

1 ***[VTRANS PROPOSALS AS MODIFIED BY LEG. COUNSEL]***

2 Introduced by Committee on Transportation

3 Date:

4 Subject: Transportation; annual Transportation Program; Lamoille Valley Rail
5 Trail (LVRT); Central Garage Fund; Transportation Alternatives
6 Grant Program; vehicle incentive programs; plug-in electric vehicles
7 (PEVs); plug-in hybrid electric vehicles (PHEVs); battery electric
8 vehicles (BEVs); Incentive Program for New PEVs; MileageSmart;
9 Replace Your Ride Program; Electrify Your Fleet Program; mileage-
10 based user fee (MBUF); public-private partnerships (P3s); technical
11 corrections

12 Statement of purpose of bill as introduced: This bill proposes to adopt the
13 State’s annual Transportation Program and make miscellaneous changes to
14 laws related to transportation.

15 An act relating to the Transportation Program and miscellaneous changes to
16 laws related to transportation

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

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

3 Technical Correction * * *

4 Sec. 1. TRANSPORTATION PROGRAM ADOPTED; DEFINITIONS;

5 TECHNICAL CORRECTION

6 (a) Adoption. The Agency of Transportation’s Proposed Fiscal Year 2024
7 Transportation Program appended to the Agency of Transportation’s proposed
8 fiscal year 2024 budget (Revised January 27, 2023), as amended by this act, is
9 adopted to the extent federal, State, and local funds are available.

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

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

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

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

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

5 (5) “Secretary” means the Secretary of Transportation.

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

8 (7) The table heading “As Proposed” means the Proposed
9 Transportation Program referenced in subsection (a) of this section; the table
10 heading “As Amended” means the amendments as made by this act; the table
11 heading “Change” means the difference obtained by subtracting the “As
12 Proposed” figure from the “As Amended” figure; and the terms “change” or
13 “changes” in the text refer to the project- and program-specific amendments,
14 the aggregate sum of which equals the net “Change” in the applicable table
15 heading.

16 (c) Technical correction. In the Agency of Transportation’s Proposed
17 Fiscal Year 2024 Transportation Program for Municipal Mitigation, the value
18 “\$7,685,523” is struck and the value “\$10,113,523” is inserted in lieu thereof
19 to correct a typographic error; the value “\$3,355,523” is struck and the value
20 “\$4,783,523” is inserted in lieu thereof to correct a typographic error; the value
21 “\$4,000,000” is struck and the value “\$5,000,000” is inserted in lieu thereof to

1 correct a typographic error; and the value “\$8,060,523” is struck twice and the
2 value “\$10,488,523” is inserted in lieu thereof twice to correct two typographic
3 errors.

4 * * * Rail Trail Community Connectivity Grants * * *

5 Sec. 2. RAIL TRAIL COMMUNITY CONNECTIVITY GRANTS

6 (a) Project addition. The following project is added to the Agency of
7 Transportation’s Proposed Fiscal Year 2024 Transportation Rail Program with
8 an authorization of \$3,000,000.00 in one-time General Fund monies: Rail
9 Trail Community Connectivity Grants.

10 (b) Purpose. The purpose of the Rail Trail Community Connectivity
11 Grants is to continue the build out and enhancement of Lamoille Valley Rail
12 Trail (LVRT) amenities and visitor experience, which shall be consistent with
13 the priorities outlined in the recently completed LVRT Management Plan.

14 (c) Eligible projects. Projects may include trail infrastructure
15 improvements, such as trailheads, picnic areas, kiosks, and connections to
16 towns; signage; and interpretive panel installations.

17 * * * St. Albans District Maintenance Facility * * *

18 Sec. 3. ST. ALBANS DISTRICT MAINTENANCE FACILITY

19 The following project is added to the Agency of Transportation’s Proposed
20 Fiscal Year 2024 Transportation Program for Maintenance with an

1 authorization of \$3,500,000.00 in one-time Capital Fund Operating monies:
2 St. Albans District Maintenance Facility.

3 * * * Project Cancellations; Project Additions * * *

4 Sec. 4. PROJECT CANCELLATIONS; PROJECT ADDITIONS

5 (a) Pursuant to 19 V.S.A. § 10g(h) (legislative approval for cancellation of
6 projects), the General Assembly approves cancellation of the following project
7 within the Roadway Program: Bennington Bypass South NH F 019-1(4) –
8 Southern Segment of the Bennington Bypass.

9 (b) Pursuant to 19 V.S.A. § 10g(h) (legislative approval for cancellation of
10 projects), the General Assembly approves cancellation of the following project
11 within the Town Highway Bridge Program: Sheldon BO 1448(47) – Scoping
12 for Bridge #20 on TH #22.

13 (c) The following project is added to the Town Highway Bridge Program:
14 Sheldon BO 1448(48) – Scoping for Bridge #11 on Bridge Street, which will
15 replace the existing Sheldon BO TRUS(11) as a Development and Evaluation
16 project.

17 * * * Agency of Transportation Positions * * *

18 Sec. 5. AGENCY OF TRANSPORTATION POSITIONS

19 (a) The conversion of the following limited-service positions to permanent
20 classified positions is authorized in fiscal year 2024: nine State Airport
21 Maintenance Workers and one State Airport Operations Specialist.

1 (b) The establishment of the following new permanent classified positions
2 is authorized in fiscal year 2024: one Transportation Operations Technician III
3 and one Transportation Technician IV within Highway Maintenance.

4 * * * Central Garage Fund * * *

5 Sec. 6. 19 V.S.A. § 13 is amended to read:

6 § 13. CENTRAL GARAGE FUND

7 (a) There is created the Central Garage Fund, which shall be used to:

8 (1) ~~to~~ furnish equipment on a rental basis to the districts and other
9 sections of the Agency for construction, maintenance, and operation of
10 highways or other transportation activities; and

11 (2) ~~to~~ provide a general equipment repair and major overhaul service,
12 inclusive of any assets, supplies, labor, or use of contractors necessary to
13 provide that service, as well as to furnish necessary supplies for the operation
14 of the equipment.

15 (b) ~~To~~ In order to maintain a safe; and reliable equipment fleet, the Agency
16 shall use Central Garage Fund monies to acquire new or replacement highway
17 ~~maintenance equipment shall be acquired using Central Garage Fund monies.~~

18 The Agency is authorized to acquire replacement pieces for existing highway
19 equipment or new, additional equipment equivalent to equipment already
20 owned; ~~however, the Agency shall not increase the total number of~~

1 ~~permanently assigned or authorized motorized or self-propelled vehicles~~
2 ~~without approval by the General Assembly.~~

3 (c)(1) For the purpose specified in subsection (b) of this section, the
4 following amount shall be transferred from the Transportation Fund to the
5 Central Garage Fund:

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

7 (B) in subsequent fiscal years, at a minimum, the amount specified in
8 subdivision (A) of this subdivision (1) as adjusted annually by increasing the
9 previous fiscal year's amount by the percentage increase in the Bureau of
10 Labor Statistics Consumer Price Index for All Urban Consumers (CPI-U)
11 during the two most recently closed State fiscal years.

12 (2) Each fiscal year, the sum of the following shall be appropriated from
13 the Central Garage Fund exclusively for the purpose specified in subsection (b)
14 of this section:

15 (A) the amount transferred pursuant to subdivision (1) of this
16 subsection;

17 (B) the amount of the equipment depreciation expense from the prior
18 fiscal year or, for equipment that is fully depreciated and still actively in
19 service, an amount equal to the depreciation on that piece of equipment from
20 the prior year; and

21 (C) the amount of the net equipment sales from the prior fiscal year.

1 (d) In each fiscal year, net income of the Fund earned during that fiscal
2 year shall be retained in the Fund.

3 (e) For the purposes of computing net worth and net income, the fiscal year
4 shall be the year ending June 30.

5 (f) As used in this section, “equipment” means registered motor vehicles
6 and ~~highway maintenance equipment assigned to~~ necessary assets required by
7 the Central Garage in order to fulfill the objectives established in subsection
8 (a) of this section.

9 (g) [Repealed.]

10 * * * Transportation Alternatives Grant Program * * *

11 Sec. 7. 19 V.S.A. § 38(c) is amended to read:

12 (c) The Transportation Alternatives Grant Program is created. The Grant
13 Program shall be administered by the Agency and shall be funded in the
14 amount provided for in 23 U.S.C. § 133(h), less the funds set aside for the
15 Recreational Trails Program. Awards shall be made to eligible entities as
16 defined under 23 U.S.C. § 133(h), and awards under the Grant Program shall
17 be limited to the activities authorized under federal law and shall not exceed
18 ~~\$300,000.00~~ \$600,000.00 per grant allocation.

1 * * * Vehicle Incentive Programs * * *

2 * * * Repeal of Existing Vehicle Incentive Programs * * *

3 Sec. 8. REPEALS

4 (a) 2019 Acts and Resolves No. 59, Sec. 34, as amended by 2020 Acts and
5 Resolves No. 121, Sec. 14, 2020 Acts and Resolves No. 154, Sec. G.112, 2021
6 Acts and Resolves No. 3, Sec. 56, 2021 Acts and Resolves No. 55, Secs. 18,
7 19, and 21–24, and 2022 Acts and Resolves No. 184, Sec. 6, is repealed.

8 (b) 2021 Acts and Resolves No. 55, Sec. 27, as amended by 2022 Acts and
9 Resolves No. 184, Sec. 22, is repealed.

10 * * * Codification of Vehicle Incentive Programs * * *

11 Sec. 9. 19 V.S.A. chapter 29 is added to read:

12 CHAPTER 29. VEHICLE INCENTIVE PROGRAMS

13 § 2901. DEFINITIONS

14 As used in this chapter:

15 (1) “Electric bicycle” has the same meaning as in 23 V.S.A. § 4(46)(A).

16 (2) “Electric-cargo bicycle” means a motor-assisted bicycle, as defined
17 in 23 V.S.A. § 4(45)(B)(i), with an electric motor, as defined under 23 V.S.A.
18 § 4(45)(B)(i)(II), that is specifically designed and constructed for transporting
19 loads, including of goods, one or more individuals in addition to the operator,
20 and one or more animals. A motor-assisted bicycle that is not specifically
21 designed and constructed for transporting loads, including a motor-assisted

1 bicycle that is only capable of transporting loads because an after-market rear
2 or front bicycle rack has been installed, is not an electric-cargo bicycle.

3 (3) “Plug-in electric vehicle (PEV),” “battery electric vehicle (BEV),”
4 and “plug-in hybrid electric vehicle (PHEV)” have the same meanings as in 23
5 V.S.A. § 4(85).

6 § 2902. INCENTIVE PROGRAM FOR NEW PLUG-IN ELECTRIC

7 VEHICLES

8 (a) Creation; administration.

9 (1) There is created the Incentive Program for New Plug-In Electric
10 Vehicles (PEVs), which shall be administered by the Agency of
11 Transportation.

12 (2) Subject to State procurement requirements, the Agency may retain a
13 contractor or contractors to assist with marketing, program development, and
14 administration of the Program.

15 (b) Program structure. The Incentive Program for New PEVs shall
16 structure PEV purchase and lease incentive payments by income to help all
17 Vermonters benefit from electric driving, including Vermont’s most
18 vulnerable. Specifically, the Incentive Program for New PEVs:

19 (1) shall apply to both purchases and leases of new PEVs with an
20 emphasis on incentivizing the purchase and lease of battery electric vehicles

1 (BEVs) and plug-in hybrid electric vehicles (PHEVs) with an electric range of
2 20 miles or greater per complete charge;

3 (2) shall provide not more than one incentive of not more than
4 \$1,500.00 for a PHEV or not more than \$2,500.00 for a BEV, per individual
5 per year, to:

6 (A) an individual domiciled in the State whose federal income tax
7 filing status is single with an adjusted gross income under the laws of the
8 United States greater than \$60,000.00 and at or below \$100,000.00;

9 (B) an individual domiciled in the State whose federal income tax
10 filing status is head of household with an adjusted gross income under the laws
11 of the United States greater than \$75,000.00 and at or below \$125,000.00;

12 (C) an individual domiciled in the State whose federal income tax
13 filing status is surviving spouse with an adjusted gross income under the laws
14 of the United States greater than \$90,000.00 and at or below \$150,000.00;

15 (D) an individual who is part of a married couple with at least one
16 spouse domiciled in the State whose federal income tax filing status is married
17 filing jointly with an adjusted gross income under the laws of the United States
18 greater than \$90,000.00 and at or below \$150,000.00; or

19 (E) an individual who is part of a married couple with at least one
20 spouse domiciled in the State and at least one spouse whose federal income tax
21 filing status is married filing separately with an adjusted gross income under

1 the laws of the United States greater than \$60,000.00 and at or below
2 \$100,000.00;

3 (3) shall provide not more than one incentive of not more than
4 \$3,000.00 for a PHEV or not more than \$5,000.00 for a BEV, per individual
5 per year, to:

6 (A) an individual domiciled in the State whose federal income tax
7 filing status is single with an adjusted gross income under the laws of the
8 United States at or below \$60,000.00;

9 (B) an individual domiciled in the State whose federal income tax
10 filing status is head of household with an adjusted gross income under the laws
11 of the United States at or below \$75,000.00;

12 (C) an individual domiciled in the State whose federal income tax
13 filing status is surviving spouse with an adjusted gross income under the laws
14 of the United States at or below \$90,000.00;

15 (D) an individual who is part of a married couple with at least one
16 spouse domiciled in the State whose federal income tax filing status is married
17 filing jointly with an adjusted gross income under the laws of the United States
18 at or below \$90,000.00; or

19 (E) an individual who is part of a married couple with at least one
20 spouse domiciled in the State and at least one spouse whose federal income tax

1 filing status is married filing separately with an adjusted gross income under
2 the laws of the United States at or below \$60,000.00;

3 (4) shall, as technology progresses, establish a minimum electric range
4 in order for a PHEV to be eligible for an incentive;

5 (5) shall apply to:

6 (A) manufactured PEVs with any Base Manufacturer’s Suggested
7 Retail Price (MSRP) that will be issued a special registration plate by the
8 Commissioner of Motor Vehicles pursuant to 23 V.S.A. § 304a or will
9 predominately be used to provide accessible transportation for the incentive
10 recipient or a member of the incentive recipient’s household, provided that the
11 incentive recipient or the member of the incentive recipient’s household has a
12 removable windshield placard issued by the Commissioner of Motor Vehicles
13 pursuant to 23 V.S.A. § 304a;

14 (B) manufactured PHEVs with a Base MSRP as determined by the
15 Agency of Transportation, based on phasing out incentives for PHEVs with an
16 electric range of less than 20 miles, and benchmarked to a Base MSRP of the
17 equivalent of approximately \$50,000.00 or less in model year 2023; and

18 (C) manufactured BEVs with a Base MSRP as determined by the
19 Agency of Transportation and benchmarked to a Base MSRP of the equivalent
20 of approximately \$50,000.00 or less in model year 2023; and

1 (6) shall provide incentives that may be in addition to any other
2 available incentives, including through another program funded by the State,
3 provided that not more than one incentive under the Incentive Program for
4 New PEVs is used for the purchase or lease of any one PEV.

5 (c) Administrative costs. Up to 15 percent of any appropriations for the
6 Incentive Program for New PEVs can be used for any costs associated with
7 administering and promoting the Incentive Program for New PEVs.

8 (d) Outreach and marketing. The Agency, in consultation with any
9 retained contractors and Drive Electric Vermont, shall ensure that there is
10 sufficient outreach and marketing, including the use of translation and
11 interpretation services, of the Incentive Program for New PEVs so that
12 Vermonters who are eligible for an incentive can easily learn how to secure as
13 many different incentives as are available, and such costs shall be considered
14 administrative costs for purposes of subsection (c) of this section.

15 § 2903. MILEAGESMART

16 (a) Creation; administration.

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

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

4 (b) Program structure. MileageSmart shall structure high fuel efficiency
5 purchase incentive payments by income to help all Vermonters benefit from
6 more efficient driving and reduced greenhouse gas emissions, including
7 Vermont’s most vulnerable. Specifically, MileageSmart shall:

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

13 (2) provide not more than one point-of-sale voucher worth up to
14 \$5,000.00 to an individual who is a member of a household with an adjusted
15 gross income that is at or below 80 percent of the State median income.

16 (c) Administrative costs. Up to 15 percent of any appropriations for
17 MileageSmart can be used for any costs associated with administering and
18 promoting MileageSmart.

19 (d) Outreach and marketing. The Agency, in consultation with any
20 retained contractors and Drive Electric Vermont, shall ensure that there is
21 sufficient outreach and marketing, including the use of translation and

1 interpretation services, of MileageSmart so that Vermonters who are eligible
2 for an incentive can easily learn how to secure as many different incentives as
3 are available, and such costs shall be considered administrative costs for
4 purposes of subsection (c) of this section.

5 § 2904. REPLACE YOUR RIDE PROGRAM

6 (a) Creation; administration.

7 (1) There is created the Replace Your Ride Program, which shall be
8 administered by the Agency of Transportation.

9 (2) Subject to State procurement requirements, the Agency may retain a
10 contractor or contractors to assist with marketing, program development, and
11 administration of the Program.

12 (b) Program structure. The Replace Your Ride Program shall structure
13 incentive payments by income to help all Vermonters benefit from replacing
14 lower efficient modes of transportation with modes of transportation that
15 reduce greenhouse gas emissions. The Agency may apply a sliding scale
16 incentive based on electric range, with larger incentives being available for
17 PEVs with a longer electric range.

18 (c) Incentive amount. The Replace Your Ride Program shall provide up to
19 a \$2,500.00 incentive for those who qualify under subdivision (d)(1)(A) of this
20 section and up to a \$5,000.00 incentive for those who qualify under
21 subdivision (d)(1)(B) of this section, either of which may be in addition to any

1 other available incentives, including through a program funded by the State, to
2 individuals who qualify based on both income and the removal of an internal
3 combustion vehicle. Only one incentive per individual is available under the
4 Replace Your Ride Program.

5 (d) Eligibility. Applicants must qualify through both income and the
6 removal of an eligible vehicle with an internal combustion engine.

7 (1) Income eligibility.

8 (A) The lower incentive amount of \$2,500.00 is available to the
9 following, provided that all other eligibility requirements are met:

10 (i) an individual domiciled in the State whose federal income tax
11 filing status is single with an adjusted gross income under the laws of the
12 United States greater than \$60,000.00 and at or below \$100,000.00;

13 (ii) an individual domiciled in the State whose federal income tax
14 filing status is head of household with an adjusted gross income under the laws
15 of the United States greater than \$75,000.00 and at or below \$125,000.00;

16 (iii) an individual domiciled in the State whose federal income tax
17 filing status is surviving spouse with an adjusted gross income under the laws
18 of the United States greater than \$90,000.00 and at or below \$150,000.00;

19 (iv) an individual who is part of a married couple with at least one
20 spouse domiciled in the State whose federal income tax filing status is married

1 filing jointly with an adjusted gross income under the laws of the United States
2 greater than \$90,000.00 and at or below \$150,000.00; or

3 (v) an individual who is part of a married couple with at least one
4 spouse domiciled in the State and at least one spouse whose federal income tax
5 filing status is married filing separately with an adjusted gross income under
6 the laws of the United States greater than \$60,000.00 and at or below
7 \$100,000.00.

8 (B) The higher incentive amount of \$5,000.00 is available to the
9 following, provided that all other eligibility requirements are met:

10 (i) an individual domiciled in the State whose federal income tax
11 filing status is single with an adjusted gross income under the laws of the
12 United States at or below \$60,000.00;

13 (ii) an individual domiciled in the State whose federal income tax
14 filing status is head of household with an adjusted gross income under the laws
15 of the United States at or below \$75,000.00;

16 (iii) an individual domiciled in the State whose federal income tax
17 filing status is surviving spouse with an adjusted gross income under the laws
18 of the United States at or below \$90,000.00;

19 (iv) an individual who is part of a married couple with at least one
20 spouse domiciled in the State whose federal income tax filing status is married

1 filing jointly with an adjusted gross income under the laws of the United States
2 at or below \$90,000.00;

3 (v) an individual who is part of a married couple with at least one
4 spouse domiciled in the State and at least one spouse whose federal income tax
5 filing status is married filing separately with an adjusted gross income under
6 the laws of the United States at or below \$60,000.00; or

7 (vi) an individual who is a member of a household with an
8 adjusted gross income that is at or below 80 percent of the State median
9 income.

10 (2) Vehicle removal.

11 (A) In order for an individual to qualify for an incentive under the
12 Replace Your Ride Program, the individual must remove an older low-
13 efficiency vehicle from operation and switch to a mode of transportation that
14 produces fewer greenhouse gas emissions. The entity that administers the
15 Replace Your Ride Program, in conjunction with the Agency of
16 Transportation, shall establish Program guidelines that specifically provide for
17 how someone can show that the vehicle removal eligibility requirement has
18 been, or will be, met.

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

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

1 (I) is currently registered, and has been for two years prior to
2 the date of application, with the Vermont Department of Motor Vehicles;

3 (II) is currently titled in the name of the applicant and has been
4 for at least one year prior to the date of application;

5 (III) has a gross vehicle weight rating of 10,000 pounds or less;

6 (IV) is at least 10 model years old;

7 (V) has an internal combustion engine; and

8 (VI) passed the annual inspection required under 23 V.S.A.
9 § 1222 within the prior year.

10 (ii) Removing the older low-efficiency vehicle from operation
11 must be done by disabling the vehicle’s engine from further use and fully
12 dismantling the vehicle for either donation to a nonprofit organization to be
13 used for parts or destruction.

14 (iii) The following qualify as a switch to a mode of transportation
15 that produces fewer greenhouse gas emissions:

16 (I) purchasing or leasing a new or used PEV;

17 (II) purchasing a new or used bicycle, electric bicycle, electric
18 cargo bicycle, or motorcycle that is fully electric, and the necessary safety
19 equipment; and

20 (III) utilizing shared-mobility services.

1 (e) Administrative costs. Up to 15 percent of any appropriations for the
2 Replace Your Ride Program can be used for any costs associated with
3 administering and promoting the Replace Your Ride Program.

4 (f) Outreach and marketing. The Agency, in consultation with any retained
5 contractors and Drive Electric Vermont, shall ensure that there is sufficient
6 outreach and marketing, including the use of translation and interpretation
7 services, of the Replace Your Ride Program so that Vermonters who are
8 eligible for an incentive can easily learn how to secure as many different
9 incentives as are available and such costs shall be considered administrative
10 costs for purposes of subsection (e) of this section.

11 § 2905. ELECTRIFY YOUR FLEET PROGRAM

12 (a) Creation; administration.

13 (1) There is created the Electrify Your Fleet Program, which shall be
14 administered by the Agency of Transportation.

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 the Program.

18 (b) Program structure. The Electrify Your Fleet Program shall structure
19 purchase and lease incentive payments to replace internal combustion engine
20 vehicles cycled out of a motor vehicle fleet and reduce the greenhouse gas

1 emissions of persons operating a motor vehicle fleet in Vermont. Specifically,
2 the Electrify Your Fleet Program shall:

3 (1) provide incentives to Vermont municipalities and business entities
4 registered in Vermont that maintain a fleet of motor vehicles that are registered
5 in Vermont with no single applicant being eligible for more than 20 incentives
6 over the existence of the Program;

7 (2) provide \$2,500.00 purchase and lease incentives for:

8 (A) BEVs with a Base Manufacturer’s Suggested Retail Price
9 (MSRP) as determined by the Agency of Transportation and benchmarked to a
10 Base MSRP of the equivalent of approximately \$60,000.00 or less in model
11 year 2023;

12 (B) electric bicycles and electric cargo bicycles with a Base MSRP as
13 determined by the Agency of Transportation and benchmarked to a Base
14 MSRP of the equivalent of approximately \$6,000.00 or less in model year
15 2023;

16 (C) electric motorcycles with a Base MSRP as determined by the
17 Agency of Transportation and benchmarked to a Base MSRP of the equivalent
18 of approximately \$30,000.00 or less in model year 2023; and

19 (D) require a showing that the incentive will be used to electrify the
20 applicant’s motor vehicle fleet.

1 (c) Administrative costs. Up to 15 percent of any appropriations for the
2 Electrify Your Fleet Program can be used for any costs associated with
3 administering and promoting the Electrify Your Fleet Program.

4 (d) Outreach and marketing. The Agency, in consultation with any
5 retained contractors and Drive Electric Vermont, shall ensure that there is
6 sufficient outreach and marketing, including the use of translation and
7 interpretation services, of the Electrify Your Fleet Program so that persons
8 who are eligible for an incentive can easily learn how to secure an incentive
9 and such costs shall be considered administrative costs for purposes of
10 subsection (c) of this section.

11 § 2906. AUTHORITY TO MAKE PROGRAMMATIC CHANGES;

12 APPROVAL BY THE JOINT TRANSPORTATION OVERSIGHT
13 COMMITTEE

14 (a) Notwithstanding any provision of this chapter to the contrary, the
15 Secretary of Transportation may make reasonable changes to the vehicle
16 incentive programs created under this chapter that are inconsistent with statute
17 provided that the Secretary receives approval from the Joint Transportation
18 Oversight Committee pursuant to subsection (b) of this section.

19 (b)(1) The Secretary shall promptly report any anticipated changes to the
20 vehicle incentive programs that are inconsistent with statute to the Joint
21 Transportation Oversight Committee along with a detailed explanation for how

1 statute will need to be amended in order to have statute be consistent with the
2 vehicle incentive programs created under this chapter going forward.

3 (2) If the Joint Transportation Oversight Committee disapproves of the
4 anticipated change to a vehicle incentive program or programs, it shall provide
5 notice of that disapproval and an explanation of the basis for the disapproval to
6 the Secretary within 30 calendar days following receipt of the report of the
7 anticipated change.

8 (3) If the Joint Transportation Oversight Committee disapproves of an
9 anticipated change to a vehicle incentive program or programs under
10 subdivision (2) of this subsection, then the Secretary may revise an anticipated
11 change and resubmit for further consideration.

12 (4) If the Joint Transportation Oversight Committee does not disapprove
13 of the anticipated change to a vehicle incentive program or programs under the
14 authority of this section within 30 calendar days after receipt of the report of
15 the anticipated change to a vehicle incentive program or programs or receipt of
16 a revised submittal, then the anticipated change to the vehicle incentive
17 program or programs is deemed approved.

18 (c) The Secretary of Transportation shall propose for inclusion in the next
19 Transportation Bill subsequent to the change to a vehicle incentive program or
20 programs amendments to any statutes that will be inconsistent with a vehicle

1 incentive program or programs after approval by the Joint Transportation
2 Oversight Committee pursuant to subsection (b) of this section.

3 § 2907. ANNUAL REPORTING

4 (a) The Agency shall annually evaluate the programs established under this
5 chapter to gauge effectiveness and shall submit a written report on the
6 effectiveness of the programs to the House and Senate Committees on
7 Transportation, the House Committee on Environment and Energy, and the
8 Senate Committee on Finance on or before the 31st day of January in each year
9 following a year that an incentive was provided through one of the programs.

10 (b) The report shall also include:

11 (1) any intended modifications to program guidelines for the upcoming
12 fiscal year along with an explanation for the reasoning behind the
13 modifications and how the modifications will yield greater uptake of PEVs and
14 other means of transportation that will reduce greenhouse gas emissions;

15 (2) any recommendations on statutory modifications to the programs,
16 including to income and vehicle eligibility, along with an explanation for the
17 reasoning behind the statutory modification recommendations and how the
18 modifications will yield greater uptake of PEVs and other means of
19 transportation that will reduce greenhouse gas emissions; and

20 (3) any necessary amendments to statute that will be required pursuant
21 to subsection 2906(c) of this chapter.

1 (c) Notwithstanding 2 V.S.A. § 20(d), the annual report required under this
2 section shall continue to be required if an incentive is provided through one of
3 the programs unless the General Assembly takes specific action to repeal the
4 report requirement.

5 Sec. 10. 19 V.S.A. § 12b is amended to read:

6 § 12b. JOINT TRANSPORTATION OVERSIGHT COMMITTEE

7 (a) There is created a the Joint Transportation Oversight Committee
8 composed of the Chairs of the House and Senate Committees on
9 Appropriations, the House and Senate Committees on Transportation, the
10 House Committee on Ways and Means, and the Senate Committee on Finance.
11 The Committee shall be chaired alternately by the Chairs of the House and
12 Senate Committees on Transportation, and the two-year term shall run
13 concurrently with the biennial session of the General Assembly. The Chair of
14 the Senate Committee on Transportation shall chair the Committee during the
15 2009–2010 legislative session.

16 (b) The Committee shall meet during adjournment for official duties.
17 Meetings shall be convened by the Chair and, when practicable, shall be
18 coordinated with the regular meetings of the Joint Fiscal Committee. Members
19 shall be entitled to compensation and reimbursement pursuant to 2 V.S.A.
20 § 23. The Committee shall have the assistance of the staff of the Office of

1 Legislative Counsel, the Office of Legislative Operations, and the Joint Fiscal
2 Office.

3 (c) The Committee shall provide legislative oversight of the Transportation
4 Fund revenues collection and the operation and administration of the Agency
5 of Transportation ~~construction, paving, and rehabilitation programs~~. The
6 Secretary of Transportation and Commissioner of Motor Vehicles shall report
7 to the Committee upon request.

8 * * *

9 * * * Authorization for Electrify Your Fleet Program * * *

10 Sec. 11. 2022 Acts and Resolves No. 184, Sec. 2(8)(C), as amended by 2023
11 Acts and Resolves No. **[PLACE HOLDER FOR BAA]**, Sec. 75, is further
12 amended to read:

13 (C) Replace Your Ride Program. Sec. 5(c) of this act authorizes
14 ~~\$2,900,000.00~~ \$2,400,000.00 for incentives under Replace Your Ride, which
15 will be the State’s program to incentivize Vermonters to remove older low-
16 efficiency vehicles from operation and switch to modes of transportation that
17 produce fewer greenhouse gas emissions, and capped administrative costs.

18 Sec. 12. 2022 Acts and Resolves No. 184, Sec. 5(c), as amended by 2023 Acts
19 and Resolves No. **[PLACE HOLDER FOR BAA]**, Sec. 76, is further
20 amended to read:

1 (c) Replace Your Ride Program. The Agency is authorized to spend up to
2 ~~\$2,900,000.00~~ \$2,400,000.00 as appropriated in the fiscal year 2023 budget on
3 the Replace Your Ride Program established in 2021 Acts and Resolves No. 55,
4 Sec. 27, as amended.

5 Sec. 13. 2022 Acts and Resolves No. 185, Sec. G.600(b)(5), as amended by
6 2023 Acts and Resolves No. **[PLACE HOLDER FOR BAA]**, Sec. 77, is
7 further amended to read:

8 (5) ~~\$2,900,000.00~~ \$2,400,000.00 to the Agency of Transportation for the
9 Replace Your Ride Program, established in 2021 Acts and Resolves No. 55,
10 Sec. 27, as amended.

11 Sec. 14. ELECTRIFY YOUR FLEET AUTHORIZATION

12 The Agency is authorized to spend up to \$500,000.00 in one-time General
13 Fund monies on the Electrify Your Fleet Program established pursuant to 19
14 V.S.A. § 2905, as added by Sec. 9 of this act.

15 * * * Mileage-Based User Fee (MBUF) * * *

16 Sec. 15. MILEAGE-BASED USER FEE AUTHORIZATION

17 (a) Within the Agency of Transportation’s Proposed Fiscal Year 2024
18 Transportation Program for Environmental Policy and Sustainability, the
19 Agency of Transportation, including the Department of Motor Vehicles, is
20 authorized to apply for and accept a competitive federal Strategic Innovation
21 for Revenue Collection grant established pursuant to the Infrastructure

1 Investment and Jobs Act, Pub. L. No. 117-58 (IIJA), Sec. 13001 in an amount
2 not to exceed \$3,500,000.00 in federal monies, with up to \$350,000.00 in
3 Transportation Fund monies authorized for the nonfederal match in fiscal year
4 2024.

5 (b) As permitted under federal regulations and grant terms, the Agency
6 shall utilize grant monies to design and implement a mileage-based user fee
7 that is consistent with Sec. 16 of this act.

8 (c) Subject to State procurement requirements, the Agency may retain one
9 or more contractors or consultants, or both, to assist with the design and
10 implementation of a process to collect a mileage-based user fee.

11 Sec. 16. MILEAGE-BASED USER FEE DESIGN AND
12 IMPLEMENTATION

13 (a) Definitions. As used in this section and Sec. 17 of this act:

14 (1) “Account manager” means a person under contract with the Agency
15 of Transportation or Department of Motor Vehicles to administer and manage
16 the mileage-based user fee.

17 (2) “Annual vehicle miles traveled” means the total number of miles that
18 a BEV is driven between annual inspections as reported by an inspection
19 mechanic to the Department of Motor Vehicles.

20 (3) “Mileage-based user fee” means the total amount that an owner or
21 lessee of a BEV registered in Vermont owes the State and is calculated by

1 multiplying the mileage-based user fee rate by the annual vehicle miles
2 traveled or, in the case of a terminating event, by multiplying the mileage-
3 based user fee rate by the vehicle miles traveled between the last Vermont
4 annual inspection and the terminating event.

5 (4) “Mileage-based user fee rate” means the per-mile usage fee charged
6 to the owner or lessee of a BEV registered in Vermont.

7 (5) “Mileage reporting period” means the time between annual
8 inspections or the time between an annual inspection and a terminating event.

9 (6) “Plug-in electric vehicle (PEV)” has the same meaning as in
10 23 V.S.A. § 4(85) and includes battery electric vehicles (BEVs) and plug-in
11 hybrid electric vehicles (PHEVs), which have the same meaning as in
12 23 V.S.A. § 4(85)(A) and (B).

13 (7) “Terminating event” means either the registering of a BEV that had
14 been registered in Vermont in a different state or a change in ownership or
15 lesseeship of the BEV, or both.

16 (b) Effective date. The Agency shall design and implement a process to
17 collect a mileage-based user fee for miles driven by a BEV registered in
18 Vermont to commence collecting revenue on July 1, 2025.

19 (c) Covered vehicles.

1 (1) The Agency shall design and implement a process to collect a
2 mileage-based user fee based on the annual vehicle miles traveled by BEVs
3 registered in the State.

4 (2) It is the intent of the General Assembly that starting on July 1, 2025
5 PHEVs that are a pleasure car, as defined in 23 V.S.A. § 4(28), shall be subject
6 to an annual or a biennial registration fee that is one and three-quarters times
7 the amount of the annual or biennial fee for a pleasure car pursuant to 23
8 V.S.A. § 361 and the State’s gas tax but shall not be subject to a mileage-based
9 user fee.

10 (d) Imposition of a mileage-based user fee. The Agency shall design and
11 implement a process to collect a mileage-based user fee from the owner or
12 lessee of a BEV registered in Vermont for each mileage reporting period
13 within 60 days after the Vermont annual inspection or terminating event that
14 closes the mileage reporting period.

15 Sec. 17. REPORTS

16 The Secretary of Transportation and the Commissioner of Motor Vehicles
17 shall file a written report not later than January 15, 2024 with the House and
18 Senate Committees on Transportation, the House Committee on Ways and
19 Means, and the Senate Committee on Finance that provides the following:

1 (1) a comprehensive implementation plan to commence collecting, on
2 July 1, 2025, a mileage-based user fee for miles driven by a BEV registered in
3 Vermont;

4 (2) a recommendation on what language should be codified in statute to
5 enable the State to commence collecting, on July 1, 2025, a mileage-based user
6 fee for miles driven by a BEV registered in Vermont, which shall include a
7 recommendation for the mileage-based user fee rate and that includes:

8 (A) an explanation for how the recommended mileage-based user fee
9 rate was calculated;

10 (B) what the mileage-based user fee rate is estimated to yield in
11 revenue for the State in total per year; and

12 (C) how the anticipated mileage-based user fee for a pleasure car is
13 expected to compare to the amount collected by the State in gas tax revenue
14 from the use of a non-PEV pleasure car registered in Vermont and the amount
15 collected by the State in gas tax revenue and increased registration fee from the
16 use of a non-PHEV pleasure car registered in Vermont based on estimates of
17 low, medium, and high annual vehicle miles traveled;

18 (3) a recommendation on what should be required in annual reporting on
19 the mileage-based user fee starting in 2026 for fiscal year 2025, which shall, at
20 a minimum, address whether the following should be reported on:

1 (A) the total amount of revenue collected in mileage-based user fees
2 for the prior fiscal year and an estimate of the total amount of revenue
3 anticipated to be collected in mileage-based user fees during the subsequent
4 fiscal year;

5 (B) the average mileage-based user fee collected for a BEV with low,
6 medium, and high annual vehicle miles traveled in the prior fiscal year;

7 (C) an estimate of the average amount in motor fuel revenue that was
8 collected for a pleasure car that is not a plug-in electric vehicle with low,
9 medium, and high annual vehicle miles traveled in the prior fiscal year;

10 (D) an estimate of the average amount in motor fuel revenue and
11 increased registration fee that was collected for a pleasure car that is a plug-in
12 hybrid electric vehicle with low, medium, and high annual vehicle miles
13 traveled in the prior fiscal year;

14 (E) the total number of delinquent mileage-based user fees in the
15 prior fiscal year;

16 (F) the total number of outstanding payment plans for delinquent
17 mileage-based user-fees; and

18 (G) the cost to collect the mileage-based user fees in the prior fiscal
19 year; and

1 (4) an outline of what the Agency intends to adopt as rule in order to
2 commence collecting, on July 1, 2025, a mileage-based user fee for miles
3 driven by a BEV registered in Vermont, which shall, at a minimum, establish:

4 (A) a process to calculate and report the annual vehicle miles traveled
5 by a BEV registered in Vermont;

6 (B) payment periods and other payment methods and procedures for
7 the payment of the mileage-based user fee, which shall include the option to
8 pre-pay the anticipated mileage-based user fee in installments on a monthly,
9 quarterly, or annual basis;

10 (C) standards for mileage reporting mechanisms for an owner or
11 lessee of a BEV to report vehicle miles traveled throughout the year;

12 (D) procedures to provide security and protection of personal
13 information and data connected to a mileage-based user fee;

14 (E) penalty and appeal procedures necessary for the collection of a
15 mileage-based user fee, which, to the extent practicable, shall duplicate and
16 build upon existing Department of Motor Vehicles processes; and

17 (F) Agency oversight of any account manager, including privacy
18 protection of personal information and access and auditing capability of
19 financial and other records related to administration of the process to collect a
20 mileage-based user fee.

