(1) Pursuant to 19 V.S.A. § 26(b), the Secretary of Transportation is
19 authorized to use up to \$2,000,000.00 in Central Garage Fund reserve funds for
20 the purpose of purchasing real property of approximately 23.5 acres on the

1 Paine Turnpike in Berlin, adjacent to State-owned property, on which to site a
2 new Central Garage.

3 (2) If the Secretary identifies real property other than the Berlin site
4 described in subdivision (1) of this subsection on which the Secretary wishes
5 to site a new Central Garage, the Secretary is authorized to use up to
6 \$2,000,000.00 in Central Garage Fund reserve funds to purchase the property,
7 but only after obtaining the specific prior approval of the Joint Transportation
8 Oversight Committee to purchase the identified property.

9 (b) Notwithstanding 19 V.S.A. § 13(a), the Secretary may use Central
10 Garage Fund reserve funds for design services necessary to construct a new
11 Central Garage on the Berlin site described in subdivision (a)(1) of this section
12 or, following the Joint Transportation Oversight Committee's approval as set
13 forth in subdivision (a)(2) of this section, on another site; provided, however,
14 that the Secretary shall collaborate with the municipality in which the new
15 Central Garage is to be located regarding the design and construction of the
16 facility.

17 * * * Railroad Leases * * *

18 Sec. 41. 5 V.S.A. § 3405 is amended to read:

19 § 3405. LEASE FOR CONTINUED OPERATION

20 (a) The Secretary, as agent for the State, ~~with the approval of the Governor~~
21 ~~and the General Assembly or, if the General Assembly is not in session,~~

1 ~~approval of a special committee consisting of the Joint Fiscal Committee and~~
2 ~~the Chairs of the House and Senate Committees on Transportation,~~ is
3 authorized to lease or otherwise arrange for the continued operation of all or
4 any State-owned railroad property to any responsible person, provided that
5 approval for the operation, if necessary, is granted by the federal Surface
6 Transportation Board under 49 C.F.R. Part 1150 (certificate to construct,
7 acquire, or operate railroad lines). The transaction shall be subject to any
8 further terms and conditions as in the opinion of the Secretary are necessary
9 and appropriate to accomplish the purpose of this chapter.

10 (b) To preserve continuity of service on State-owned railroads, the
11 Secretary may enter into a short-term lease or operating agreement, for a term
12 not to exceed six months, with a responsible railroad operator. ~~Within 10 days~~
13 ~~of entering into any lease or agreement, the Secretary shall report the details of~~
14 ~~the transaction to the members of the House and Senate Committees on~~
15 ~~Transportation.~~

16 (c) The Secretary shall notify the House and Senate Committees on
17 Transportation or, if the General Assembly is not in session, the Joint
18 Transportation Oversight Committee when there are 12 months remaining on
19 the operating lease for any State-owned railroad, and when there are 12 months
20 remaining on a lease extension for the operating lease for any State-owned
21 railroad.

1 * * * Traffic Control Devices; Adoption of MUTCD Revisions * * *

2 Sec. 42. 23 V.S.A. § 1025 is amended to read:

3 § 1025. STANDARDS

4 (a) The U.S. Department of Transportation Federal Highway
5 Administration's Manual on Uniform Traffic Control Devices for Streets and
6 Highways (MUTCD) ~~for streets and highways,~~ as amended, shall be the
7 standards for all traffic control signs, signals, and markings within the State.
8 Revisions to the MUTCD shall be adopted according to the implementation or
9 compliance dates established in federal rules.

10 ~~(b) The latest revision of the MUTCD shall be adopted upon its effective~~
11 ~~date except in the case of~~ To the extent consistent with federal law, projects
12 beyond a preliminary state of design that are anticipated to be constructed
13 within two years of the otherwise applicable effective date; ~~such projects~~ may
14 be constructed according to the MUTCD standards applicable at the design
15 stage.

16 (c) Existing signs, signals, and markings shall be valid until such time as
17 they are replaced or reconstructed. When new traffic control devices are
18 erected or placed or existing traffic control devices are replaced or repaired, the
19 equipment, design, method of installation, placement, or repair shall conform
20 with the MUTCD.

1 ~~(b)~~(d) The standards of the MUTCD shall apply for both State and local
2 authorities as to traffic control devices under their respective jurisdiction.

3 ~~(e)~~(e) Traffic and control signals at intersections with exclusive pedestrian
4 walk cycles shall be of sufficient duration to allow a pedestrian to leave the
5 curb and travel across the roadway before opposing vehicles receive a green
6 light. Determination of the length of the signal shall take into account the
7 circumstances of persons with ambulatory disabilities.

8 * * * MileageSmart; Income Eligibility * * *

9 Sec. 43. 19 V.S.A. § 2903 is amended to read:

10 § 2903. MILEAGESMART

11 (a) Creation; administration.

12 (1) There is created a used high fuel efficiency vehicle incentive
13 program, which shall be administered by the Agency of Transportation and
14 known as MileageSmart.

15 (2) Subject to State procurement requirements, the Agency may retain a
16 contractor or contractors to assist with marketing, program development, and
17 administration of MileageSmart.

18 (b) Program structure. MileageSmart shall structure high fuel efficiency
19 purchase incentive payments by income to help all Vermonters benefit from
20 more efficient driving and reduced greenhouse gas emissions, including
21 Vermont's most vulnerable. Specifically, MileageSmart shall:

1 (1) apply to purchases of used high fuel-efficient motor vehicles, which
2 for purposes of this program shall be pleasure cars with a combined
3 city/highway fuel efficiency of at least 40 miles per gallon or miles-per-gallon
4 equivalent as rated by the Environmental Protection Agency when the vehicle
5 was new; and

6 (2) provide not more than one point-of-sale voucher worth up to
7 \$5,000.00 to an individual who is a member of a household with an adjusted
8 gross income that is at or below 80 percent of the State median income;
9 provided, however, that the Agency of Transportation may reduce the income
10 eligibility threshold based on available funding or applicant volume, or both, in
11 order to prioritize vouchers for households with lower income.

12 (c) EV infrastructure fees. For the first year that a plug-in electric vehicle,
13 as defined in 23 V.S.A. § 4(85), purchased through MileageSmart is subject to
14 the EV infrastructure fee pursuant to 23 V.S.A. § 361(b) or (c), the amount of
15 the fee shall be an eligible expense under MileageSmart; provided, however,
16 that this expense eligibility shall expire at such time as a mileage-based user
17 fee for pleasure cars that are battery electric vehicles, as defined in 23 V.S.A.
18 § 4(85)(A), takes effect in Vermont.

19 ~~(e)~~(d) Administrative costs. Up to 15 percent of any appropriations for
20 MileageSmart may be used for any costs associated with administering and
21 promoting MileageSmart.

