

H. 868 – FY25 Transportation Program and miscellaneous changes to transportation laws
Section-by-section summary of Senate Proposal of Amendment
 Prepared by the Office of Legislative Counsel (JGC and others)
Updated April 29, 2024

Sec. 1 – Transportation Program: Sec. 1 adopts the Agency of Transportation’s (VTrans/Agency/AOT) Proposed Fiscal Year 2025 (FY25) Transportation Program (Revised), except as amended in the T Bill and to the extent that funding is available.

- REMEMBER: This adoption language is why the White Book is “clipped to the back of the T Bill”
- Additional Notes:
 - o Adopts the revised version of the White Book with the replacement pages from February 15, 2024
 - o Includes standard definitions; adds Mileage-Based User Fee definition

*** * * Summary of Transportation Investments in Greenhouse Gas Reduction * * ***

Sec. 2 – Summary of FY 2025 transportation investments intended to reduce transportation-related greenhouse gas emissions, reduce fossil fuel use, and save Vermont households money

- FY 2025 efforts include:
 - o \$1,464,833 for the Park and Ride Program
 - o \$11,648,752 (including local match) for the Bike and Pedestrian Facilities Program
 - o \$5,416,614 (including local funds) for transportation alternatives
 - o \$54,940,225 for public transit uses
 - o \$48,746,831 (including local funds) for intercity passenger rail service and for rail infrastructure that supports freight rail, as well
 - o Continued efforts to add hybrid or plug-in electric vehicles to the State Vehicle Fleet
 - o \$4,833,828 to increase the presence of electric vehicle supply equipment (EVSE) in Vermont
 - o Previously appropriated funds available in FY 2025 for vehicle incentive programs and expansion of the plug-in electric market
 - o \$3,871,435 for the PROTECT Formula Program to support increased resiliency at three bridge sites

Sec. 2a – Heating systems in AOT buildings

- Reiterates that renewable energy goals in State Comprehensive Energy Plan requires AOT to meet at least 35% of its thermal energy needs from non-fossil fuel sources by 2025 and 45% by 2035
- Directs AOT to prioritize switching to high-efficiency, advanced wood heating systems that rely on woody biomass when building new State facilities or replacing heating equipment
- Requires AOT to report to Buildings and General Services by October 1 every other year on the percentage of its thermal energy usage during previous two years that came from fossil and non-fossil fuels

***** Highway Maintenance; Town Highway Aid; Town Highway Structures;
One-Time eBike Incentive Program Monies *****

Sec. 3 – Highway Maintenance; Spending Reduction:

- Subsection (a) reduces FY25 Transportation Fund spending for highway maintenance by \$1.86M, to be divided among three other programs per Secs. 4-6
- Subsection (b) states that restoring the funds “shall be the [Agency’s] top fiscal priority”
 - o Subdivision (b)(1) provides a mechanism to allow the Agency to restore the Highway Maintenance appropriation using unencumbered FY24 Transportation Fund monies, up to \$1.86M, that would otherwise be authorized to carry forward
 - o Subdivision (b)(2) amends authorized FY25 Maintenance spending accordingly

Sec. 4 – Town Highway Aid; Spending Increase: This section amends authorized Town Highway Aid spending by an increase of \$860,000

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

Sec. 5 – One-Time Public Transit Monies; Green Mountain Transit; Fare Collection, Evaluation, and Reorganization; Report: This section authorizes one-time spending of \$1M for a grant to Green Mountain Transit (GMT) as bridge funding for FY 2025 while GMT stabilizes its finances, adjusts its service levels, and transitions to a sustainable funding model; imposes conditions on grant funding, including restarting fare collection for urban and commuter transit, evaluating alternative service options, and reporting to H/S Transportation Committees in November 2024 and February 2025

***** AOT Duties; Bonding *****

Sec. 6 – AOT Duties; Bonding: This section amends 19 V.S.A. § 10 by permitting the Secretary to waive the requirement of a surety bond if a contract for construction of a transportation improvement is for \$100,000 or less, and makes other changes to improve readability.

***** Delays; Increased Costs *****

Sec. 7 – Delays; Increased Estimated Costs; Technical Corrections:

- This section amends 19 V.S.A. § 10g regarding which projects must be included in the updates found in the Agency’s annual proposed Transportation Program, to include:
 - o Projects for which total estimated costs have increased by more than \$5M or 75% from the estimate in the adopted T Program for the prior FY (changed from \$8M and 100%) (Subdivision (g)(2) (amended)) – “creep”
 - o Projects for which total estimated costs have – for the first time – increased by more than \$10M or 100% from the Preliminary Plan estimate (Subdivision (g)(3) (new)) – “spike”
- This section provides clarity regarding reallocation of funds when projects are delayed or if additional funding is needed to maintain the schedule in the approved T Program for the current FY (Subsection (h))

- This section also adds headings to each subsection and makes other technical and non-substantive changes

***** Appropriations Calculations *****

Secs. 8 & 9 – Appropriations Calculations; Central Garage Fund & Town Highway Aid:

These sections clarify the methodology for performing inflationary calculations for transfers to the Central Garage Fund (19 V.S.A. § 13(c)) and appropriations for town highway aid (19 V.S.A. § 306(a))

***** Right-of-Way Permits *****

Sec. 10 – Right-of-Way Permits; Fees; Waiver: This section amends 19 V.S.A. § 1112, which establishes fees for some permits issued under 19 V.S.A. § 1111 for use of a State or town highway right-of-way. Specifically, the section adds a new subsection (c) to permit the Secretary to waive collection of the permit fee for minor commercial development if the Governor has declared a state of emergency and the Secretary has determined that the applicant is facing hardship. The applicant would be required to apply for the waiver during, or within six months after, the end of the state of emergency.

***** Vehicle Incentive Programs *****

Sec. 11 – Replace Your Ride Program: This section amends 19 V.S.A. § 2904, which provides financial incentives to qualifying individuals under the Replace Your Ride Program. Current law requires that an eligible “older low efficiency vehicle” removed from operation must have passed its annual inspection in the prior year; the bill amends this provision to say the vehicle must have passed its annual inspection within the prior 18 months.

Sec. 12 – Replace Your Ride Program Flexibility; Emergencies: This section adds a new § 2904a to Title 19 in order to permit the Agency to waive or modify some of the eligibility requirements for the Replace Your Ride Program

- When VT motor vehicles have been damaged or totaled due to the event(s) underlying a state of emergency declared by the Governor (Subdivision (1))
- Waiver would be permitted only upon a showing that the applicant was a registered owner of the damaged or totaled vehicle at the time of the event and for six months after the end of the state of emergency (subdivisions (3)(A) and (B))

Sec. 13 – Electrify Your Fleet Program: This section amends session law enacted in 2023, which currently provides \$2,500 purchase and lease incentives for a variety of electric fleet vehicles, by:

- Revising the purchase and lease incentives from the current \$2,500 flat rate incentive to be up to 25% of the purchase price, not to exceed \$2,500
- Providing incentives for electric bicycles and electric cargo bicycles if the MSRP is \$10,000 or less – currently it is \$6,000 or less (Subdivision (2)(C))
- Beginning to provide incentives for the purchase or lease of electric ATVs and electric utility terrain vehicles if the MSRP is \$50,000 or less (Subdivision (2)(G))

Sec. 14 – eBike Incentives; Eligibility: This section amends session law enacted in 2023 to require that the Agency’s January 2024 report on eBike incentives (i) be provided annually and (ii) include a description of the Agency’s post-voucher sampling audits and audit findings, plus any recommendations to improve the program design and effectiveness in directing funding to recipients who are financially in-need.

Sec. 15 – Vehicle Incentive Programs; Annual Reporting: This section amends the Agency’s annual report on the effectiveness of the State’s vehicle incentive programs by requiring the report also (i) to address the effectiveness of the State’s marketing and outreach efforts and (ii) to include recommendations for improvements to those efforts.

Sec. 16 – Vehicle Incentive Programs; Authority to Transfer Money: This section adds session law permitting the Secretary to transfer up to 50% of any remaining FY25 funds appropriated for the New Plug-In Electrical Vehicle Program, the Mileage Smart Program, or the Replace Your Ride Program to any one of those three programs if the program has less than \$500,000 available for incentive distribution. The Agency is required to report the transfer to JTOC and JFO within 30 days after transfer.

*** * * Electric Vehicle Supply Equipment (EVSE) * * ***

Sec. 17 – Electric Vehicle Supply Equipment (EVSE): This section adds new language and new statutory sections to 19 V.S.A. chapter 29, addressing electric vehicle supply equipment (defined in 30 V.S.A. § [201\(2\)](#)), including:

- A new § 2906 that declares a State goal of having publicly-available level 3 EVSE charging ports:
 - o Within 3 driving miles of every exit of Interstate Highways 89, 91, and 93
 - o Within 25 driving miles of another level 3 EVSE charging port
 - o Co-located with, or within safe and walkable/rollable distance of, publicly accessible amenities
- A new § 2907 that requires the Agency to file:
 - o An annual report, with a map, regarding the State’s effort to meet its federally required Electric Vehicle Infrastructure Deployment Plan
 - o An annual report regarding the current operability of publicly available EVSE that was deployed with assistance of Agency funding

Sec. 18 – Repeal of Current EVSE Map Report and Goals: This section repeals existing session law, which will be replaced by new statutes included in the previous section.

*** * * Beneficial Electrification Report * * ***

Sec. 19 – Electric Distribution Utilities; EVSE-Related Service Upgrades; Report: This section requires the Public Utility Commission to include information regarding service upgrade practices related to EVSE installation across all electric distribution utilities, including a comparison of EVSE-related service upgrade practices, a description of the frequency and typical

costs of these service upgrades, and rate-payer impact in a report that is already due by January 15, 2025 per 2021 session law.

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

Sec. 20 – Mobility Services Guide; Oral Update: This section adds session law requiring the Agency – in consultation with others – to develop a web-based guide outlining the different mobility service models that the State could consider for deployment. The section specifies certain minimum elements to be included in the guide. The Agency must give an oral update and presentation of the web-based guide by February 15, 2025.

Sec. 21 – Mobility and Transportation Innovations (MTI) Grant Program: This section establishes the MTI Grant Program in statute at 19 V.S.A. § 10n. The Program will support innovative transportation demand management programs and transit initiatives that improve mobility and access to services for transit-dependent Vermonters, reduce use of single-occupancy vehicles, reduce greenhouse gas emissions, and complement existing mobility investments.

- Allows for grant awards of up to \$100,000 per recipient for capital and/or operational costs for matching funds for other grants, for program delivery costs, or to extend existing programs, but not to supplant existing State funding for the same project/program
- AOT’s grant application period must be at least four months and grant awards must be distributed by November 30 of each year they are offered

Sec. 22 – Vermont Rail Plan; Amtrak: This section adds session law that, as part of the Agency’s new Vermont Rail Plan, requires the Agency to consider and address adding additional daily service on the Vermonter and expanding Service on the Valley Flyer. The Agency is also required to consult with others regarding bicycle storage on the trains serving these routes. The Agency must provide an oral update by February 15, 2025.

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

Sec. 23 – Replacement for the Vermont State Design Standards: This section requires the Agency to release a draft of the replacement for the VT State Design Standards by January 1, 2026; conduct at least 4 public hearings across the State; provide a publicly-available summary of public engagement activities and public responses to the final draft of the replacement; consult key stakeholders; and provide oral updates to the H / S Transportation Committees by February 15, 2025 and 2026.

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

Sec. 24 – Complete Streets; Traffic Calming Measures, Designated Centers: This section amends 19 V.S.A. §§ 2402 and 2403, which concern the State’s policy that Agency projects will increase and encourage pedestrian, bicycle, and public transit use of public streets.

- The amendments to § 2402 (Policy) support an expanded understanding of the “complete streets principles” that, when desired by a municipality or specifically identified in the regional plan would include designing streets to calm and slow traffic in State-designated centers

- As currently enacted, § 2403 requires State- and municipally managed projects to incorporate “complete streets principles” unless the project manager determines that the cost of incorporating the principles is disproportionate to the need or probable use – in which case, the project manager is required to provide a detailed supplemental written determination. The amendments to this statute require the project manager address any design elements desired by the municipality or specifically identified in the regional plan but not incorporated.

***** Sustainability of VT’s Transportation System; Emissions Reductions *****

Sec. 25 – Analysis & Report on Sustainability Options; Transportation Emissions

Reductions:

- Subsection (a) states findings in support of the section.
- Subsection (b) requires the Agencies of Transportation and of Natural Resources, in consultation with other named entities, to prepare a written analysis of policy and investment scenarios to reduce transportation-related emissions and meet State greenhouse gas reduction standards.
- Subsection (c) identifies the minimum analysis required, including the pros, costs, costs, and benefits of the State: participating in a regional cap-and-invest program; adopting a clean transportation fuel standard; and implementing other potential revenue-raising, carbon-pollution reduction strategies.
- Subsection (d) requires the written analysis in (c) to include an estimate of the amount of emissions reduction from a minimum of four scenarios and a summary of how each analyzed proposal would be administered.
- Subsection (e) requires the State Treasurer to review the written analysis and make written recommendations to the General Assembly.
- Subsection (f) requires maintenance of a publicly accessible website regarding development of the written analysis and the filing of a status update with key legislative committees by November 15, 2024. It requires that both the Agencies’ written analysis and the Treasurer’s recommendations be filed with the legislative committees by February 15, 2025.
- Subsection (g) requires the Agencies to retain a consultant who is an expert in comprehensive transportation policy with a focus on emissions reductions and economic modeling.
- Subsection (h) enables funds received under the EPA’s Climate Pollution Reduction Grants to pay for the consultant, if such costs are eligible. It authorizes the Treasurer to use funds appropriated in FY2025.

***** Better Connections Grant Program *****

Sec. 26 – Better Connections Grant Program: This section creates a new § 319 in Title 19 to codify the Better Connections Grant Program, an existing program that provides planning grants to municipalities to coordinate municipal land use decisions with transportation investments.

***** Electric and Plug-In Hybrid Vehicles; Road Usage Surcharge *****

Secs. 27 – 29 – Road Usage Surcharge; Electric and Plug-In Hybrid Vehicles:

- Sec. 27 amends 23 V.S.A. § 361 to require the DMV Commissioner to collect a road user surcharge for electric and plug-in hybrid vehicles as follows:
 - o For a battery electric vehicle, an annual amount equal to the annual registration fee (which would currently be \$89) or a biennial amount equal to 2x the annual registration fee (which would currently be \$178)
 - o For a plug-in hybrid electric vehicle, an amount equal to ½ of the annual registration fee (which would currently be \$44.50) or a biennial amount equal to the amount of the annual registration fee (which would currently be \$89)
- The surcharges collected are allocated to the Transportation Fund to be used to increase Vermonters' access to electric vehicle supply equipment charging ports
- Sec. 28 directs DMV to implement a public outreach campaign about the road usage surcharges by October 1, 2024
- Sec. 29 (in combination with Sec. 35(c), effective dates) sunsets the surcharge for battery electric vehicles, and the dedicated usage of the revenue for charging ports, on the effective date of a mileage-based user fee for battery electric vehicles

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

Sec. 30 – Central Garage; Real Property; Facility Design; Authority: This section authorizes the AOT Secretary to use up to \$2M in Central Garage Fund reserve funds to purchase real property to use for the new Central Garage, and to use Central Garage Fund reserve funds for related design services; requires Secretary to collaborate with municipality on design and construction

***** Railroad Leases *****

Sec. 31 – Lease for Continued Operation (of Railroads): This section amends 5 V.S.A. § 3405 to remove requirements for legislative and gubernatorial approval in order for the AOT Secretary to lease or make other arrangements for the continued operation of service on State-owned railroad property; it requires the Secretary to notify the Transportation Committees/JTOC when there are 12 months remaining on an operating lease, or lease extension, for any State-owned railroad

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

Sec. 32 – Traffic Control Devices; Adoption of MUTCD Revisions: This section amends 23 V.S.A. § 1025 to align with federal provisions regarding implementation of the federal Manual on Uniform Traffic Control Devices for Streets and Highways (MUTCD).

***** Reporting Requirements; Repeal *******Secs. 33 & 34 – Repeal of Certain Reporting Requirements**

- Sec. 33 repeals a requirement that the AOT Secretary notify the General Assembly whenever the Secretary learns of a new federal transportation funding opportunity
- Sec. 34 repeals the requirement for AOT to submit an annual consolidated transportation system and activities report to the Transportation Committees

***** MileageSmart *****

Sec. 34a – MileageSmart; Income Eligibility: This section amends 19 V.S.A. § 2903 to allow AOT to reduce the income eligibility threshold for point-of-sale vouchers (worth up to \$5,000) below 80% of the State median income based on available funding or applicant volume, or both, to prioritize vouchers to households with lower income

***** Effective Dates *****

Sec. 35 – Effective Dates: July 1, 2024 for all sections except:

- Secs. 30 (Central Garage; authority to purchase real property) and 31 (railroad leases) and effective dates section take effect on passage;
- Sec. 27 (**electric vehicle road usage surcharge**) takes effect on passage and must be fully implemented by January 1, 2025; and
- Sec. 29 (sunset on surcharge for battery electric vehicles) takes effect on effective date of mileage-based user fee for battery electric vehicles.