

1 Introduced by Committee on Transportation

2 Date:

3 Subject: Transportation; annual Transportation Program; Lamoille Valley Rail

4 Trail (LVRT); Central Garage Fund; Transportation Alternatives

5 Grant Program; vehicle incentive programs; plug-in electric vehicles

6 (PEVs); plug-in hybrid electric vehicles (PHEVs); battery electric

7 vehicles (BEVs); Incentive Program for New PEVs; MileageSmart;

8 Replace Your Ride Program; Electrify Your Fleet Program; mileage-

9 based user fee (MBUF); public-private partnerships (P3s); repeals;

10 Carbon Reduction Program; PROTECT Formula Program; complete

11 streets

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 * * * One-Time Appropriations * * *

5 **Sec. 2. ONE-TIME APPROPRIATIONS**

6 (a) Within the Agency of Transportation’s Proposed Fiscal Year 2024
7 Transportation Program for One-Time Appropriations, authorized spending is
8 amended as follows:

9 <u>FY23</u>	<u>As Proposed</u>	<u>As Amended</u>	<u>Change</u>
10 <u>Operating</u>	3,500,000	3,500,000	0
11 <u>Grants</u>	3,000,000	0	-3,000,000
12 <u>Total</u>	6,500,000	3,500,000	-3,000,000

13 Sources of funds

14 <u>General</u>	3,000,000	0	-3,000,000
15 <u>Capital</u>	3,500,000	3,500,000	0
16 <u>Total</u>	6,500,000	3,500,000	-3,000,000

17 (b) Within the Agency of Transportation’s Proposed Fiscal Year 2024
18 Transportation Program for One-Time Appropriations, the following is struck:
19 “Rail Trail Community Connectivity Grants - \$3M General Fund Grants.”

1 * * * St. Albans District Maintenance Facility * * *

2 Sec. 3. ST. ALBANS DISTRICT MAINTENANCE FACILITY

3 The following project is added to the Agency of Transportation’s Proposed
4 Fiscal Year 2024 Transportation Program for Maintenance with an
5 authorization of \$3,500,000.00 in one-time Capital Fund Operating monies:
6 St. Albans District Maintenance Facility.

7 * * * Project **Cancellation**; Project Addition * * *

8 Sec. 4. PROJECT **CANCELLATION**; PROJECT ADDITION

9 **(a)** 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 **(b)** 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 * * * Central Garage Fund * * *

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

19 § 13. CENTRAL GARAGE FUND

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

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

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

8 (b) ~~To~~ In order to maintain a safe, and reliable equipment fleet, the Agency
9 shall use Central Garage Fund monies to acquire new or replacement highway
10 maintenance equipment shall be acquired using Central Garage Fund monies.
11 The Agency is authorized to acquire replacement pieces for existing highway
12 equipment or new, additional equipment equivalent to equipment already
13 owned; ~~however, the Agency shall not increase the total number of~~
14 ~~permanently assigned or authorized motorized or self-propelled vehicles~~
15 ~~without approval by the General Assembly.~~

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

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

20 (B) in subsequent fiscal years, at a minimum, the amount specified in
21 subdivision (A) of this subdivision (1) as adjusted annually by increasing the

1 previous fiscal year’s amount by the percentage increase in the Bureau of
2 Labor Statistics Consumer Price Index for All Urban Consumers (CPI-U)
3 during the two most recently closed State fiscal years.

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

7 (A) the amount transferred pursuant to subdivision (1) of this
8 subsection;

9 (B) the amount of the equipment depreciation expense from the prior
10 fiscal year or, for equipment that is fully depreciated and still actively in
11 service, an amount equal to the depreciation on that piece of equipment from
12 the prior year; and

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

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

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

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

1 (g) [Repealed.]

2 * * * Transportation Alternatives Grant Program * * *

3 Sec. 6. TRANSPORTATION ALTERNATIVES GRANT PROGRAM

4 AWARDS IN STATE FISCAL YEARS 2024 TO 2027

5 Notwithstanding 19 V.S.A. § 38(c), Transportation Alternatives Grant

6 Program awards in State fiscal years 2024 to 2027 shall not exceed

7 \$600,000.00 per grant allocation.

8 * * * Vehicle Incentive Programs * * *

9 * * * Repeal of Existing Vehicle Incentive Programs * * *

10 Sec. 7. REPEALS

11 (a) 2019 Acts and Resolves No. 59, Sec. 34, as amended by 2020 Acts and

12 Resolves No. 121, Sec. 14, 2020 Acts and Resolves No. 154, Sec. G.112, 2021

13 Acts and Resolves No. 3, Sec. 56, 2021 Acts and Resolves No. 55, Secs. 18,

14 19, and 21–24, and 2022 Acts and Resolves No. 184, Sec. 6, is repealed.

15 (b) 2021 Acts and Resolves No. 55, Sec. 27, as amended by 2022 Acts and

16 Resolves No. 184, Sec. 22, is repealed.

17 * * * Codification of Vehicle Incentive Programs * * *

18 Sec. 8. 19 V.S.A. chapter 29 is added to read:

19 CHAPTER 29. VEHICLE INCENTIVE PROGRAMS

20 § 2901. DEFINITIONS

21 As used in this chapter:

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

2 (2) “Electric-cargo bicycle” means a motor-assisted bicycle, as defined
3 in 23 V.S.A. § 4(45)(B)(i), with an electric motor, as defined under 23 V.S.A.
4 § 4(45)(B)(i)(II), that is specifically designed and constructed for transporting
5 loads, including of goods, one or more individuals in addition to the operator,
6 and one or more animals. A motor-assisted bicycle that is not specifically
7 designed and constructed for transporting loads, including a motor-assisted
8 bicycle that is only capable of transporting loads because an after-market rear
9 or front bicycle rack has been installed, is not an electric-cargo bicycle.

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

13 § 2902. INCENTIVE PROGRAM FOR NEW PLUG-IN ELECTRIC

14 VEHICLES

15 (a) Creation; administration.

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

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

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

5 (1) shall apply to both purchases and leases of new PEVs with an
6 emphasis on incentivizing the purchase and lease of battery electric vehicles
7 (BEVs) and plug-in hybrid electric vehicles (PHEVs) with an electric range of
8 20 miles or greater per complete charge as rated by the Environmental
9 Protection Agency when the vehicle was new;

10 (2) shall provide not more than one incentive of not more than
11 \$3,000.00 for a PEV, per individual per year, to:

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

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

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

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

5 (E) an individual who is part of a married couple with at least one
6 spouse domiciled in the State and at least one spouse whose federal income tax
7 filing status is married filing separately with an adjusted gross income under
8 the laws of the United States greater than \$60,000.00 and at or below
9 \$100,000.00;

10 (3) shall provide not more than one incentive of not more than
11 \$6,000.00 for a PEV, per individual per year, to:

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

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

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

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

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

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

11 (5) shall apply to:

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

20 (B) manufactured PHEVs with a Base MSRP as determined by the
21 Agency of Transportation and meeting the following requirements:

1 (i) shall not exceed a Base MSRP of \$55,000.00;

2 (ii) shall phase out incentives for PHEVs with an electric range of
3 less than 20 miles as rated by the Environmental Protection Agency when the
4 vehicle was new; and

5 (iii) shall be benchmarked to a Base MSRP of the equivalent of
6 approximately \$50,000.00 or less in model year 2023; and

7 (C) manufactured BEVs with a Base MSRP as determined by the
8 Agency of Transportation and meeting the following requirements:

9 (i) shall not exceed a Base MSRP of \$55,000.00; and

10 (ii) shall be benchmarked to a Base MSRP of the equivalent of
11 approximately \$50,000.00 or less in model year 2023; and

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

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

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

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

5 § 2903. MILEAGESMART

6 (a) Creation; administration.

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

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

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

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

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

4 (c) Administrative costs. Up to 15 percent of any appropriations for
5 MileageSmart can be used for any costs associated with administering and
6 promoting MileageSmart.

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

14 § 2904. REPLACE YOUR RIDE PROGRAM

15 (a) Creation; administration.

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

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

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

7 (c) Incentive amount. The Replace Your Ride Program shall provide up to
8 a \$2,500.00 incentive for those who qualify under subdivision (d)(1)(A) of this
9 section and up to a \$5,000.00 incentive for those who qualify under
10 subdivision (d)(1)(B) of this section, either of which may be in addition to any
11 other available incentives, including through a program funded by the State, to
12 individuals who qualify based on both income and the removal of an internal
13 combustion vehicle. Only one incentive per individual is available under the
14 Replace Your Ride Program.

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

17 (1) Income eligibility.

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

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

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

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

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

14 (v) an individual who is part of a married couple with at least one
15 spouse domiciled in the State and at least one spouse whose federal income tax
16 filing status is married filing separately with an adjusted gross income under
17 the laws of the United States greater than \$60,000.00 and at or below
18 \$100,000.00.

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

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

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

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

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

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

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

21 (2) Vehicle removal.

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

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

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

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

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

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

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

17 (V) has an internal combustion engine; and

18 (VI) passed the annual inspection required under 23 V.S.A.
19 § 1222 within the prior year.

20 (ii) Removing the older low-efficiency vehicle from operation
21 must be done by disabling the vehicle’s engine from further use and fully

1 dismantling the vehicle for either donation to a nonprofit organization to be
2 used for parts or destruction.

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

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

6 (II) purchasing a new or used bicycle, electric bicycle, electric
7 cargo bicycle, or motorcycle that is fully electric, and the necessary safety
8 equipment; and

9 (III) utilizing shared-mobility services.

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

13 (f) Outreach and marketing. The Agency, in consultation with any retained
14 contractors, shall ensure that there is sufficient outreach and marketing,
15 including the use of translation and interpretation services, of the Replace Your
16 Ride Program so that Vermonters who are eligible for an incentive can easily
17 learn how to secure as many different incentives as are available and such costs
18 shall be considered administrative costs for purposes of subsection (e) of this
19 section.

1 § **2905**. ANNUAL REPORTING

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

8 (b) The report shall also include:

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

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

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

1 (C) Replace Your Ride Program. Sec. 5(c) of this act authorizes
2 ~~\$2,900,000.00~~ \$2,400,000.00 for incentives under Replace Your Ride, which
3 will be the State’s program to incentivize Vermonters to remove older low-
4 efficiency vehicles from operation and switch to modes of transportation that
5 produce fewer greenhouse gas emissions, and capped administrative costs.
6 Sec. **11**. 2022 Acts and Resolves No. 184, Sec. 5(c), as amended by 2023 Acts
7 and Resolves No. **[PLACE HOLDER FOR BAA]**, Sec. 84, is further
8 amended to read:

9 (c) Replace Your Ride Program. The Agency is authorized to spend up to
10 ~~\$2,900,000.00~~ \$2,400,000.00 as appropriated in the fiscal year 2023 budget on
11 the Replace Your Ride Program established in 2021 Acts and Resolves No. 55,
12 Sec. 27, as amended.

13 Sec. **12**. 2022 Acts and Resolves No. 185, Sec. G.600(b)(5), as amended by
14 2023 Acts and Resolves No. **[PLACE HOLDER FOR BAA]**, Sec. 85, is
15 further amended to read:

16 (5) ~~\$2,900,000.00~~ \$2,400,000.00 to the Agency of Transportation for the
17 Replace Your Ride Program, established in 2021 Acts and Resolves No. 55,
18 Sec. 27, as amended.

1 **[NOTE: PART OF THIS LANGUAGE IS WHAT WAS PROPOSED FOR**

2 **CODIFICATION AS 19 V.S.A. § 2905]**

3 ***** Creation of Program and Authorization *****

4 Sec. 13. ELECTRIFY YOUR FLEET PROGRAM; AUTHORIZATION

5 (a) Creation; administration.

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

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

11 (b) Authorization. The Agency is authorized to spend up to \$500,000.00 in
12 one-time General Fund monies on the Electrify Your Fleet Program
13 established pursuant to subsection (a)(1) of this section.

14 (c) Definitions. The definitions in 19 V.S.A. § 2901, as added by Sec. 8 of
15 this act, shall apply to this section.

16 (d) Program structure. The Electrify Your Fleet Program shall structure
17 purchase and lease incentive payments to replace internal combustion engine
18 vehicles cycled out of a motor vehicle fleet and reduce the greenhouse gas
19 emissions of persons operating a motor vehicle fleet in Vermont. Specifically,
20 the Electrify Your Fleet Program shall:

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

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

6 (A) BEVs with a Base Manufacturer’s Suggested Retail Price
7 (MSRP) of \$60,000.00 or less;

8 (B) PHEVs with an electric range of 20 miles or greater per complete
9 charge as rated by the Environmental Protection Agency when the vehicle was
10 new and a Base MSRP of \$60,000.00 or less;

11 (C) electric bicycles and electric cargo bicycles with a Base MSRP of
12 \$6,000.00 or less;

13 (D) electric motorcycles with a Base MSRP of \$30,000.00 or less;

14 (E) electric snowmobiles with a Base MSRP of \$20,000.00 or less;

15 and

16 (F) require a showing that the incentive will be used to electrify the
17 applicant’s motor vehicle fleet.

18 (e) Administrative costs. Up to 15 percent of any appropriations for the
19 Electrify Your Fleet Program can be used for any costs associated with
20 administering and promoting the Electrify Your Fleet Program.

1 pursuant to 23 V.S.A. § 361 starting on July 1, 2025, and that PHEVs shall not
2 be subject to a mileage-based user fee;

3 (3) to work towards collecting a fee on kWhs that are dispensed through
4 certain electric vehicle supply equipment available to the public so as to
5 supplant lost gas tax revenue from PEVs that are not registered in Vermont but
6 utilize highways in Vermont; and

7 (4) to not commence collecting a mileage-based user fee until such
8 authorizing language is codified in statute and becomes effective.

9 Sec. 15. MILEAGE-BASED USER FEE AUTHORIZATION

10 (a) Within the Agency of Transportation’s Proposed Fiscal Year 2024
11 Transportation Program for Environmental Policy and Sustainability, the
12 Agency of Transportation, including the Department of Motor Vehicles, is
13 authorized to apply for and accept a competitive federal Strategic Innovation
14 for Revenue Collection grant established pursuant to the Infrastructure
15 Investment and Jobs Act, Pub. L. No. 117-58 (IIJA), Sec. 13001 in an amount
16 not to exceed \$3,500,000.00 in federal monies, with up to \$350,000.00 in
17 Transportation Fund monies authorized for the nonfederal match in fiscal year
18 2024.

19 (b) As permitted under federal regulations and grant terms, the Agency
20 shall utilize grant monies to design a mileage-based user fee that is consistent
21 with Secs. 14 and 16 of this act.

1 (c) Subject to State procurement requirements, the Agency may retain one
2 or more contractors or consultants, or both, to assist with the design of a
3 process to commence collecting a mileage-based user fee on July 1, 2025.

4 Sec. 16. MILEAGE-BASED USER FEE DESIGN

5 (a) Definitions. As used in this section and Secs. 15 and 17 of this act:

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

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

12 (3) “Mileage-based user fee” means the total amount that an owner or
13 lessee of a BEV registered in Vermont owes the State and is calculated by
14 multiplying the mileage-based user fee rate by the annual vehicle miles
15 traveled or, in the case of a terminating event, by multiplying the mileage-
16 based user fee rate by the vehicle miles traveled between the last Vermont
17 annual inspection and the terminating event.

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

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

1 (6) “Pleasure car” has the same meaning as in 23 V.S.A. § 4(28).

2 (7) “Plug-in electric vehicle (PEV)” has the same meaning as in
3 23 V.S.A. § 4(85) and includes battery electric vehicles (BEVs) and plug-in
4 hybrid electric vehicles (PHEVs), which have the same meaning as in
5 23 V.S.A. § 4(85)(A) and (B).

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

9 (b) Commencement date. The Agency shall design a process to collect a
10 mileage-based user fee for miles driven by a BEV registered in Vermont to
11 commence collecting revenue on July 1, 2025.

12 (c) Covered vehicles. The Agency shall design a process to collect a
13 mileage-based user fee based on the annual vehicle miles traveled by BEVs
14 registered in the State.

15 (d) Imposition of a mileage-based user fee. The Agency shall design a
16 process to collect a mileage-based user fee from the owner or lessee of a BEV
17 registered in Vermont for each mileage reporting period within 60 days after
18 the Vermont annual inspection or terminating event that closes the mileage
19 reporting period.

1 Sec. 17. REPORTS

2 The Secretary of Transportation and the Commissioner of Motor Vehicles
3 shall file a written report not later than January 31, 2024 with the House and
4 Senate Committees on Transportation, the House Committee on Ways and
5 Means, and the Senate Committee on Finance that provides the following:

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

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

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

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

17 (C) how the anticipated mileage-based user fee for a pleasure car is
18 expected to compare to the amount collected by the State in gas tax revenue
19 from the use of a non-PEV pleasure car registered in Vermont and the amount
20 collected by the State in gas tax revenue and increased registration fee from the

1 use of a non-PHEV pleasure car registered in Vermont based on estimates of
2 low, medium, and high annual vehicle miles traveled;

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

6 (A) the total amount of revenue collected in mileage-based user fees
7 for the prior fiscal year and an estimate of the total amount of revenue
8 anticipated to be collected in mileage-based user fees during the subsequent
9 fiscal year;

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

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

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

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

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

3 (G) the cost to collect the mileage-based user fees in the prior fiscal
4 year;

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

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

11 (B) payment periods and other payment methods and procedures for
12 the payment of the mileage-based user fee, which shall include the option to
13 prepay the anticipated mileage-based user fee in installments on a monthly,
14 quarterly, or annual basis;

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

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

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

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CHANGES FROM THIRD-COLUMN OF H.101 SIDE-BY-SIDE

HIGHLIGHTED IN YELLOW/AARP SUGGESTIONS FROM THIRD

COLUMN HIGHLIGHTED IN GREEN!

*** Transportation Programs; Federal Carbon Reduction Program;
PROTECT Formula Program; Prioritization; Equity ***

Sec. 20. AGENCY OF TRANSPORTATION EFFORTS TO IMPLEMENT
THE FEDERAL CARBON REDUCTION PROGRAM AND
PROTECT FORMULA PROGRAM; PRIORITIZATION; EQUITY

(a) The Agency of Transportation, through its development of the State’s
Carbon Reduction Strategy, shall:

(1) develop a methodology to:

(A) quantify the emissions reductions the Agency will achieve from
the State’s Transportation Program;

(B) measure the gap between the emissions reductions calculated
under subdivision (A) of this subdivision (a)(1) and the emissions reductions
required under the Global Warming Solutions Act, as codified in 10 V.S.A.
§ 578; and

(C) evaluate what additional emissions reductions are possible
through the implementation of additional policies and programs within the
State’s Transportation Program;

(2) articulate the ongoing investments, particularly under the Carbon
Reduction Program, established through the Infrastructure Investment and Jobs

1 Act, Pub. L. No. 117-58 (IIJA) and codified as 23 U.S.C. § 175, that the
2 Agency intends to implement through the State’s annual Transportation
3 Program in order to reduce emissions from activities within the control of the
4 Agency;

5 (3) identify and evaluate the effectiveness of other policies and
6 programs to reduce transportation sector greenhouse gas emissions as required
7 by the Global Warming Solutions Act and codified in 10 V.S.A. § 578 and the
8 potential to generate a revenue source for ongoing greenhouse gas emissions
9 reduction implementation;

10 (4) engage in public outreach through the following:

11 (A) establishing an advisory committee with a broad group of
12 stakeholders, including representatives of the Vermont Climate Council, to
13 help guide the identification and evaluation of policies and programs to reduce
14 transportation sector greenhouse gas emissions;

15 (B) working with stakeholders, including environmental groups;
16 community-based organizations that represent equity and environmental
17 justice interests; business community groups, including chambers of
18 commerce; transportation industry associations, including those representing
19 rail and trucking; municipalities; regional planning commissions; and elected
20 officials on ways to reduce transportation sector greenhouse gas emissions;

21 and

1 (C) hosting not less than two public meetings, with at least one to
2 gather input on proposed policies and programs to reduce transportation sector
3 greenhouse gas emissions and at least one to address the evaluation of the
4 anticipated outcomes of the draft of the State’s Carbon Reduction Strategy;
5 and

6 (5) coordinate with the Climate Action Office within the Agency of
7 Natural Resources to track and report progress towards achieving the State’s
8 greenhouse gas emissions as required by the Global Warming Solutions Act
9 and codified in 10 V.S.A. § 578.

10 (b) The Agency shall develop the State’s Resilience Improvement Plan to
11 establish how it will use federal monies available under the Promoting
12 Resilient Operations for Transformative, Efficient, and Cost-Saving
13 Transportation (PROTECT) Formula Program, established through the IJJA
14 and codified as 23 U.S.C. § 176, and existing tools and processes to address
15 transportation resilience, specifically for:

16 (1) resilience planning, predesign, design, or the development of data
17 tools to simulate transportation disruption scenarios, including vulnerability
18 assessments, community response strategies, or evacuation planning and
19 preparation;

20 (2) resilience projects to improve the ability of an existing surface
21 transportation asset to withstand one or more elements of a weather event or
22 natural disaster; and

1 ~~and accommodation of all transportation system users, regardless of age,~~
2 ~~ability, or modal preference; and~~

3 (2) the need for transportation projects that will improve the State’s
4 economic infrastructure, as well as the use of resources in efficient,
5 coordinated, integrated, cost-effective, and environmentally sound ways, and
6 that will be consistent with the recommendations of the Comprehensive
7 Energy Plan (CEP) issued under 30 V.S.A. § 202b.

8 (b) The Agency shall coordinate planning ~~and~~ education, and training
9 efforts with those of ~~the Vermont Climate Change Oversight Committee and~~
10 ~~those of~~ local and regional planning entities to:

11 (1) ~~to~~ ensure that the transportation system as a whole is integrated; ~~that~~
12 access to the transportation system as a whole is integrated; ~~and that statewide,~~
13 local, and regional conservation and efficiency opportunities and practices are
14 integrated; and

15 (2) ~~to~~ support employer-led or local or regional government-led
16 conservation, efficiency, rideshare, and bicycle programs and other innovative
17 transportation advances, especially employer-based incentives.

18 (c) In developing the State’s annual Transportation Program, the Agency
19 shall, consistent with the planning goals listed in 24 V.S.A. § 4302 ~~as amended~~
20 ~~by 1988 Acts and Resolves No. 200~~ and with appropriate consideration to
21 local, regional, and State agency plans:

1 (1) ~~Develop~~ develop or incorporate designs that provide integrated, safe,
2 and efficient transportation and that are consistent with the recommendations
3 of the CEP;

4 (2)(A) ~~Consider the safety and accommodation of all transportation~~
5 ~~system users, including motorists, bicyclists, public transportation users, and~~
6 ~~pedestrians of all ages and abilities, consider complete streets principles in all~~
7 State- and municipally managed transportation projects and project phases,
8 including planning, development, construction, and maintenance, except in the
9 case of projects or project components involving unpaved highways. ~~If, after~~
10 ~~the consideration required under this subdivision, a State managed project does~~
11 ~~not incorporate complete streets principles, the project manager shall make a~~
12 ~~written determination, supported by documentation and available for public~~
13 ~~inspection at the Agency, that one or more of the following circumstances~~
14 ~~exist:~~

15 (i) ~~Use of the transportation facility by pedestrians, bicyclists, or~~
16 ~~other users is prohibited by law.~~

17 (ii) ~~The cost of incorporating complete streets principles is~~
18 ~~disproportionate to the need or probable use as determined by factors including~~
19 ~~land use, current and projected user volumes, population density, crash data,~~
20 ~~historic and natural resource constraints, and maintenance requirements. The~~

1 ~~Agency shall consult local and regional plans, as appropriate, in assessing~~
2 ~~these and any other relevant factors.~~

3 ~~(iii) Incorporating complete streets principles is outside the scope~~
4 ~~of a project because of its very nature.~~

5 ~~(B) The written determination required under subdivision (A) of this~~
6 ~~subdivision (2) shall be final and shall not be subject to appeal or further~~
7 ~~review.;~~

8 (3) ~~Promote~~ promote economic opportunities for Vermonters and the
9 best use of the State’s environmental and historic resources.;

10 (4) ~~Manage~~ manage available funding to:

11 * * *

12 Sec. 23. REPEAL

13 19 V.S.A. § 309d (policy for municipally managed transportation projects)
14 is repealed.

15 Sec. 24. 19 V.S.A. chapter 24 is added to read:

16 CHAPTER 24. COMPLETE STREETS

17 § 2401. DEFINITION

18 As used in this chapter, “complete streets” means streets that provide safe
19 and accessible options for multiple travel modes for individuals of all ages and
20 abilities, including walking, cycling, public transportation, and motor vehicles.

1 § 2402. STATE POLICY

2 (a) Agency of Transportation funded, designed, or funded and designed
3 projects shall seek to increase and encourage more pedestrian, bicycle, and
4 public transit trips, with State goals to triple the distance traveled by walking,
5 bicycling, and through taking public transit by 2030 and to promote intermodal
6 access to the maximum extent feasible. These goals will help the State meet
7 the transportation-related recommendations outlined in the Comprehensive
8 Energy Plan (CEP) issued under 30 V.S.A. § 202b and the recommendations
9 of the Vermont Climate Action Plan (CAP) issued under 10 V.S.A. § 592.

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

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

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

18 (3) are sensitive to the surrounding community, including current and
19 planned buildings, parks, and trails and current and expected transportation
20 needs.

1 § 2403. PROJECTS NOT INCORPORATING COMPLETE STREETS

2 PRINCIPLES

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

7 (1) Use of the transportation facility by pedestrians, bicyclists, or other
8 users is prohibited by law.

9 (2) The cost of incorporating complete streets principles is excessively
10 disproportionate to the need or probable use as determined by factors including
11 land use, current and projected user volumes, population density, crash data,
12 historic and natural resource constraints, and maintenance requirements. The
13 Agency shall consult local and regional plans, as appropriate, in assessing
14 these and any other relevant factors.

15 (3) Incorporating complete streets principles is outside the limited scope
16 of a project and there is a documented absence of a current and future need for
17 enhanced access.

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

1 (1) Use of the transportation facility by pedestrians, bicyclists, or other
2 users is prohibited by law.

3 (2) The cost of incorporating complete streets principles is **excessively**
4 disproportionate to the need or probable use as determined by factors such as
5 land use, current and projected user volumes, population density, crash data,
6 historic and natural resource constraints, and maintenance requirements. The
7 municipality shall consult local and regional plans, as appropriate, in assessing
8 these and any other relevant factors.

9 (3) Incorporating complete streets principles is outside the limited scope
10 of a project **and there is a documented absence of a current and future need for**
11 **enhanced access.**

12 (c) Finality of determinations. The written determinations required by
13 subsections (a) and (b) of this section shall be final and shall not be subject to
14 appeal or further review.

15 (d) Posting of determinations. The written determinations required by
16 subsections (a) and (b) of this section shall be posted to the municipality's
17 website, in the case of a municipally managed project, and a web page on the
18 Agency of Transportation's website dedicated to complete streets, in the case
19 of a State-managed project.

1 § 2404. ANNUAL REPORT; PUBLIC DATABASE

2 (a) Annual report. Notwithstanding 2 V.S.A. § 20(d), the Agency shall
3 annually, on or before September 1 starting in 2025, submit a report detailing
4 the State’s efforts in following the complete streets policy established in
5 section 2402 of this chapter during the previous fiscal year to the House and
6 Senate Committees on Transportation.

7 (b) Public database.

8 (1) The Agency of Transportation shall post to a web page dedicated to
9 complete streets on the Agency’s website a database of all State-managed
10 transportation projects that have been bid since January 1, 2023 along with a
11 description of the project, the location of the project, which complete streets
12 principles were incorporated in the project, as applicable, and an explanation as
13 to which circumstance or circumstances contained in subsection 2403(a) of this
14 chapter existed in the case of projects not incorporating complete streets
15 principles.

16 (2) The database required under this subsection shall be updated on at
17 least an annual basis.

18 Sec. 25. IMPLEMENTATION; PUBLIC DATABASE

19 The Agency shall create and post the database required under 19 V.S.A.
20 § 2404(b), as added by Sec. 24 of this act, on or before January 1, 2024.

1 Sec. 26. MUNICIPAL TRAINING ON COMPLETE STREETS

2 The Agency of Transportation, in consultation with the Vermont League of
3 Cities and Towns and regional planning commissions, shall design and
4 implement a program to provide training on complete streets to municipalities.

5 Sec. 27. REPLACEMENT OF THE CURRENT VERMONT STATE
6 STANDARDS

7 (a) The Agency of Transportation will be preparing replacements to the
8 current Vermont State Standards and related documents, standards, guidance,
9 and procedures in accordance with the plan required pursuant to 2022 Acts and
10 Resolves No. 184, Sec. 19.

11 (b) The Agency shall provide an oral update on the process to replace the
12 current Vermont State Standards and related documents, standards, guidance,
13 and procedures to the House and Senate Committees on Transportation on or
14 before February 15, 2024.

1 * * * Agency of Transportation Positions * * *

2 Sec. 28. AGENCY OF TRANSPORTATION POSITIONS

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

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

9 * * * Effective Date * * *

10 Sec. 29. EFFECTIVE DATE

11 This act shall take effect on July 1, 2023.