

1 H.488

2 Introduced by Committee on Transportation

3 Date:

4 Subject: Transportation; annual Transportation Program; Vermont Route 36;

5 locally managed projects; rail trails; Transportation Board; town

6 highways; mileage-based user fee; EV infrastructure fee; electric

7 vehicle supply equipment

8 Statement of purpose of bill as introduced: This bill proposes to adopt the
9 State's annual Transportation Program and make miscellaneous changes to
10 laws related to transportation.

11 An act relating to the fiscal year 2026 Transportation Program and
12 miscellaneous changes to laws related to transportation

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

14 ~~*** Transportation Program Adopted as Amended; Definitions ***~~

15 Sec. 1. TRANSPORTATION PROGRAM ADOPTED; DEFINITIONS

16 (a) Adoption. The Agency of Transportation's Proposed Fiscal Year 2026
17 Transportation Program appended to the Agency of Transportation's proposed
18 fiscal year 2026 budget, as amended by this act, is adopted to the extent
19 federal, State, and local funds are available.

20 ~~(b) Definitions. As used in this act, unless otherwise indicated.~~

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

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

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

12 (4) “Electric vehicle supply equipment (EVSE)” and “electric vehicle
13 supply equipment available to the public” have the same meanings as in
14 30 V.S.A. § 201.

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

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

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

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

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

(10) The table heading “As Proposed” means the Proposed Transportation Program referenced in subsection (a) of this section; the table heading “As Amended” means the amendments as made by this act; the table heading “Change” means the difference obtained by subtracting the “As Proposed” figure from the “As Amended” figure; the terms “change” or “changes” in the text refer to the project- and program-specific amendments, the aggregate sum of which equals the net “Change” in the applicable table heading; and “State” in any tables amending authorizations indicates that the source of funds is State monies in the Transportation Fund, unless otherwise specified.

* * * Rail Program; Technical Correction * * *

Sec. 2. RAIL PROGRAM

(a) Within the Agency of Transportation’s Proposed Fiscal Year 2026 Transportation Program for Rail the following project is deleted: Barre–Berlin–Montpelier 04-9038–WACR Subsidy.

~~(b) Within the Agency of Transportation's Proposed Fiscal Year 2026~~

~~Transportation Program for Rail, the following project is added: Hartford
HRRD(1) 25G002-White River Junction Depot Repairs.~~

~~(c) Within the Agency of Transportation's Proposed Fiscal Year 2026
Transportation Program for Rail, spending authority for Hartford HRRD(1)
25G002-White River Junction Depot Repairs is authorized as follows:~~

<u>FY26</u>	<u>As Proposed</u>	<u>As Amended</u>	<u>Change</u>
Other	0	260,000	260,000
Total	0	260,000	260,000
<u>Sources of funds</u>			
State	0	260,000	260,000
Total	0	260,000	260,000

~~* * * Relinquishment of Vermont Route 36 in the Town of St. Albans * * *~~

~~Sec. 3. RELINQUISHMENT OF VERMONT ROUTE 36 IN THE TOWN
OF ST. ALBANS~~

~~Pursuant to 19 V.S.A. § 15(a)(2), the General Assembly authorizes the
Secretary of Transportation to enter into an agreement with the Town of St.
Albans to relinquish a segment of the State highway in the Town of St. Albans
known as Vermont Route 36. The segment authorized to be relinquished
begins at mile marker 0.00, just east of the "Black Bridge" (B2), and continues
14,965 feet (approximately 2.834 miles) easterly to mile marker 2.834, where~~

1 ~~Vermont Route 36 meets the boundary of the City of St. Albans, and includes~~
2 the 0.106-mile westbound section of Vermont Route 36 and approaches at the
3 entrance to the St. Albans Bay Town Park.

4 * * * State-Owned Railroads; Rail Trails * * *

5 Sec. 4. 5 V.S.A. chapter 58 is redesignated to read:

6 CHAPTER 58. ~~STATE ACQUISITION OF~~ STATE-OWNED RAILROADS
7 AND RAIL TRAILS

8 Sec. 5. 5 V.S.A. § 3408 is amended to read:

9 § 3408. RAILBANKING; NOTIFICATION

10 (a) If the Secretary finds that the continued operation of any State-owned
11 railroad property is not economically feasible under present conditions, ~~he or~~
12 ~~she~~ the Secretary may place the line in railbanked status after giving advance
13 notice of ~~such~~ the planned railbanking to the House and Senate Committees on
14 Transportation when the General Assembly is in session, and when the General
15 Assembly is not in session, to the Joint Transportation Oversight Committee.
16 The Agency, on behalf of the State, shall continue to hold the right-of-way of a
17 railbanked line for reactivation of railroad service or for other public purposes
18 not inconsistent with future reactivation of railroad service. ~~Such~~ The
19 railbanking shall not be treated, for purposes of any law or rule of law, as an
20 abandonment of the use of the rights-of-way for railroad purposes.

1 ~~(c)(1) The Secretary may, after consulting with municipalities, adopt rules~~
2 consistent with the provisions of section 3408a of this chapter governing the
3 interim trail use of State-owned railroad rights-of-way that have been placed in
4 railbanked status.

5 (2) Signs indicating the rules shall be conspicuously posted in or near all
6 areas affected.

7 (3) Any person who violates these rules adopted pursuant to this
8 subsection shall be subject to a penalty of not more than \$300.00.

9 Sec. 6. 5 V.S.A. § 3408a is added to read:

10 § 3408a. USE OF RAIL TRAILS

11 (a) Definitions. As used in this section:

12 (1) “Rail trail” means the right-of-way of a State-owned railroad line
13 that has been authorized for railbanking and interim trail use pursuant to
14 16 U.S.C. § 1247(d) or section 3408 of this chapter.

15 (2) “Trail sponsor” means the Agency of Transportation in the case of a
16 rail trail maintained by the Agency or the municipality in the case of a rail trail
17 maintained by a municipality.

18 (b) Use of rail trails. The following acts are prohibited within a rail trail
19 right-of-way:

20 (1) Throwing, dropping, or discarding bottles, cans, paper, garbage,
21 rubbish, sewage, or other material of any kind.

1 ~~(2) Cutting, mutilating, or removing any tree, shrub, flower, plant, top~~
2 ~~soil, or sod or attempting to do so.~~

3 ~~(3) Injury, defacement, removal, or destruction of the surface of the rail~~
4 ~~trail or a rail trail's structures, appurtenances, recreation facilities, or property.~~

5 ~~(4) Except as authorized by the trail sponsor, erecting, placing, or~~
6 ~~displaying any advertising materials, posters, or placards of any kind. This~~
7 ~~prohibition shall not apply to official signs erected by the trail sponsor.~~

8 ~~(5) Except as authorized by the trail sponsor, entering or remaining on~~
9 ~~the rail trail for the purpose of:~~

10 ~~(A) selling, hiring, or leasing any goods or services; or~~

11 ~~(B) distributing samples, pamphlets, or advertising materials, except~~
12 ~~for official information authorized by the trail sponsor.~~

13 ~~(6) Parades, demonstrations, picnics, games, entertainment, or~~
14 ~~organizations, except at times and locations approved by the trail sponsor.~~

15 ~~(7) Harassing or molesting wildlife, except for fishing.~~

16 ~~(8) Using or discharging any firearms or other weapons or fireworks,~~
17 ~~except by person authorized by the trail sponsor or as otherwise permitted by~~
18 ~~law.~~

19 ~~(9) Igniting fires for any purpose, except in fireplaces or firepits at~~
20 ~~locations designated by the trail sponsor for trail maintenance purposes.~~

21 ~~(10) Soliciting alms or contributions.~~

1 ~~(11) Use of motorized vehicles, except for:~~
2 ~~(A) maintenance purposes;~~
3 ~~(B) snowmobiles, subject to applicable State rules, when the Vermont~~
4 ~~Association of Snow Travelers, Inc. has declared the Statewide Snowmobile~~
5 ~~Trail System officially open;~~
6 ~~(C) Other Power-Driven Mobility Devices (OPDMD) utilized by an~~
7 ~~individual with a disability as permitted by the Agency's Rail Trail~~
8 ~~Accessibility Policy;~~
9 ~~(D) electric bicycles as permitted pursuant to applicable State rules;~~
10 ~~and~~
11 ~~(E) other circumstances that the trail sponsor determines are~~
12 ~~appropriate.~~
13 ~~(12) Overnight camping, except at areas designated for that purpose by~~
14 ~~the trail sponsor.~~
15 ~~(c) Penalty. Any person who violates the provisions of subsection (b) of~~
16 ~~this section shall be subject to a civil penalty of not more than \$300.00.~~
17 * * * Transportation Board * * *
18 Sec. 7. 19 V.S.A. § 3 is amended to read:
19 § 3. TRANSPORTATION BOARD; CREATION; MEMBERS
20 ~~A transportation board~~ The Transportation Board is formed to be attached
21 ~~to the Agency of Transportation. There shall be seven members of the Board,~~

1 ~~appointed by the Governor with the advice and consent of the Senate. The~~
2 Governor shall so far as is possible appoint Board members whose interests
3 and expertise lie in various areas of the transportation field. The Governor
4 shall appoint the ~~chair~~ Chair, and the Board may vote to appoint other officers.

5 The members of the Board shall be appointed for terms of three years. Board
6 members may be appointed for two additional three-year terms but shall not be
7 eligible for further reappointment. ~~Ne~~ Not more than four members of the
8 Board shall belong to the same political party. No member of the Board shall:

9 * * *

10 Sec. 8. 19 V.S.A. § 5 is amended to read:

11 § 5. TRANSPORTATION BOARD; POWERS AND DUTIES

12 * * *

13 (d) Specific duties and responsibilities. The Board shall:

14 * * *

15 (4) provide appellate review, when requested in writing, regarding legal
16 disputes in the execution of contracts awarded by the Agency or by
17 municipalities cooperating with the Agency to advance projects in the State's
18 Transportation Program, except that the Agency shall provide appellate review
19 relating to bids and the competitive negotiation process under 19 V.S.A. § 10a,

1 ~~(5) provide appellate review, when requested in writing, of decisions of~~
2 the Secretary in administering the provisions of Title 24, relating to junkyards
3 salvage yards;

4 * * *

5 * * * Green Mountain Transit Authority * * *

6 Sec. 9. 24 App. V.S.A. chapter 801 is amended to read:

7 CHAPTER 801. GREEN MOUNTAIN TRANSIT AUTHORITY

8 * * *

9 § 2. AREA OF OPERATION

10 (a) The area of operation shall be Chittenden, Franklin, Grand Isle, and
11 Washington Counties and the Towns of Orange, Washington, and
12 Williamstown. The area of operation shall include Addison and Caledonia
13 Counties and the Towns of Orange County other than Orange, Washington,
14 and Williamstown, but only for the provision of commuter services. The area
15 of operation shall include Lamoille County, but only for the provision of
16 published scheduled services County for fixed route bus service. The Green
17 Mountain Transit Authority may operate service outside Chittenden County, or
18 demand response transit within Chittenden County, as determined by the
19 Agency of Transportation's public transit grant process.

20

§ 10. IMPLEMENTATION

* * *

(e) Immediately upon joining the Authority, the municipality shall appoint two commissioners as provided herein. The initial terms of the commissioners of the initial members shall be arranged by the Chittenden County Regional Planning Commission so that the terms of approximately one-third of the commissioners shall expire in each year. The initial terms of commissioners from municipalities joining after March 7, 1973, shall be set by the Board of Commissioners.

* * *

* * * Town Highways * * *

Sec. 10. 19 V.S.A. § 306 is amended to read:

§ 306. APPROPRIATION; STATE AID FOR TOWN HIGHWAYS

(a) General State aid to town highways.

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

(A) the percentage change of the Agency's total appropriations funded by Transportation Fund revenues, excluding appropriations for town

1 ~~highways under this subsection (e) and subsections (a) and (b) of this section,~~

2 for the most recently closed fiscal year as compared to the fiscal year

3 immediately preceding the most recently closed fiscal year; or

4 * * *

5 (e) State aid for town highway structures.

6 (1) There shall be an annual appropriation for grants to municipalities
7 for maintenance (including actions to extend life expectancy) and for
8 construction of bridges and culverts; for maintenance and construction of other
9 structures, including causeways and retaining walls, intended to preserve the
10 integrity of the traveled portion of class 1, 2, and 3 town highways; and for
11 alternatives that eliminate the need for a bridge, culvert, or other structure,
12 such as the construction or reconstruction of a highway, the purchase of
13 parcels of land that would be landlocked by closure of a bridge, the payment
14 of damages for loss of highway access, and the substitution of other means of
15 access. This appropriation shall increase over the previous fiscal year's
16 appropriation by the same percentage change as the following, whichever is
17 less, or shall remain at the previous fiscal year's appropriation if either of the
18 following are negative or zero:

19 (A) the percentage change in the Agency's total appropriations
20 funded by Transportation Fund revenues, excluding appropriations under this
21 subsection (e) and subsections (a) and (b) of this section, for the most recently

1 ~~closed fiscal year as compared to the fiscal year immediately preceding the~~
2 most recently closed fiscal year; or

3 (B) the percentage change in the Bureau of Labor Statistics
4 Consumer Price Index for All Urban Consumers (CPI-U).

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

12 (3) Each fiscal year, the Agency shall approve qualifying projects with a
13 total estimated State share cost of \$7,200,000.00 at a minimum as new grants.
14 The Agency's proposed appropriation for the Program shall take into account
15 the estimated amount of qualifying invoices submitted to the Agency with
16 respect to project grants approved in prior years but not yet completed as well
17 as with respect to new project grants to be approved in the fiscal year
18 Beginning with State fiscal year 2027, the minimum total estimated State share
19 cost for the approved grants shall increase over the prior fiscal year's
20 minimum total estimated State share cost by the same percentage as the

1 ~~appropriation for State aid for town highway structures is increased pursuant to~~
2 subdivision (1) of this subsection.

3 (4) In a given fiscal year, should expenditures in the Town Highway
4 Structures Program exceed the amount appropriated, the Agency shall advise
5 the Governor of the need to request a supplemental appropriation from the
6 General Assembly to fund the additional project cost, provided that the
7 Agency has previously committed to completing those projects.

8 (3)(5) Funds received as grants for State aid for town highway
9 structures may be used by a municipality to satisfy a portion of the matching
10 requirements for federal earmarks, subject to subsection 309b(c) of this title.

11 * * *

12 (h) Class 2 Town Highway Roadway Program.

13 (1) There shall be an annual appropriation for grants to municipalities
14 for resurfacing, rehabilitation, or reconstruction of paved or unpaved class 2
15 town highways. ~~However, municipalities~~ Municipalities that have no State
16 highways or class 1 town highways within their borders may use the grants for
17 such activities with respect to both class 2 and class 3 town highways. Each
18 fiscal year, the Agency shall approve qualifying projects with a total estimated
19 State share cost of \$8,600,000.00 at a minimum as new grants. The Agency's
20 proposed appropriation for the Program shall take into account the estimate
21 ~~amount of qualifying invoices submitted to the Agency with respect to project~~

1 ~~grants approved in prior years but not yet completed as well as with respect to~~
2 ~~new project grants to be approved in the fiscal year. This appropriation shall~~
3 ~~increase over the previous fiscal year's appropriation by the same percentage~~
4 ~~change as the following, whichever is less, or shall remain at the previous~~
5 ~~fiscal year's appropriation if either of the following are negative or zero:~~

6 ~~(A) the percentage change in the Agency's total appropriations~~
7 ~~funded by Transportation Fund revenues, excluding appropriations under this~~
8 ~~subsection (h) and subsections (a) and (e) of this section, for the most recently~~
9 ~~closed fiscal year as compared to the fiscal year immediately preceding the~~
10 ~~most recently closed fiscal year; or~~

11 ~~(B) the percentage change in the Bureau of Labor Statistics~~
12 ~~Consumer Price Index for All Urban Consumers (CPI-U).~~

13 ~~(2) For purposes of subdivision (1)(B) of this subsection, the percentage~~
14 ~~change in the CPI-U is calculated by determining the increase or decrease, to~~
15 ~~the nearest one-tenth of a percent, in the CPI-U for the month ending on June~~
16 ~~30 in the calendar year one year prior to the first day of the fiscal year for~~
17 ~~which the appropriation will be made compared to the CPI-U for the month~~
18 ~~ending on June 30 in the calendar year two years prior to the first day of the~~
19 ~~fiscal year for which the appropriation will be made.~~

20 ~~(3) Each fiscal year, the Agency shall approve qualifying projects with a~~
21 ~~total estimated State share cost of \$8,600,000.00 at a minimum as new grants.~~

1 ~~Beginning with State fiscal year 2027, the minimum total estimated State share~~
2 ~~cost for the approved grants shall increase over the prior fiscal year's~~
3 ~~minimum total estimated State share cost by the same percentage as the~~
4 ~~appropriation for the Class 2 Town Highway Roadway Program is increased~~
5 ~~pursuant to subdivision (1) of this subsection.~~

6 (4) In a given fiscal year, should expenditures in the Class 2 Town
7 Highway Roadway Program exceed the amount appropriated, the Agency shall
8 advise the Governor of the need to request a supplemental appropriation from
9 the General Assembly to fund the additional project cost, provided that the
10 Agency has previously committed to completing those projects. Funds
11 received as grants for State aid under the Class 2 Town Highway Roadway
12 Program may be used by a municipality to satisfy a portion of the matching
13 requirements for federal earmarks, subject to subsection 309b(c) of this title.

14 * * *

15 * * * Mileage-Based User Fee * * *

16 Sec. 11. 2023 Acts and Resolves No. 62, Secs. 27–29 are amended to read:

17 Sec. 27. MILEAGE-BASED USER FEE LEGISLATIVE INTENT

18 It is the intent of the General Assembly for the State:

19 (1) to start collecting a mileage-based user fee from all battery-electric
20 vehicles registered in Vermont starting on July 1, 2025, which is expected to
21 be the first day of the first fiscal year when more than 15 percent of new

1 ~~pleasure car registrations in the State are plug-in electric vehicles (PEVs) 2026~~

2 subject to sufficient funding being available for implementation;

3 (2) ~~to start subjecting~~ subject plug-in hybrid electric vehicles (PHEVs)
4 that are a pleasure car to an ~~increased~~ annual or a biennial ~~registration~~ electric
5 vehicle infrastructure fee starting on ~~July~~ January 1, 2025, and that PHEVs
6 shall not be subject to a mileage-based user fee;

7 (3) to work towards collecting a fee on kWhs that are dispensed through
8 certain electric vehicle supply equipment available to the public so as to
9 supplant lost gas tax revenue from PEVs; and

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

12 Sec. 28. MILEAGE-BASED USER FEE AUTHORIZATION

13 (a) Within the Agency of Transportation's Proposed Fiscal Year 2024
14 Transportation Program for Environmental Policy and Sustainability, the
15 Agency of Transportation, including the Department of Motor Vehicles, is
16 authorized to apply for and accept a competitive federal Strategic Innovation
17 for Revenue Collection grant established pursuant to the Infrastructure
18 Investment and Jobs Act, Pub. L. No. 117-58 (IIJA), Sec. 13001, with up to
19 \$350,000.00 in Transportation Fund monies authorized for the nonfederal
20 ~~match in fiscal year 2024 and a to-be-determined amount for the nonfederal~~

1 ~~match in subsequent fiscal years up to \$350,000.00 in Transportation Fund~~
2 monies authorized for the nonfederal match in fiscal year 2025.

3 (b) ~~As permitted under federal regulations and grant terms, the~~ The Agency
4 shall utilize grant monies to design State or federal funding, or both,
5 authorized to be used for the purpose of designing a mileage-based user fee
6 that is consistent with Secs. 27 and 29 of this act.

7 (c) Subject to State procurement requirements and the availability of
8 sufficient funding, the Agency may retain one or more contractors or
9 consultants, or both, to assist with the design of a process to commence
10 collecting a mileage-based user fee on July 1, ~~2025~~ 2026.

11 Sec. 29. MILEAGE-BASED USER FEE DESIGN

12 (a) Definitions. As used in Secs. 27–30 of this act:

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

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

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

1 ~~(A) multiplying the mileage-based user fee rate by the annual vehicle~~
2 ~~miles traveled or;~~

3 ~~(B) in the case of a terminating event, by multiplying the mileage-~~
4 ~~based user fee rate by the vehicle miles traveled between the last Vermont~~
5 ~~annual inspection and the terminating event; or~~

6 ~~(C) in the absence of a recorded odometer reading during the mileage~~
7 ~~reporting period, by multiplying the mileage-based user fee by the 98th~~
8 ~~percentile of estimated annual vehicle miles traveled for a pleasure car in~~
9 ~~Vermont.~~

10 (4) "Mileage-based user fee rate" means the per-mile usage fee charged
11 to the owner or lessee of a BEV registered in Vermont.

12 (5) "Mileage reporting period" means the time between annual
13 inspections or the time between an the most recent annual inspection and a
14 terminating event.

15 (6) "Pleasure car" has the same meaning as in 23 V.S.A. § 4(28).

16 (7) "Plug-in electric vehicle (PEV)" has the same meaning as in
17 23 V.S.A. § 4(85) and includes battery electric vehicles (BEVs) and plug-in
18 hybrid electric vehicles (PHEVs), which have the same meaning as in

19 ~~23 V.S.A. § 4(85)(A) and (B).~~

1 ~~(8) "Terminating event" means either the registering of a BEV that had~~
2 been registered in Vermont in a different state or a change in ownership or
3 lesseeship of the BEV, or both.

4 (b) Commencement date. The Agency shall design a process to collect a
5 mileage-based user fee for miles driven by a BEV registered in Vermont to
6 commence collecting revenue on July 1, 2025 2026.

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

10 (d) Imposition of a mileage-based user fee. The Agency shall design a
11 process to collect a mileage-based user fee from the owner or lessee of a BEV
12 registered in Vermont for each mileage reporting period ~~within 60 days after~~
13 ~~the Vermont annual inspection~~ on an annual, quarterly, or monthly basis
14 selected by the owner or lessee and reconciled upon renewal of the vehicle
15 registration or within 60 days after a terminating event that closes the mileage
16 reporting period.

17 Sec. 12. INTENT

18 It is the intent of the General Assembly that the mileage-based user fee for a
19 BEV pleasure car be approximately equivalent to the amount collected by the
20 State and federal government in gas tax revenue from the use of a non-PEV
21 pleasure car registered in Vermont and the amount collected by the State and

1 ~~federal government in gas tax revenue and Electric Vehicle Infrastructure fee~~
2 ~~from the use of a PHEV pleasure car.~~

3 ~~*** EVSE, One-Time Appropriation ***~~

4 Sec. 13. EVSE: ONE-TIME APPROPRIATION

5 ~~In fiscal year 2026, the amount of \$1,400,000.00 is appropriated from the~~
6 ~~Transportation Fund to the Agency of Transportation for distribution to the~~
7 ~~agency of Commerce and Community Development for programs to increase~~
8 ~~Vermonters' access to level 1 and 2 EVSE charging ports at workplaces or~~
9 ~~multifamily dwellings, or both.~~

10 *Sec. 13. [Deleted.]*

11 * * * Authority to Transfer Monies in State Fiscal Year 2026 * * *

12 Sec. 14. AUTHORIZATION TO USE MONIES TO CONTINUE

13 PARTNERSHIP WITH DRIVE ELECTRIC VERMONT IN STATE
14 FISCAL YEAR 2026

15 In State fiscal year 2026, the Secretary of Transportation is authorized to
16 spend up to \$325,000.00 in remaining monies appropriated to the Electrify
17 Your Fleet Program in State Fiscal Year 2024 to continue the Agency of
18 Transportation's partnership with Drive Electric Vermont. The monies shall
19 be used for programs and activities that support increased ownership and use
20 of PEVs in the State through:

21 ~~(1) stakeholder coordination,~~

- 1 ~~(2) consumer education and outreach;~~
2 ~~(3) infrastructure development; and~~
3 ~~(4) the provision of technical assistance and support to Vermont~~
4 ~~municipalities and Vermont businesses desiring to electrify their vehicle fleets.~~

5 * * * Effective Date * *

6 Sec. 15. EFFECTIVE DATE

7 ~~This act shall take effect on July 1, 2025.~~

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

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

(1) "Agency" means the Agency of Transportation.

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

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

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

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

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

~~(7) “Plug-in electric vehicle (PEV),” “plug-in hybrid electric vehicle (PHEV),” and “battery electric vehicle (BEV)” have the same meanings as in 23 V.S.A. § 4(85).~~

~~(8) “Secretary” means the Secretary of Transportation.~~

~~(9) “TIB funds” means monies deposited in the Transportation Infrastructure Bond Fund in accordance with 19 V.S.A. § 11j.~~

~~(10) The table heading “As Proposed” means the Proposed Transportation Program referenced in subsection (a) of this section; the table heading “As Amended” means the amendments as made by this act; the table heading “Change” means the difference obtained by subtracting the “As Proposed” figure from the “As Amended” figure; the terms “change” or “changes” in the text refer to the project- and program-specific amendments, the aggregate sum of which equals the net “Change” in the applicable table heading; and “State” in any tables amending authorizations indicates that the source of funds is State monies in the Transportation Fund, unless otherwise specified.~~

~~*** Summary of Transportation Investments ***~~

~~Sec. 1a. FISCAL YEAR 2026 TRANSPORTATION INVESTMENTS~~

~~INTENDED TO REDUCE TRANSPORTATION-RELATED
GREENHOUSE GAS EMISSIONS, REDUCE FOSSIL FUEL
USE, AND SAVE VERMONT HOUSEHOLDS MONEY~~

~~This act includes the State’s fiscal year 2026 transportation investments intended to reduce transportation-related greenhouse gas emissions, reduce fossil fuel use, and save Vermont households money in furtherance of the policies articulated in 19 V.S.A. § 10b and the goals of the Comprehensive Energy Plan and the Vermont Climate Action Plan and to satisfy the Executive~~

~~and Legislative Branches' commitments to the Paris Agreement climate goals.~~

~~In fiscal year 2026, these efforts will include the following:~~

~~(1) *Park and Ride Program.* This act provides for a fiscal year expenditure of \$2,435,740.00, which will fund two construction projects to create new park-and-ride facilities, the construction of improvements to two existing park-and-ride facilities, funding for a municipal park-and-ride grant program, and paving projects for existing park-and-ride facilities. This year's Park and Ride Program will create 60 new State-owned spaces. Specific additions and improvements include:~~

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

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

~~(2) *Bike and Pedestrian Facilities Program.* This act provides for a fiscal year expenditure, including local match, of \$21,879,965.00, which will fund 33 bike and pedestrian construction projects; 17 bike and pedestrian design, right-of-way, or design and right-of way projects for construction in future fiscal years; and 10 scoping studies. The construction projects include the creation, improvement, or rehabilitation of walkways, sidewalks, shared-use paths, bike paths, and cycling lanes. Projects are funded in Arlington, Bakersfield, Bennington, Bethel, Brattleboro, Bristol, Burke, Burlington, Castleton, Chester, Danville, Enosburg Falls, Fairfax, Greensboro, Hardwick, Hartford, Highgate, Hinesburg, Huntington, Hyde Park, Irasburg, Jericho,~~

~~Landenville, Middlebury, Montpelier, Morotown, Newfane, Newport City,
Northfield, Pawlet, Randolph, Royalton, Rutland City, Rutland Town,
Sheffield, Shelburne, Sheldon, South Burlington, Springfield, St. Albans City,
St. Albans Town, Swanton, Wallingford, Waterbury, West Rutland, Williston,
Wilmington, and Windsor. This act also provides funding for:~~

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

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

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

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

~~(3) Transportation Alternatives Program. This act provides for a fiscal
year expenditure of \$6,471,054.00, including local funds, which will fund 17
transportation alternatives construction projects; 26 transportation
alternatives design, right-of-way, or design and right-of-way projects; and
eight scoping studies. Of these 51 projects, 20 involve environmental
mitigation related to clean water or stormwater concerns, or both clean water
and stormwater concerns, and 32 involve bicycle and pedestrian facilities.
Projects are funded in Athens, Barre City, Bennington, Brandon, Brattleboro,
Bridgewater, Bristol, Burke, Burlington, Castleton, Derby, Enosburg Falls,
Fairfax, Fairlee, Ferrisburgh, Grafton, Guilford, Hartford, Hinesburg, Hyde~~

~~Park, Jericho, Londonderry, Lyndon, Montgomery, Newark, Proctor,~~
~~Rockingham, Rutland City, Shoreham, South Burlington, Springfield, St.~~
~~Albans Town, Swanton, Tinmouth, Warren, Williston, and Wilmington.~~

~~(4) Public Transit Program. This act provides for a fiscal year~~
~~expenditure of \$52,695,234.00 for public transit uses throughout the State.~~
~~Included in the authorization are:~~

~~(A) Go! Vermont, with an authorization of \$380,000.00. This~~
~~authorization supports transportation demand management (TDM) strategies,~~
~~including the State's Trip Planner and commuter services, to promote the use~~
~~of carpools and vanpools.~~

~~(B) Mobility and Transportation Innovations (MTI) Grant Program,~~
~~with an authorization of \$340,000.00, which includes \$315,000.00 in federal~~
~~funds. This authorization continues to support projects that improve both~~
~~mobility and access to services for transit-dependent Vermonters, reduce the~~
~~use of single-occupancy vehicles, and reduce greenhouse gas emissions.~~

~~(5) Rail Program. This act provides for a fiscal year expenditure of~~
~~\$61,887,348.00, including local funds and \$31,894,436.00 in federal funds, for~~
~~intercity passenger rail service, including funding for the Ethan Allen Express~~
~~and Vermonter Amtrak services, and rail infrastructure that supports freight~~
~~rail as well. Moving freight by rail instead of trucks lowers greenhouse gas~~
~~emissions by up to 75 percent, on average.~~

~~*** Rail Program, Technical Correction ***~~

~~Sec. 2. RAIL PROGRAM~~

~~(a) Within the Agency of Transportation's Proposed Fiscal Year 2026 Transportation Program for Rail the following project is deleted: Barre–Berlin–Montpelier 04-9038–WACR Subsidy.~~

~~(b) Within the Agency of Transportation's Proposed Fiscal Year 2026 Transportation Program for Rail, the following project is added: Hartford HRRD(1) 25G002–White River Junction Depot Repairs.~~

~~(c) Within the Agency of Transportation's Proposed Fiscal Year 2026 Transportation Program for Rail, spending authority for Hartford HRRD(1) 25G002–White River Junction Depot Repairs is authorized as follows:~~

<u>FY26</u>	<u>As Proposed</u>	<u>As Amended</u>	<u>Change</u>
<i>Other</i>	0	260,000	260,000
<i>Total</i>	0	260,000	260,000

~~Sources of funds~~

<i>State</i>	0	260,000	260,000
<i>Total</i>	0	260,000	260,000

~~*** Town Highway Non-Federal Disasters ***~~

~~Sec. 2a. TOWN HIGHWAY NON-FEDERAL DISASTERS~~

~~(a) Within the Agency of Transportation's Proposed Fiscal Year 2026 Transportation Program for Town Highway Non-Federal Disasters, spending is authorized as follows:~~

<u>FY26</u>	<u>As Proposed</u>	<u>As Amended</u>	<u>Change</u>
Grants	1,150,000	1,150,000	0
Total	1,150,000	1,150,000	0
<u>Sources of funds</u>			
State	1,150,000	0	-1,150,000
Other	0	1,150,000	1,150,000
Total	1,150,000	1,150,000	0

~~(b) Within the Agency of Transportation's Proposed Fiscal Year 2026 Transportation Program for Town Highway Non-Federal Disasters, the following footnote is added: "Other funds of \$1,150,000 are amounts appropriated from the PILOT Special Fund established pursuant to 32 V.S.A. § 3709."~~

~~*** Unobligated Fund Balance for Fiscal Year 2026 ***~~

~~Sec. 3. UNOBLIGATED TRANSPORTATION FUND BALANCE; FISCAL
YEAR 2026~~

~~Notwithstanding any other provision of law, the Secretary of Administration shall ensure an unobligated fund balance of at least \$686,000.00 exists in the Transportation Fund in fiscal year 2026 after the close of fiscal year 2025. It~~

is the intent of the General Assembly that in the creation of the fiscal year 2026 budget adjustment proposal and the fiscal year 2027 budget proposal, the unobligated fund balance required pursuant to this section shall be utilized to offset estimated Transportation Fund revenue losses from fee and tax reductions enacted during the 2025 legislative session.

** * * State and Federal Funding Updates * * **

Sec. 4. STATE AND FEDERAL FUNDING UPDATES

(a) On or before September 30, 2025 and December 15, 2025, the Secretary of Transportation shall provide the Joint Transportation Oversight Committee with a briefing on the status of State Transportation Fund revenues and federal funding for the fiscal year 2026 Transportation Program, and any impacts on the fiscal year 2026 Transportation Program. The briefing shall include:

(1) a summary of federal funding that has been received to date, federal funding that is anticipated later in the State fiscal year, federal funding that is delayed, and federal funding that has been reduced or subject to rescission;

(2) a summary of the Transportation Fund revenues to date in State fiscal year 2026;

(3) a summary of the impacts on the fiscal year 2026 Transportation Program that are caused by changes in State Transportation Fund revenues from the consensus forecast or delays or reductions in federal funding, and

(4) a summary of any legislative action that may be necessary to address reductions in State revenues or federal funding.

(b) Upon becoming aware of a significant change in State revenues or a reduction in federal funding, rescission of federal grants, or delay of anticipated federal funding that will impact the Agency's ability to carry out significant portions of the fiscal year 2026 Transportation Program, the Secretary of Transportation may request that the Joint Transportation Oversight Committee meet within 14 days to review the Agency's plan to address the reduction in funding.

(c) In the event of a decrease in overall State or federal funding for the fiscal year 2026 Transportation Program that is in excess of four percent, the Secretary shall submit to the Joint Transportation Oversight Committee a written report detailing the impact of the decrease on projects that are in the 2026 Transportation Program.

** * * Project Dashboard * * **

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

§ 10g. ANNUAL REPORT; TRANSPORTATION PROGRAM;

ADVANCEMENTS, CANCELLATIONS, AND DELAYS

** * **

(q)(1) The Agency's annual proposed Transportation Program shall include the following information depicted in a graphical dashboard.

~~(A) the percentage of projects in each section of the Transportation Program that have been delayed by more than one year from the preliminary plan projected completion date; and~~

~~(B) the percentage of projects in each section of the Transportation Program whose cost has increased by more than 50 percent or \$5,000,000.00, whichever is less, from the preliminary plan cost estimate.~~

~~(2) The Agency shall provide the House and Senate Committees on Transportation with quarterly updates to the dashboard provided pursuant to subsection (a) of this section.~~

Sec. 6. 19 V.S.A. § 10g(g) is amended to read:

~~(g) Project updates.—The Agency's annual proposed Transportation Program shall include project updates referencing this section and listing the following:~~

~~(1) all proposed projects in the Program that would be new to the State Transportation Program;~~

~~(2) all projects for which total estimated costs have increased by more than \$5,000,000.00 from the estimate in the adopted Transportation Program for the prior fiscal year or by more than 75 percent from the estimate in the adopted Transportation Program for the prior fiscal year;~~

~~(3) all projects for which the total estimated costs have, for the first time, increased by more than \$10,000,000.00 from the Preliminary Plan estimate or by more than 100 percent from the Preliminary Plan estimate; and~~

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

~~[Repealed.]~~

~~*** Relinquishment of Vermont Route 36 in the Town of St. Albans ***~~

~~Sec. 7. RELINQUISHMENT OF VERMONT ROUTE 36 IN THE TOWN
OF ST. ALBANS~~

~~Pursuant to 19 V.S.A. § 15(a)(2), the General Assembly authorizes the Secretary of Transportation to enter into an agreement with the Town of St. Albans to relinquish a segment of the State highway in the Town of St. Albans known as Vermont Route 36. The segment authorized to be relinquished begins at mile marker 0.00, just east of the "Black Bridge" (B2), and continues 14,963 feet (approximately 2.834 miles) easterly to mile marker 2.834, where Vermont Route 36 meets the boundary of the City of St. Albans, and includes the 0.106-mile westbound section of Vermont Route 36 and approaches at the entrance to the St. Albans Bay Town Park.~~

~~Chapter 58. State-Owned Railroads, Rail Trails~~

Sec. 8. 5 V.S.A. chapter 58 is redesignated to read:

CHAPTER 58. STATE ACQUISITION OF STATE-OWNED RAILROADS
AND RAIL TRAILS

Sec. 9. 5 V.S.A. § 3408 is amended to read:

§ 3408. RAILBANKING; NOTIFICATION

(a) If the Secretary finds that the continued operation of any State-owned railroad property is not economically feasible under present conditions, ~~he or she~~ the Secretary may place the line in railbanked status after giving advance notice of ~~such~~ the planned railbanking to the House and Senate Committees on Transportation when the General Assembly is in session, and when the General Assembly is not in session, to the Joint Transportation Oversight Committee. The Agency, on behalf of the State, shall continue to hold the right-of-way of a railbanked line for reactivation of railroad service or for other public purposes not inconsistent with future reactivation of railroad service. ~~Such~~ The railbanking shall not be treated, for purposes of any law or rule of law, as an abandonment of the use of the rights-of-way for railroad purposes.

** * **

(c)(1) The Secretary may, after consulting with municipalities, adopt rules consistent with the provisions of section 3408a of this chapter governing the

~~interim trail use of State-owned railroad rights-of-way that have been placed
in railbanked status.~~

~~(2) Signs indicating the rules shall be conspicuously posted in or near
all areas affected.~~

~~(3) Any person who violates these rules adopted pursuant to this
subsection shall be subject to a penalty of not more than \$300.00.~~

Sec. 10. 5 V.S.A. § 3408a is added to read:

§ 3408a. USE OF RAIL TRAILS

(a) Definitions. As used in this section:

(1) "Rail trail" means the right-of-way of a State-owned railroad line
that has been authorized for railbanking and interim trail use pursuant to
16 U.S.C. § 1247(d) or section 3408 of this chapter.

(2) "Trail sponsor" means the Agency of Transportation in the case of a
rail trail maintained by the Agency or the municipality in the case of a rail
trail maintained by a municipality.

(b) Use of rail trails. The following acts are prohibited within a rail trail
right-of-way:

(1) Throwing, dropping, or discarding bottles, cans, paper, garbage,
rubbish, sewage, or other material of any kind.

(2) Cutting, mutilating, or removing any tree, shrub, flower, plant, top
soil, or sod or attempting to do so.

(3) Injury, defacement, removal, or destruction of the surface of the rail trail or a rail trail's structures, appurtenances, recreation facilities, or property.

(4) Except as authorized by the trail sponsor, erecting, placing, or displaying any advertising materials, posters, or placards of any kind. This prohibition shall not apply to official signs erected by the trail sponsor.

(5) Except as authorized by the trail sponsor, entering or remaining on the rail trail for the purpose of:

(A) selling, hiring, or leasing any goods or services; or

(B) distributing samples, pamphlets, or advertising materials, except for official information authorized by the trail sponsor.

(6) Parades, demonstrations, picnics, games, entertainment, or organizations, except at times and locations approved by the trail sponsor.

(7) Harassing or molesting wildlife, except for fishing.

(8) Using or discharging any firearms or other weapons or fireworks, except by a person authorized by the trail sponsor or as otherwise permitted by law.

(9) Igniting fires for any purpose, except in fireplaces or firepits at locations designated by the trail sponsor or for trail maintenance purposes.

(10) Soliciting alms or contributions.

(11) Use of motorized vehicles, except for.

~~(A) maintenance purposes;~~

~~(B) snowmobiles, subject to applicable State rules, when the Vermont Association of Snow Travelers, Inc. has declared the Statewide Snowmobile Trail System officially open;~~

~~(C) Other Power-Driven Mobility Devices (OPDMD) utilized by an individual with a disability as permitted by the Agency's Rail Trail Accessibility Policy;~~

~~(D) electric bicycles as permitted pursuant to applicable State rules;~~

~~and~~

~~(E) other circumstances that the trail sponsor determines are appropriate.~~

~~(12) Overnight camping, except at areas designated for that purpose by the trail sponsor.~~

~~(c) Penalty. Any person who violates the provisions of subsection (b) of this section shall be subject to a civil penalty pursuant to subdivision 3408(c)(3) of this chapter.~~

** * * Transportation Board * * **

Sec. 11. 19 V.S.A. § 3 is amended to read:

§ 3. TRANSPORTATION BOARD; CREATION; MEMBERS

~~A transportation board~~ *The Transportation Board is formed to be attached to the Agency of Transportation. There shall be seven members of the Board,*

~~appointed by the Governor with the advice and consent of the Senate. The~~
Governor shall so far as is possible appoint Board members whose interests
and expertise lie in various areas of the transportation field. The Governor
shall appoint the ~~chair~~ Chair, and the Board may vote to appoint other
officers. The members of the Board shall be appointed for terms of three
years. Board members may be appointed for two additional three-year terms
but shall not be eligible for further reappointment. ~~No~~ Not more than four
members of the Board shall belong to the same political party. No member of
the Board shall:

* * *

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

§ 5. TRANSPORTATION BOARD; POWERS AND DUTIES

* * *

(d) Specific duties and responsibilities. The Board shall:

* * *

(4) provide appellate review, when requested in writing, regarding legal
disputes in the execution of contracts awarded by the Agency or by
municipalities cooperating with the Agency to advance projects in the State's
Transportation Program, except that the Agency shall provide appellate review
relating to bids and the competitive negotiation process under 19 V.S.A. § 10a,

~~(5) provide appellate review, when requested in writing, of decisions of the Secretary in administering the provisions of Title 24, relating to junkyards salvage yards;~~

~~* * *~~

~~* * * Green Mountain Transit Authority * * *~~

~~Sec. 13. 24 App. V.S.A. chapter 801 is amended to read:~~

~~CHAPTER 801. GREEN MOUNTAIN TRANSIT AUTHORITY~~

~~* * *~~

~~§ 2. AREA OF OPERATION~~

~~(a) The area of operation shall be the urbanized area of Chittenden, Franklin, Grand Isle, and Washington Counties and the Towns of Orange, Washington, and Williamstown. The area of operation shall include Addison and Caledonia Counties and the Towns of Orange County other than Orange, Washington, and Williamstown, but only for the provision of commuter services. The area of operation shall include Lamoille County, but only for the provision of published scheduled services County as established by the U.S. Census Bureau. The Green Mountain Transit Authority may operate service outside the urbanized area of Chittenden County with approval from the Agency of Transportation. Nothing in this section shall be construed to prevent other transit providers from offering transit connecting to the~~

~~urbanized area of Chittenden County, or providing on demand services in that area, with the approval of the Agency of Transportation.~~

~~* * *~~

~~§ 10. IMPLEMENTATION~~

~~* * *~~

~~(c) Immediately upon joining the Authority, the municipality shall appoint two commissioners as provided herein. The initial terms of the commissioners of the initial members shall be arranged by the Chittenden County Regional Planning Commission so that the terms of approximately one-third of the commissioners shall expire in each year. The initial terms of commissioners from municipalities joining after March 7, 1973, shall be set by the Board of Commissioners.~~

~~* * *~~

~~* * * Town Highways * * *~~

~~Sec. 14. 19 V.S.A. § 306 is amended to read:~~

~~§ 306. APPROPRIATION; STATE AID FOR TOWN HIGHWAYS~~

~~(a) General State aid to town highways.~~

~~(1) An annual appropriation to class 1, 2, and 3 town highways shall be made. This appropriation shall increase over the previous fiscal year's appropriation by the same percentage change as the following, whichever is~~

~~less, or shall remain at the previous fiscal year's appropriation if either of the following are negative or zero:~~

~~(A) the percentage change of the Agency's total appropriations funded by Transportation Fund revenues, excluding appropriations for town highways under this subsection (a) and subsections (e) and (h) of this section, for the most recently closed fiscal year as compared to the fiscal year immediately preceding the most recently closed fiscal year; or~~

~~* * *~~

~~(e) State aid for town highway structures.~~

~~(1) There shall be an annual appropriation for grants to municipalities for maintenance (including actions to extend life expectancy) and for construction of bridges and culverts; for maintenance and construction of other structures, including causeways and retaining walls, intended to preserve the integrity of the traveled portion of class 1, 2, and 3 town highways; and for alternatives that eliminate the need for a bridge, culvert, or other structure, such as the construction or reconstruction of a highway, the purchase of parcels of land that would be landlocked by closure of a bridge, the payment of damages for loss of highway access, and the substitution of other means of access. This appropriation shall increase over the previous fiscal year's appropriation by the same percentage change as the following, whichever is~~

~~less, or shall remain at the previous fiscal year's appropriation if either of the following are negative or zero:~~

~~(A) the percentage change in the Agency's total appropriations funded by Transportation Fund revenues, excluding appropriations under this subsection (e) and subsections (a) and (h) of this section, for the most recently closed fiscal year as compared to the fiscal year immediately preceding the most recently closed fiscal year; or~~

~~(B) the percentage change in the Bureau of Labor Statistics Consumer Price Index for All Urban Consumers (CPI-U).~~

~~(2) For purposes of subdivision (1)(B) of this subsection, the percentage change in the CPI-U is calculated by determining the increase or decrease, to the nearest one-tenth of a percent, in the CPI-U for the month ending on June 30 in the calendar year one year prior to the first day of the fiscal year for which the appropriation will be made compared to the CPI-U for the month ending on June 30 in the calendar year two years prior to the first day of the fiscal year for which the appropriation will be made.~~

~~(3) Each fiscal year, the Agency shall approve qualifying projects with a total estimated State share cost of \$7,200,000.00 at a minimum as new grants. The Agency's proposed appropriation for the Program shall take into account the estimated amount of qualifying invoices submitted to the Agency with respect to project grants approved in prior years but not yet completed as well~~

~~as with respect to new project grants to be approved in the fiscal year~~
~~Beginning with State fiscal year 2027, the minimum total estimated State share~~
~~cost for the approved grants shall increase over the prior fiscal year's~~
~~minimum total estimated State share cost by the same percentage as the~~
~~appropriation for State aid for town highway structures is increased pursuant~~
~~to subdivision (1) of this subsection.~~

~~(4) In a given fiscal year, should expenditures in the Town Highway~~
~~Structures Program exceed the amount appropriated, the Agency shall advise~~
~~the Governor of the need to request a supplemental appropriation from the~~
~~General Assembly to fund the additional project cost, provided that the Agency~~
~~has previously committed to completing those projects.~~

~~(3)(5) Funds received as grants for State aid for town highway~~
~~structures may be used by a municipality to satisfy a portion of the matching~~
~~requirements for federal earmarks, subject to subsection 309b(c) of this title.~~

~~* * *~~

~~(h) Class 2 Town Highway Roadway Program.~~

~~(1) There shall be an annual appropriation for grants to municipalities~~
~~for resurfacing, rehabilitation, or reconstruction of paved or unpaved class 2~~
~~town highways. However, municipalities~~ Municipalities ~~that have no State~~
~~highways or class 1 town highways within their borders may use the grants for~~
~~such activities with respect to both class 2 and class 3 town highways. Each~~

~~fiscal year, the Agency shall approve qualifying projects with a total estimated State share cost of \$8,600,000.00 at a minimum as new grants. The Agency's proposed appropriation for the Program shall take into account the estimated amount of qualifying invoices submitted to the Agency with respect to project grants approved in prior years but not yet completed as well as with respect to new project grants to be approved in the fiscal year. This appropriation shall increase over the previous fiscal year's appropriation by the same percentage change as the following, whichever is less, or shall remain at the previous fiscal year's appropriation if either of the following are negative or zero:~~

~~(A) the percentage change in the Agency's total appropriations funded by Transportation Fund revenues, excluding appropriations under this subsection (h) and subsections (a) and (e) of this section, for the most recently closed fiscal year as compared to the fiscal year immediately preceding the most recently closed fiscal year; or~~

~~(B) the percentage change in the Bureau of Labor Statistics Consumer Price Index for All Urban Consumers (CPI-U).~~

~~(2) For purposes of subdivision (1)(B) of this subsection, the percentage change in the CPI-U is calculated by determining the increase or decrease, to the nearest one-tenth of a percent, in the CPI-U for the month ending on June 30 in the calendar year one year prior to the first day of the fiscal year for which the appropriation will be made compared to the CPI-U for the month~~

~~ending on June 30 in the calendar year two years prior to the first day of the fiscal year for which the appropriation will be made.~~

~~(3) Each fiscal year, the Agency shall approve qualifying projects with a total estimated State share cost of \$8,600,000.00 at a minimum as new grants. Beginning with State fiscal year 2027, the minimum total estimated State share cost for the approved grants shall increase over the prior fiscal year's minimum total estimated State share cost by the same percentage as the appropriation for the Class 2 Town Highway Roadway Program is increased pursuant to subdivision (1) of this subsection.~~

~~(4) In a given fiscal year, should expenditures in the Class 2 Town Highway Roadway Program exceed the amount appropriated, the Agency shall advise the Governor of the need to request a supplemental appropriation from the General Assembly to fund the additional project cost, provided that the Agency has previously committed to completing those projects. Funds received as grants for State aid under the Class 2 Town Highway Roadway Program may be used by a municipality to satisfy a portion of the matching requirements for federal earmarks, subject to subsection 309b(c) of this title.~~

~~***~~

~~Sec. 15. CANCELLATION OF LOCALLY MANAGED PROJECTS;~~

~~PROCESS; IMPROVEMENTS; REPORT~~

~~The Agency of Transportation, in consultation with the Transportation Board, the Vermont League of Cities and Towns, and the Vermont Association of Planning and Development Agencies, shall engage a consultant to examine the requirements of 19 V.S.A. § 309c, cancellation of locally managed projects, to evaluate the obligations, risks, and benefits imposed by the provisions of that section on the State and the local sponsor of a locally managed project and to identify potential changes to the provisions of that section to ensure that State and federal transportation funding resources are appropriately administered. The Agency shall, on or before January 15, 2026, submit a written report to the House and Senate Committees on Transportation regarding the consultant's findings and any recommendations for legislative action.~~

~~Sec. 16. MUNICIPAL TRANSPORTATION ASSETS; ASSESSMENT;~~

~~FUNDING NEEDS; REPORT~~

~~(a) The Agency of Transportation, in consultation with the Vermont League of Cities and Towns and the Vermont Association of Planning and Development Agencies, shall engage a consultant to:~~

~~(1) review current municipal practices relating to planning for ongoing maintenance, upgrades, and replacement of municipal transportation assets,~~

including roads, pavement, bridges, culverts, signals, signage, highway equipment, and highway facilities;

(2) develop a framework for a system to assess the current condition of municipal highway networks and the potential impacts of improvements to or degradation of those networks on the State's transportation system;

(3) develop a prioritization process to direct State funding to the repair, upgrade, or replacement of specific municipal transportation assets based on the need for such work in the context of the asset's role in the State and regional highway networks; and

(4) identify and recommend potential statutory changes to implement the assessment framework developed pursuant to subdivision (2) of this subsection and the prioritization process developed pursuant to subdivision (3) of this subsection.

(b) The Agency of Transportation shall, not later than January 15, 2027, submit a written report to the House and Senate Committees on Transportation regarding the consultant's findings and recommendations for legislative action.

Sec. 17. STATE TOWN HIGHWAY AID; MUNICIPAL GRANT

PROGRAMS; EFFICIENCIES; IMPROVEMENTS; REPORT

(a) The Agency of Transportation, in consultation with the Vermont League of Cities and Towns and the Vermont Association of Planning and

~~Development Agencies, shall engage a consultant to evaluate the State's Town Highway Aid and municipal grant programs administered by the Agency to identify potential efficiencies and improvements related to the administration of Town Highway Aid and municipal grant programs. The consultant shall evaluate the various funding streams authorized pursuant to 19 V.S.A. § 306 as well as programs administered through the Agency's Municipal Assistance Bureau, including the Bicycle and Pedestrian Grant Program, Transportation Alternatives Program, Municipal Mitigation Program, Municipal Park and Ride Program, Better Roads Program, Municipal Highway and Stormwater Mitigation Program, and Grants in Aid.~~

~~(b) On or before January 15, 2026, the Agency shall submit a written report to the House and Senate Committees on Transportation regarding the consultant's findings and any recommendations for legislative or administrative actions to improve or increase the efficiency of the Town Highway Aid and municipal grant programs.~~

~~*** Mileage-Based User Fee ***~~

~~Sec. 18. 2023 Acts and Resolves No. 62, Secs. 27–29 are amended to read:~~

~~Sec. 27. MILEAGE-BASED USER FEE LEGISLATIVE INTENT~~

~~It is the intent of the General Assembly for the State:~~

~~(1) to start collecting a mileage-based user fee from all battery-electric vehicles registered in Vermont starting on July 1, 2023, which is expected to be~~

~~the first day of the first fiscal year when more than 15 percent of new pleasure car registrations in the State are plug-in electric vehicles (PEVs) or before January 1, 2027 subject to sufficient funding being available for implementation;~~

~~(2) to start subjecting subject plug-in hybrid electric vehicles (PHEVs) that are a pleasure car to an increased annual or a biennial registration electric vehicle infrastructure fee starting on July January 1, 2025, and that PHEVs shall not be subject to a mileage-based user fee;~~

~~(3) to work towards examine collecting a fee on kWhs electricity that are is dispensed through certain electric vehicle supply equipment available to the public so as to supplant lost gas fuel tax revenue from out-of-state PEVs traveling in Vermont; and~~

~~(4) to not commence collecting a mileage-based user fee until such the General Assembly has enacted legislation that establishes the amount of the fee and codifies any necessary authorizing language is codified in statute and that legislation becomes effective.~~

Sec. 28. MILEAGE-BASED USER FEE AUTHORIZATION

~~(a) Within the Agency of Transportation's Proposed Fiscal Year 2024 Transportation Program for Environmental Policy and Sustainability, the Agency of Transportation, including the Department of Motor Vehicles, is authorized to apply for and accept a competitive federal Strategic Innovation~~

~~for Revenue Collection grant established pursuant to the Infrastructure Investment and Jobs Act, Pub. L. No. 117-58 (IIJA), Sec. 13001, with up to \$350,000.00 in Transportation Fund monies authorized for the nonfederal match in fiscal year 2024 and a to-be-determined amount for the nonfederal match in subsequent fiscal years up to \$350,000.00 in Transportation Fund monies authorized for the nonfederal match in fiscal year 2025.~~

~~(b) As permitted under federal regulations and grant terms, the The Agency shall utilize grant monies to design State or federal funding, or both, authorized to be used for the purpose of designing a mileage-based user fee that is consistent with Secs. 27 and 29 of this act.~~

~~(c) Subject to State procurement requirements and the availability of sufficient funding, the Agency may retain one or more contractors or consultants, or both, to assist with the design of a process to commence collecting a mileage-based user fee on July 1, 2025 January 1, 2027.~~

~~Sec. 29. MILEAGE-BASED USER FEE DESIGN~~

~~(a) Definitions. As used in Secs. 27–30 of this act:~~

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

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

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

~~(A) multiplying the mileage-based user fee rate by the annual vehicle miles traveled or;~~

~~(B) in the case of a terminating event, by multiplying the mileage-based user fee rate by the vehicle miles traveled between the last Vermont annual inspection and the terminating event; or~~

~~(C) in the absence of a recorded odometer reading during the mileage reporting period, by multiplying the mileage-based user fee by the 98th percentile of estimated annual vehicle miles traveled for a pleasure car in Vermont.~~

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

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

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

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

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

~~(b) Commencement date. The Agency shall design a process to collect a mileage-based user fee for miles driven by a BEV registered in Vermont to commence collecting revenue on ~~July 1, 2025~~ January 1, 2027.~~

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

~~(d) Imposition of a mileage-based user fee. The Agency shall design a process to collect a mileage-based user fee from the owner or lessee of a BEV registered in Vermont for each mileage reporting period ~~within 60 days after the Vermont annual inspection~~ on an annual, quarterly, or monthly basis selected by the owner or lessee and reconciled upon renewal of the vehicle registration or within 60 days after a terminating event that closes the mileage reporting period.~~

~~Sec. 19. INTENT~~

It is the intent of the General Assembly that:

(1) the mileage-based user fee for a BEV pleasure car be approximately equivalent to the average amount collected by the State in fuel tax revenue from the use of a non-PEV pleasure car registered in Vermont and the average amount collected by the State in fuel tax revenue and Electric Vehicle Infrastructure fee from the use of a PHEV pleasure car; and

(2) that the mileage-based user fee for BEV pleasure cars will be an interim step towards gradually expanding the mileage-based user fee to all motor vehicles.

Sec. 20. MILEAGE-BASED USER FEE; FUNDING; DESIGN; UPDATES

The Agency of Transportation shall report to the Joint Transportation Oversight Committee on or before September 30, 2025 and December 15, 2025 regarding the status of federal grants and other funding for the design of the mileage-based user fee pursuant to the provisions of 2023 Acts and Resolves No. 62, Secs. 27–29, as amended by Sec. 12 of this act and the Agency’s progress in designing the mileage-based user fee.

* * * Authority to Transfer Monies in State Fiscal Year 2026 * * *

Sec. 21. AUTHORIZATION TO USE MONIES TO CONTINUE

PARTNERSHIP WITH DRIVE ELECTRIC VERMONT IN STATE

FISCAL YEAR 2026

~~*In State fiscal year 2026, the Secretary of Transportation is authorized to spend up to \$325,000.00 in remaining monies appropriated to the Electrify Your Fleet Program in State Fiscal Year 2024 to continue the Agency of Transportation's partnership with Drive Electric Vermont. The monies shall be used for programs and activities that support increased ownership and use of PEVs in the State through:*~~

~~*(1) stakeholder coordination;*~~

~~*(2) consumer education and outreach;*~~

~~*(3) infrastructure development; and*~~

~~*(4) the provision of technical assistance and support to Vermont municipalities and Vermont businesses desiring to electrify their vehicle fleets.*~~

~~** * * Consideration of Vehicle Miles Traveled in Project Planning * * **~~

Sec. 22. 19 V.S.A. § 1 is amended to read:

§ 1. DEFINITIONS

As used in this title:

** * **

~~*(26) "Vehicle miles traveled" means the estimated sum of the miles traveled by all motor vehicle trips within a specific area during a calendar year.*~~

Sec. 23. 10 V.S.A. § 10b is amended to read:

§ 10b. STATEMENT OF POLICY; GENERAL

(a) The Agency shall be the responsible agency of the State for the development of transportation policy. It shall develop a mission statement to reflect:

(1) that State transportation policy shall be to encompass, coordinate, and integrate all modes of transportation and to consider complete streets, as defined in section 2401 of this title, principles; and

(2) the need for transportation projects that will improve the State's economic infrastructure; as well as the use of resources in efficient, coordinated, integrated, cost-effective and environmentally sound ways; reduce vehicle miles traveled within the State when feasible; and that will be consistent with the recommendations of the Comprehensive Energy Plan (CEP) issued under 30 V.S.A. § 202b.

** * **

Sec. 24. 19 V.S.A. § 10c is amended to read:

§ 10c. STATEMENT OF POLICY; HIGHWAYS AND BRIDGES

** * **

(c) In choosing between the improvement of an existing highway and complete reconstruction, the Agency shall weigh the following factors:

** * **

~~(9) the impact on the historic, scenic, and aesthetic values of the municipality, as interpreted by the municipality, in which the highway is located, and~~

~~(10) if it is a forest highway under federal jurisdiction; and~~

~~(11) opportunities to reduce vehicle miles traveled or otherwise reduce greenhouse gas emissions related to the highway.~~

~~* * *~~

~~Sec. 25. 19 V.S.A. § 10i is amended to read:~~

~~§ 10i. TRANSPORTATION PLANNING PROCESS~~

~~* * *~~

~~(c) Transportation Program. The Transportation Program shall be developed in a fiscally responsible manner to accomplish the following objectives:~~

~~* * *~~

~~(3) strengthening the economy, protecting the quality of the natural environment, and improving Vermonters' quality of life; and~~

~~(4) achieving the recommendations of the CEP; and~~

~~(5) striving to reduce vehicle miles traveled and greenhouse gas emissions.~~

~~* * *~~

**** Medical Transports ****

Sec. 26. PUBLIC TRANSIT DEMAND RESPONSE VOLUNTEER

COORDINATORS; GRANTS; APPROPRIATION

(a) The Agency of Transportation is authorized to utilize up to \$600,000.00 in one-time funds appropriated from the Transportation Fund to the Agency of Transportation in fiscal year 2026 for the purpose of providing grants to public transit agencies to hire volunteer coordinators. Volunteer coordinators hired with grants provided pursuant to this section shall be responsible for the identification, recruitment, and retention of volunteers to provide transportation services to individuals enrolled in the State's demand response transportation programs.

(b) The Agency shall, to the extent possible, seek to provide grants to public transit providers in a manner that is geographically balanced and ensures the distribution of volunteer coordinators throughout the State.

(c) Not later than December 15, 2026, the Agency, in consultation with public transit agencies that receive grants pursuant to this section, shall submit a written report the House and Senate Committees on Transportation regarding the extent to which grants issued pursuant to this section resulted in an increase in volunteer capacity in the State.

Sec. 27. MEDICAID NON-EMERGENCY TRANSPORTATION

In fiscal year 2026, prior to executing a contract to provide Medicaid Non-Emergency Transportation services, the Department of Vermont Health Access shall provide to the Joint Fiscal Committee for review and approval a detailed analysis demonstrating that by executing such a contract:

- (1) there will be no degradation of service to eligible individuals; and
- (2) the financial stability of the State's public transportation systems will be maintained.

Sec. 28. VOLUNTEERS PROVIDING TRANSPORTATION SERVICES;

BACKGROUND CHECKS; EXPANSION OF VOLUNTEER
POOL; REPORT

(a) On or before July 15, 2025, the Department of Vermont Health Access shall commence meeting with the Vermont Public Transit Association, the Agency of Transportation, and, in the discretion of the Commissioner of Vermont Health Access, other stakeholders to identify potential, federally permissible opportunities to expand the Medicaid Non-Emergency Transportation program's pool of volunteer drivers. As part of this work, the Department and Association shall collaborate to determine if there are specific classes of offenses that currently prevent volunteer drivers from providing transportation services through the Medicaid Non-Emergency Transportation program.

~~(1) The Vermont Public Transit Association shall, to the extent possible, gather and provide to the Department anonymized information from its members regarding:~~

~~(A) the number of potential volunteers who were barred from providing transportation services through the Medicaid Non-Emergency Transportation program due to a background check during the past year;~~

~~(B) which of the background checks currently required by the Medicaid Non-Emergency Transportation program resulted in potential volunteers being barred from providing transportation services, broken out by percentage; and~~

~~(C) a summary of the offenses that resulted in potential volunteers being barred from providing transportation services through the Medicaid Non-Emergency Transportation program, broken out by:~~

~~(i) the type of offense;~~

~~(ii) whether the offense was a felony or misdemeanor;~~

~~(iii) whether the offense was under State or federal law;~~

~~(iv) the percentage of potential volunteers who were barred from providing transportation services through the Medicaid Non-Emergency Transportation program for each type of offense, and~~

~~(v) to the extent that it is possible to determine, the number of riders that could have been provided by the individuals barred under each type of offense.~~

~~(2) The Department shall utilize the information provided by the Association pursuant to subdivision (1) of this subsection to determine, to the extent possible, whether the identified offenses are:~~

~~(A) fraud-based or otherwise implicate potential Medicaid fraud, waste, and abuse;~~

~~(B) an offense that otherwise bars an individual from providing transportation services through the Medicaid Non-Emergency Transportation program; or~~

~~(C) an offense that caused harm to an individual other than the offender; or otherwise negatively impacted the safety of the general public.~~

~~(b) The Department of Vermont Health Access and the Vermont Public Transit Association shall, on or before January 30, 2026, make themselves available to provide an update to the House Committees on Transportation and on Health Care and to the Senate Committees on Transportation and on Health and Welfare regarding the work performed pursuant to this section and opportunities that were identified to expand the Medicaid Non-Emergency Transportation program's pool of volunteer drivers.~~

~~Sec. 29. VOLUNTEER DRIVERS; PUBLICITY; OUTREACH~~

~~(a) The Commissioner of Motor Vehicles, in consultation with the Vermont Public Transit Association, shall identify and pursue opportunities to communicate with the Vermont driving public regarding volunteer and community driver participation in the State's demand response transportation programs, including the Older Adults and Persons with Disabilities program and the Medicaid Non-Emergency Transportation program. Outreach conducted pursuant to this section may include:~~

~~(1) invitations for individuals to voluntarily indicate their interest through the operator licensing and vehicle registration processes, subject to any data privacy requirements under State or federal law;~~

~~(2) notices or other public outreach placed on the Department's website or other internet-based platforms; and~~

~~(3) messaging by the Agency of Transportation on social media platforms, including providing links to informational resources provided by the Vermont Public Transit Association.~~

~~(b) The Department of Vermont Health Access shall develop informational materials related to eligibility for the Medicaid Non-Emergency Transportation program. The Department shall, in consultation with the Agency of Transportation and other relevant stakeholders, make the materials~~

available to the public on the Department's website and other internet based platforms.

*Sec. 30. COORDINATION OF HEALTH CARE AND TRANSPORTATION
SERVICES; WORKING GROUP; REPORT*

(a) The Secretary of Transportation, in consultation with the Commissioner of Vermont Health Access, shall convene a working group to improve the coordination of health care and transportation services in relation to individuals enrolled in the State's demand response transportation programs. The working group shall be composed of stakeholders identified by the Secretary in consultation with the Commissioner of Vermont Health Access, including representatives of the Vermont Association of Hospitals and Health Systems, independent dialysis and methadone facilities, and the Vermont Public Transportation Association.

(b) The working group shall examine various options for improving the coordination of health care and transportation services, including:

(1) opportunities to coordinate the scheduling of health care appointments and treatments to maximize the use of shared rides; and

(2) opportunities to improve communication between the public transit agencies and health care providers to facilitate coordination of health care and transportation services for individuals enrolled in the State's demand response transportation programs.

~~(e) On or before January 15, 2026, the Secretary and Commissioner shall submit a written report to the House Committees on Transportation and on Health Care and the Senate Committees on Transportation and on Health and Welfare with the working group's findings and any recommendations for legislative action.~~

~~* * * Vehicle Identification Numbers for Certain Vehicles * * *~~

~~Sec. 31. ULTRA-LOW VOLUME VEHICLE MANUFACTURING; KIT-CARS; HOMEBUILT MOTOR VEHICLES; VEHICLE IDENTIFICATION NUMBER; REPORT~~

~~(a)(1) The Commissioner of Motor Vehicles, in consultation with the Secretary of Natural Resources and representatives of the ultra-low volume vehicle manufacturing industry in Vermont, shall examine processes for issuing vehicle identification numbers to ultra-low volume motor vehicles, kit-cars, and homebuilt motor vehicles and opportunities to facilitate the registration of such vehicles.~~

~~(2) As used in this section:~~

~~(A) "Homebuilt motor vehicle" means a motor vehicle that is constructed or assembled by an individual from new or used parts, or both, and is not a kit-car.~~

~~(B) “Kit car” means a motor vehicle that is constructed by an individual from a manufactured kit that includes some or all parts and components necessary to construct the motor vehicle.~~

~~(C) “Ultra-low volume motor vehicle” means a vehicle that is manufactured for sale by a manufacturer whose annual worldwide production is not more than 325 motor vehicles.~~

~~(b) In preparing the report, the Commissioner shall:~~

~~(1) examine the potential to waive some or all Vermont motor vehicle emissions requirements for ultra-low volume motor vehicles, kit-cars, and homebuilt motor vehicles;~~

~~(2) identify a cost-effective process for certifying the safety of ultra-low volume motor vehicles, kit-cars, and homebuilt motor vehicles; and~~

~~(3) develop a streamlined process to provide State Vehicle Identification Numbers to ultra-low volume motor vehicles, kit-cars, and homebuilt motor vehicles.~~

~~(c) On or before January 15, 2026, the Commissioner shall submit a written report to the House and Senate Committees on Transportation regarding the Commissioner’s findings and identifying any legislative action necessary to enable the issuance of vehicle identification numbers to and registration of ultra-low volume motor vehicles, kit-cars, and homebuilt motor vehicles.~~

**** Railroad Lease Extensions ****

Sec. 32. 5 V.S.A. § 3405 is amended to read:

§ 3405. LEASE FOR CONTINUED OPERATION

(a) The Secretary, as agent for the State, with the approval of the General Assembly, or if the General Assembly is not in session, approval of the Joint Transportation Oversight Committee, is authorized to lease or otherwise arrange for the continued operation of all or any State-owned railroad property to any responsible person, provided that approval for the operation, if necessary, is granted by the federal Surface Transportation Board under 49 C.F.R. Part 1150 (certificate to construct, acquire, or operate railroad lines). The transaction shall be subject to any further terms and conditions as in the opinion of the Secretary are necessary and appropriate to accomplish the purpose of this chapter.

(b) To preserve continuity of service on State-owned railroads, the Secretary may enter into a short-term lease or operating agreement, for a term not to exceed six months, with a responsible railroad operator. The Secretary shall notify the House and Senate Committees on Transportation within 10 calendar days after entering into any lease or agreement pursuant to this subsection.

(c) The Secretary shall notify the House and Senate Committees on Transportation or, if the General Assembly is not in session, the Joint

~~Transportation Oversight Committee when there are 12 months remaining on the operating lease for any State-owned railroad, and when there are 12 months remaining on a lease extension for the operating lease for any State-owned railroad.~~

~~* * * Dig Safe * * *~~

~~Sec. 33. 30 V.S.A. § 7006 is amended to read:~~

~~§ 7006. MARKING OF UNDERGROUND UTILITY FACILITIES~~

~~A company notified in accordance with section 7005 of this title shall, within 48 72 hours, exclusive of Saturdays, Sundays, and legal holidays, ~~of~~ after the receipt of the notice, mark the approximate location of its underground utility facilities in the area of the proposed excavation activities; provided, however, if the company advises the person that the proposed excavation area is of such length or size that the company cannot reasonably mark all of the underground utility facilities within 48 72 hours, the person shall notify the company of the specific locations in which the excavation activities will first occur and the company shall mark facilities in those locations within 48 72 hours and the remaining facilities within a reasonable time thereafter. A company and an excavator may by agreement fix a later time for the company's marking of the facilities, provided the marking is made prior to excavation activities. For the purposes of this chapter, the~~

~~approximate location of underground facilities shall be marked with stakes,
paint, or other physical means as designated by the Commission.~~

~~Sec. 34. 30 V.S.A. § 7006a is amended to read:~~

~~§ 7006a. MAINTENANCE OF UNDERGROUND UTILITY FACILITY~~

~~MARKINGS~~

~~After a company has marked its underground facilities in accordance with
section 7006 of this title, the excavator shall be responsible for maintenance of
the designated markings. In the event said markings are obliterated,
destroyed, or removed, the person engaged in excavation activities shall notify
the System referred to in section 7002 of this title that remarking is needed.
The System shall then notify all member companies whose facilities may be
affected. The Each applicable company shall within 48 72 hours, exclusive of
Saturdays, Sundays, and legal holidays, following receipt of the notice, remark
the location of its underground utility facilities.~~

~~* * * Legal Trails * * *~~

~~Sec. 35. 19 V.S.A. chapter 3 is amended to read:~~

~~CHAPTER 3. TOWN HIGHWAYS~~

~~§ 301. DEFINITIONS~~

~~As used in this chapter:~~

~~* * *~~

~~(2) "Legislative body" includes boards of selectmen, aldermen, and village trustees means a "legislative body" as defined in 24 V.S.A. § 2001.~~

~~(3) "Selectmen" includes village trustees and aldermen "Selectboard" means a "selectboard" as defined in 24 V.S.A. § 2001.~~

~~* * *~~

~~(8) "Trail" means a public right-of-way that is not a highway and that:~~

~~(A) municipalities have the authority to exclusively or cooperatively maintain;~~

~~(B) previously was a designated town highway having the same width as the designated town highway, or a lesser width if so designated; or~~

~~(B)(C) a new public right-of-way laid out as a trail by the selectmen legislative body for the purpose of providing access to abutting properties or for recreational use. Nothing in this section shall be deemed to independently authorize the condemnation of land for recreational purposes or to affect the authority of selectmen legislative bodies to reasonably regulate the uses of recreational trails.~~

~~§ 302. CLASSIFICATION OF TOWN HIGHWAYS~~

~~(a) For the purposes of this section and receiving State aid, all town highways shall be categorized into one or another of the following classes.~~

~~* * *~~

~~(2) Class 2 town highways are those town highways selected as the most important highways in each town. As far as practicable, they shall be selected with the purposes of securing trunk lines of improved highways from town to town and to places that by their nature have more than normal amount of traffic. The ~~selectmen~~ legislative body, with the approval of the Agency, shall determine which highways are to be class 2 highways.~~

~~(3) Class 3 town highways:~~

~~(A) Class 3 town highways are all traveled town highways other than class 1 or 2 highways. The ~~selectmen~~ legislative body, after conference with a representative of the Agency, shall determine which highways are class 3 town highways.~~

~~* * *~~

~~(5) Trails shall not be considered highways and the town. A municipality shall have the authority to maintain trails but shall not be responsible for any maintenance, including culverts and bridges.~~

~~* * *~~

~~§ 303. TOWN HIGHWAY CONTROL~~

~~Town highways shall be under the general supervision and control of the ~~selectmen~~ legislative body of the town where the roads are located. ~~Selectmen~~ The legislative body of a town shall supervise all expenditures.~~

~~§ 304. DUTIES OF SELECTBOARD~~

~~(a) It shall be the duty and responsibility of the selectboard of the town to, or acting as a board, it shall have the authority to:~~

~~* * *~~

~~(16) Unless the town electorate votes otherwise, under the provisions of 17 V.S.A. § 2646, appoint a road commissioner, or remove ~~him or her~~ the road commissioner from office, pursuant to 17 V.S.A. § 2651. Road commissioners, elected or appointed, shall have only the powers and authority regarding highways granted to them by the selectboard.~~

~~* * *~~

~~(24) Maintain trails, but shall not be required to maintain trails.~~

~~* * *~~

~~* * * Effective Dates * * *~~

Sec. 36. EFFECTIVE DATES

~~(a) This section and Secs. 32 (railroad leases) and 33 and 34 (dig safe) shall take effect on passage.~~

~~(b) Sec. 5 (Agency of Transportation dashboard) shall take effect on January 1, 2026.~~

~~(c) Sec. 6 (repeal of 19 V.S.A. § 10g reports) shall take effect on July 1, 2026.~~

~~(d) The remaining sections shall take effect on July 1, 2025.~~

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

Sec. 1. TRANSPORTATION PROGRAM ADOPTED; DEFINITIONS

(a) Adoption. The Agency of Transportation's Proposed Fiscal Year 2026 Transportation Program appended to the Agency of Transportation's proposed fiscal year 2026 budget, as amended by this act, is adopted to the extent federal, State, and local funds are available.

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

(1) "Agency" means the Agency of Transportation.

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

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

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

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

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

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

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

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

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

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

** * * Summary of Transportation Investments * * **

Sec. 2. FISCAL YEAR 2026 TRANSPORTATION INVESTMENTS

*INTENDED TO REDUCE TRANSPORTATION-RELATED
GREENHOUSE GAS EMISSIONS, REDUCE FOSSIL FUEL
USE, AND SAVE VERMONT HOUSEHOLDS MONEY*

This act includes the State's fiscal year 2026 transportation investments intended to reduce transportation-related greenhouse gas emissions, reduce fossil fuel use, and save Vermont households money in furtherance of the policies articulated in 19 V.S.A. § 10b and the goals of the Comprehensive Energy Plan and the Vermont Climate Action Plan and to satisfy the Executive and Legislative Branches' commitments to the Paris Agreement climate goals. In fiscal year 2026, these efforts will include the following:

(1) Park and Ride Program. This act provides for a fiscal year expenditure of \$2,435,740.00, which will fund two construction projects to create new park-and-ride facilities, the construction of improvements to two existing park-and-ride facilities, funding for a municipal park-and-ride grant program, and paving projects for existing park-and-ride facilities. This year's Park and Ride Program will create 60 new State-owned spaces. Specific additions and improvements include:

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

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

(2) Bike and Pedestrian Facilities Program. This act provides for a fiscal year expenditure, including local match, of \$21,879,965.00, which will fund 33 bike and pedestrian construction projects; 17 bike and pedestrian design, right-of-way, or design and right-of way projects for construction in future fiscal years; and 10 scoping studies. The construction projects include the creation, improvement, or rehabilitation of walkways, sidewalks, shared-use paths, bike paths, and cycling lanes. Projects are funded in Arlington, Bakersfield, Bennington, Bethel, Brattleboro, Bristol, Burke, Burlington, Castleton, Chester, Danville, Enosburg Falls, Fairfax, Greensboro, Hardwick, Hartford, Highgate, Hinesburg, Huntington, Hyde Park, Irasburg, Jericho, Lyndonville, Middlebury, Montpelier, Moretown, Newfane, Newport City, Northfield, Pawlet, Randolph, Royalton, Rutland City, Rutland Town, Sheffield, Shelburne, Sheldon, South Burlington, Springfield, St. Albans City, St. Albans Town, Swanton, Wallingford, Waterbury, West Rutland, Williston, Wilmington, and Windsor. This act also provides funding for:

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

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

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

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

(3) Transportation Alternatives Program. This act provides for a fiscal year expenditure of \$6,471,054.00, including local funds, which will fund 17 transportation alternatives construction projects; 26 transportation alternatives design, right-of-way, or design and right-of-way projects; and eight scoping studies. Of these 51 projects, 20 involve environmental mitigation related to clean water or stormwater concerns, or both clean water and stormwater concerns, and 32 involve bicycle and pedestrian facilities. Projects are funded in Athens, Barre City, Bennington, Brandon, Brattleboro, Bridgewater, Bristol, Burke, Burlington, Castleton, Derby, Enosburg Falls, Fairfax, Fairlee, Ferrisburgh, Grafton, Guilford, Hartford, Hinesburg, Hyde Park, Jericho, Londonderry, Lyndon, Montgomery, Newark, Proctor, Rockingham, Rutland City, Shoreham, South Burlington, Springfield, St. Albans Town, Swanton, Tinmouth, Warren, Williston, and Wilmington.

(4) Public Transit Program. This act provides for a fiscal year expenditure of \$52,695,234.00 for public transit uses throughout the State. Included in the authorization are:

(A) Go! Vermont, with an authorization of \$380,000.00. This authorization supports transportation demand management (TDM) strategies,

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

(B) Mobility and Transportation Innovations (MTI) Grant Program, with an authorization of \$340,000.00, which includes \$315,000.00 in federal funds. This authorization continues to support projects that improve both mobility and access to services for transit-dependent Vermonters, reduce the use of single-occupancy vehicles, and reduce greenhouse gas emissions.

(5) Rail Program. This act provides for a fiscal year expenditure of \$61,887,348.00, including local funds and \$31,894,436.00 in federal funds, for intercity passenger rail service, including funding for the Ethan Allen Express and Vermonter Amtrak services, and rail infrastructure that supports freight rail as well. Moving freight by rail instead of trucks lowers greenhouse gas emissions by up to 75 percent, on average.

* * * Rail Program; Technical Correction * * *

Sec. 3. RAIL PROGRAM

(a) Within the Agency of Transportation's Proposed Fiscal Year 2026 Transportation Program for Rail the following project is deleted: Barre–Berlin–Montpelier 04-9038–WACR Subsidy.

(b) Within the Agency of Transportation's Proposed Fiscal Year 2026 Transportation Program for Rail, the following project is added: Hartford HRRD(1) 25G002–White River Junction Depot Repairs.

(c) Within the Agency of Transportation's Proposed Fiscal Year 2026
Transportation Program for Rail, spending authority for Hartford HRRD(1)
25G002-White River Junction Depot Repairs is authorized as follows:

<u>FY26</u>	<u>As Proposed</u>	<u>As Amended</u>	<u>Change</u>
<i>Other</i>	0	260,000	260,000
<i>Total</i>	0	260,000	260,000
<u>Sources of funds</u>			
<i>State</i>	0	260,000	260,000
<i>Total</i>	0	260,000	260,000

* * * Town Highway Non-Federal Disasters * * *

Sec. 4. TOWN HIGHWAY NON-FEDERAL DISASTERS

(a) Within the Agency of Transportation's Proposed Fiscal Year 2026
Transportation Program for Town Highway Non-Federal Disasters, spending
is authorized as follows:

<u>FY26</u>	<u>As Proposed</u>	<u>As Amended</u>	<u>Change</u>
<i>Grants</i>	1,150,000	1,150,000	0
<i>Total</i>	1,150,000	1,150,000	0
<u>Sources of funds</u>			
<i>State</i>	1,150,000	0	-1,150,000
<i>Other</i>	0	1,150,000	1,150,000
<i>Total</i>	1,150,000	1,150,000	0

(b) Within the Agency of Transportation's Proposed Fiscal Year 2026 Transportation Program for Town Highway Non-Federal Disasters, the following footnote is added: "Other funds of \$1,150,000 are amounts appropriated from the PILOT Special Fund established pursuant to 32 V.S.A. § 3709."

** * * State and Federal Funding Updates * * **

*Sec. 5. STATE AND FEDERAL FUNDING; MILEAGE BASED USER
FEE; UPDATES*

(a) On or before September 30, 2025 and December 15, 2025, the Secretary of Transportation shall provide the Joint Transportation Oversight Committee with a briefing on the status of State Transportation Fund revenues and federal funding for the fiscal year 2026 Transportation Program, funding-related impacts on the fiscal year 2026 Transportation Program, and the Agency's progress in designing the mileage-based user fee. The briefing shall include:

(1) a summary of federal funding that has been received to date, federal funding that is anticipated later in the State fiscal year, federal funding that is delayed, and federal funding that has been reduced or subject to rescission;

(2) a summary of the Transportation Fund revenues to date in State fiscal year 2026;

(3) a summary of the impacts on the fiscal year 2026 Transportation Program that are caused by changes in State Transportation Fund revenues from the consensus forecast or delays or reductions in federal funding;

(4) a summary of any legislative action that may be necessary to address reductions in State revenues or federal funding;

(5) a summary of the status of State and federal funding for the design of the mileage-based user fee pursuant to the provisions of 2023 Acts and Resolves No. 62, Secs. 27–29, as amended by Sec. 17 of this act; and

(6) the Agency’s progress in designing the mileage-based user fee.

(b) Upon becoming aware of a significant change in State revenues or a reduction in federal funding, rescission of federal grants, or delay of anticipated federal funding that will impact the Agency’s ability to carry out significant portions of the fiscal year 2026 Transportation Program, the Secretary of Transportation may request that the Joint Transportation Oversight Committee meet within 14 days to review the Agency’s plan to address the reduction in funding.

(c) In the event of a decrease in overall State or federal funding for the fiscal year 2026 Transportation Program that is in excess of four percent, the Secretary shall submit to the Joint Transportation Oversight Committee a written report detailing the impact of the decrease on projects that are in the 2026 Transportation Program.

** * * Relinquishment of Vermont Route 36 in the Town of St. Albans * * **

Sec. 6. RELINQUISHMENT OF VERMONT ROUTE 36 IN THE TOWN

OF ST. ALBANS

Pursuant to 19 V.S.A. § 15(a)(2), the General Assembly authorizes the Secretary of Transportation to enter into an agreement with the Town of St. Albans to relinquish a segment of the State highway in the Town of St. Albans known as Vermont Route 36. The segment authorized to be relinquished begins at mile marker 0.00, just east of the “Black Bridge” (B2), and continues 14,963 feet (approximately 2.834 miles) easterly to mile marker 2.834, where Vermont Route 36 meets the boundary of the City of St. Albans, and includes the 0.106-mile westbound section of Vermont Route 36 and approaches at the entrance to the St. Albans Bay Town Park.

** * * State-Owned Railroads; Rail Trails * * **

Sec. 7. 5 V.S.A. chapter 58 is redesignated to read:

CHAPTER 58. STATE ACQUISITION OF STATE-OWNED RAILROADS

AND RAIL TRAILS

Sec. 8. 5 V.S.A. § 3408 is amended to read:

§ 3408. RAILBANKING; NOTIFICATION

(a) If the Secretary finds that the continued operation of any State-owned railroad property is not economically feasible under present conditions, ~~he or she~~ the Secretary may place the line in railbanked status after giving advance

notice of ~~such~~ the planned railbanking to the House and Senate Committees on Transportation when the General Assembly is in session, and when the General Assembly is not in session, to the Joint Transportation Oversight Committee. The Agency, on behalf of the State, shall continue to hold the right-of-way of a railbanked line for reactivation of railroad service or for other public purposes not inconsistent with future reactivation of railroad service. ~~Such~~ The railbanking shall not be treated, for purposes of any law or rule of law, as an abandonment of the use of the rights-of-way for railroad purposes.

* * *

(c)(1) The Secretary may, after consulting with municipalities, adopt rules consistent with the provisions of section 3408a of this chapter governing the interim trail use of State-owned railroad rights-of-way that have been placed in railbanked status.

(2) Signs indicating the rules shall be conspicuously posted in or near all areas affected.

(3) Any person who violates ~~these~~ rules adopted pursuant to this subsection shall be subject to a penalty of not more than \$300.00.

Sec. 9. 5 V.S.A. § 3408a is added to read:

§ 3408a. USE OF RAIL TRAILS

(a) Definitions. As used in this section:

(1) “Rail trail” means the right-of-way of a State-owned railroad line that has been authorized for railbanking and interim trail use pursuant to 16 U.S.C. § 1247(d) or section 3408 of this chapter.

(2) “Trail sponsor” means the Agency of Transportation in the case of a rail trail maintained by the Agency or the municipality in the case of a rail trail maintained by a municipality.

(b) Use of rail trails. The following acts are prohibited within a rail trail right-of-way:

(1) Throwing, dropping, or discarding bottles, cans, paper, garbage, rubbish, sewage, or other material of any kind.

(2) Cutting, mutilating, or removing any tree, shrub, flower, plant, top soil, or sod or attempting to do so.

(3) Injury, defacement, removal, or destruction of the surface of the rail trail or a rail trail’s structures, appurtenances, recreation facilities, or property.

(4) Except as authorized by the trail sponsor, erecting, placing, or displaying any advertising materials, posters, or placards of any kind. This prohibition shall not apply to official signs erected by the trail sponsor.

(5) Except as authorized by the trail sponsor, entering or remaining on the rail trail for the purpose of:

(A) selling, hiring, or leasing any goods or services; or

(B) distributing samples, pamphlets, or advertising materials, except for official information authorized by the trail sponsor.

(6) Parades, demonstrations, picnics, games, entertainment, or organizations, except at times and locations approved by the trail sponsor.

(7) Harassing or molesting wildlife, except for fishing.

(8) Using or discharging any firearms or other weapons or fireworks, except by a person authorized by the trail sponsor or as otherwise permitted by law.

(9) Igniting fires for any purpose, except in fireplaces or firepits at locations designated by the trail sponsor or for trail maintenance purposes.

(10) Soliciting alms or contributions.

(11) Use of motorized vehicles, except for:

(A) maintenance purposes;

(B) snowmobiles, subject to applicable State rules, when the Vermont Association of Snow Travelers, Inc. has declared the Statewide Snowmobile Trail System officially open;

(C) Other Power-Driven Mobility Devices (OPDMD) utilized by an individual with a disability as permitted by the Agency's Rail Trail Accessibility Policy;

(D) electric bicycles as permitted pursuant to applicable State rules;
and

(E) other circumstances that the trail sponsor determines are appropriate.

(12) Overnight camping, except at areas designated for that purpose by the trail sponsor.

(c) Penalty. Any person who violates the provisions of subsection (b) of this section shall be subject to a civil penalty pursuant to subdivision 3408(c)(3) of this chapter.

* * * Transportation Board * * *

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

§ 3. TRANSPORTATION BOARD; CREATION; MEMBERS

~~A transportation board~~ The Transportation Board is formed to be attached to the Agency of Transportation. There shall be seven members of the Board, appointed by the Governor with the advice and consent of the Senate. The Governor shall so far as is possible appoint Board members whose interests and expertise lie in various areas of the transportation field. The Governor shall appoint the ~~chair~~ Chair; and the Board may vote to appoint other officers. The members of the Board shall be appointed for terms of three years. Board members may be appointed for two additional three-year terms but shall not be eligible for further reappointment. ~~No~~ Not more than four members of the Board shall belong to the same political party. No member of the Board shall:

* * *

Sec. 11. 19 V.S.A. § 5 is amended to read:

§ 5. TRANSPORTATION BOARD; POWERS AND DUTIES

* * *

(d) Specific duties and responsibilities. The Board shall:

* * *

(4) provide appellate review, when requested in writing, regarding legal disputes in the execution of contracts awarded by the Agency or by municipalities cooperating with the Agency to advance projects in the State's Transportation Program, except that the Agency shall provide appellate review relating to bids and the competitive negotiation process under 19 V.S.A. § 10a;

(5) provide appellate review, when requested in writing, of decisions of the Secretary in administering the provisions of Title 24, relating to junkyards salvage yards;

* * *

** * * Green Mountain Transit Authority * * **

Sec. 12. 24 App. V.S.A. chapter 801 is amended to read:

CHAPTER 801. GREEN MOUNTAIN TRANSIT AUTHORITY

* * *

§ 2. AREA OF OPERATION

~~(a) The area of operation shall be the urbanized area of Chittenden, Franklin, Grand Isle, and Washington Counties and the Towns of Orange, Washington, and Williamstown. The area of operation shall include Addison and Caledonia Counties and the Towns of Orange County other than Orange, Washington, and Williamstown, but only for the provision of commuter services. The area of operation shall include Lamoille County, but only for the provision of published scheduled services~~ County as established by the U.S. Census Bureau. The Green Mountain Transit Authority may operate service outside the urbanized area of Chittenden County with approval from the Agency of Transportation. Nothing in this section shall be construed to prevent other transit providers from offering transit connecting to the urbanized area of Chittenden County, or providing on demand services in that area, with the approval of the Agency of Transportation.

* * *

§ 10. IMPLEMENTATION

* * *

~~(c) Immediately upon joining the Authority, the municipality shall appoint two commissioners as provided herein. The initial terms of the commissioners of the initial members shall be arranged by the Chittenden County Regional Planning Commission so that the terms of approximately one-third of the~~

~~commissioners shall expire in each year. The initial terms of commissioners from municipalities joining after March 7, 1973, shall be set by the Board of Commissioners.~~

* * *

* * * *Town Highways* * * *

Sec. 13. 19 V.S.A. § 306 is amended to read:

§ 306. APPROPRIATION; STATE AID FOR TOWN HIGHWAYS

(a) General State aid to town highways.

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

(A) the percentage change of the Agency's total appropriations funded by Transportation Fund revenues, excluding appropriations ~~for town highways~~ under this subsection (a) and subsections (e) and (h) of this section, for the most recently closed fiscal year as compared to the fiscal year immediately preceding the most recently closed fiscal year; or

* * *

(e) State aid for town highway structures.

(1) There shall be an annual appropriation for grants to municipalities for maintenance (including actions to extend life expectancy) and for construction of bridges and culverts; for maintenance and construction of other structures, including causeways and retaining walls, intended to preserve the integrity of the traveled portion of class 1, 2, and 3 town highways; and for alternatives that eliminate the need for a bridge, culvert, or other structure, such as the construction or reconstruction of a highway, the purchase of parcels of land that would be landlocked by closure of a bridge, the payment of damages for loss of highway access, and the substitution of other means of access. This appropriation shall increase over the previous fiscal year's appropriation by the same percentage change as the following, whichever is less, or shall remain at the previous fiscal year's appropriation if either of the following are negative or zero:

(A) the percentage change in the Agency's total appropriations funded by Transportation Fund revenues, excluding appropriations under this subsection (e) and subsections (a) and (h) of this section, for the most recently closed fiscal year as compared to the fiscal year immediately preceding the most recently closed fiscal year; or

(B) the percentage change in the Bureau of Labor Statistics Consumer Price Index for All Urban Consumers (CPI-U).

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

(3) Each fiscal year, the Agency shall approve qualifying projects with a total estimated State share cost of \$7,200,000.00 at a minimum as new grants. The Agency's proposed appropriation for the Program shall take into account the estimated amount of qualifying invoices submitted to the Agency with respect to project grants approved in prior years but not yet completed as well as with respect to new project grants to be approved in the fiscal year. Beginning with State fiscal year 2027, the minimum total estimated State share cost for the approved grants shall increase over the prior fiscal year's minimum total estimated State share cost by the same percentage as the appropriation for State aid for town highway structures is increased pursuant to subdivision (1) of this subsection.

(4) In a given fiscal year, should expenditures in the Town Highway Structures Program exceed the amount appropriated, the Agency shall advise the Governor of the need to request a supplemental appropriation from the

General Assembly to fund the additional project cost, provided that the Agency has previously committed to completing those projects.

(3)(5) Funds received as grants for State aid for town highway structures may be used by a municipality to satisfy a portion of the matching requirements for federal earmarks, subject to subsection 309b(c) of this title.

** * **

(h) Class 2 Town Highway Roadway Program.

(1) There shall be an annual appropriation for grants to municipalities for resurfacing, rehabilitation, or reconstruction of paved or unpaved class 2 town highways. ~~However, municipalities~~ Municipalities that have no State highways or class 1 town highways within their borders may use the grants for such activities with respect to both class 2 and class 3 town highways. ~~Each fiscal year, the Agency shall approve qualifying projects with a total estimated State share cost of \$8,600,000.00 at a minimum as new grants. The Agency's proposed appropriation for the Program shall take into account the estimated amount of qualifying invoices submitted to the Agency with respect to project grants approved in prior years but not yet completed as well as with respect to new project grants to be approved in the fiscal year. This appropriation shall increase over the previous fiscal year's appropriation by the same percentage change as the following, whichever is less, or shall remain at the previous fiscal year's appropriation if either of the following are negative or zero:~~

(A) the percentage change in the Agency's total appropriations funded by Transportation Fund revenues, excluding appropriations under this subsection (h) and subsections (a) and (e) of this section, for the most recently closed fiscal year as compared to the fiscal year immediately preceding the most recently closed fiscal year; or

(B) the percentage change in the Bureau of Labor Statistics Consumer Price Index for All Urban Consumers (CPI-U).

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

(3) Each fiscal year, the Agency shall approve qualifying projects with a total estimated State share cost of \$8,600,000.00 at a minimum as new grants. Beginning with State fiscal year 2027, the minimum total estimated State share cost for the approved grants shall increase over the prior fiscal year's minimum total estimated State share cost by the same percentage as the appropriation for the Class 2 Town Highway Roadway Program is increased pursuant to subdivision (1) of this subsection.

(4) In a given fiscal year, should expenditures in the Class 2 Town Highway Roadway Program exceed the amount appropriated, the Agency shall advise the Governor of the need to request a supplemental appropriation from the General Assembly to fund the additional project cost, provided that the Agency has previously committed to completing those projects. Funds received as grants for State aid under the Class 2 Town Highway Roadway Program may be used by a municipality to satisfy a portion of the matching requirements for federal earmarks, subject to subsection 309b(c) of this title.

* * *

Sec. 14. CANCELLATION OF LOCALLY MANAGED PROJECTS;

PROCESS; IMPROVEMENTS; REPORT

The Agency of Transportation, in consultation with the Transportation Board, the Vermont League of Cities and Towns, and the Vermont Association of Planning and Development Agencies, shall engage a consultant to examine the requirements of 19 V.S.A. § 309c, cancellation of locally managed projects, to evaluate the obligations, risks, and benefits imposed by the provisions of that section on the State and the local sponsor of a locally managed project and to identify potential changes to the provisions of that section to ensure that State and federal transportation funding resources are appropriately administered. The Agency shall, on or before January 15, 2026, submit a written report to the House and Senate Committees on Transportation

regarding the consultant's findings and any recommendations for legislative action.

*Sec. 15. MUNICIPAL TRANSPORTATION ASSETS; ASSESSMENT;
FUNDING NEEDS; REPORT*

(a) The Agency of Transportation, in consultation with the Vermont League of Cities and Towns and the Vermont Association of Planning and Development Agencies, shall engage a consultant to:

(1) review current municipal practices relating to planning for ongoing maintenance, upgrades, and replacement of municipal transportation assets, including roads, pavement, bridges, culverts, signals, signage, highway equipment, and highway facilities;

(2) develop a framework for a system to assess the current condition of municipal highway networks and the potential impacts of improvements to or degradation of those networks on the State's transportation system;

(3) develop a prioritization process to direct State funding to the repair, upgrade, or replacement of specific municipal transportation assets based on the need for such work in the context of the asset's role in the State and regional highway networks; and

(4) identify and recommend potential statutory changes to implement the assessment framework developed pursuant to subdivision (2) of this subsection

and the prioritization process developed pursuant to subdivision (3) of this subsection.

(b) The Agency of Transportation shall, not later than January 15, 2027, submit a written report to the House and Senate Committees on Transportation regarding the consultant's findings and recommendations for legislative action.

Sec. 16. STATE TOWN HIGHWAY AID; MUNICIPAL GRANT

PROGRAMS; EFFICIENCIES; IMPROVEMENTS; REPORT

(a) The Agency of Transportation, in consultation with the Vermont League of Cities and Towns and the Vermont Association of Planning and Development Agencies, shall engage a consultant to evaluate the State's Town Highway Aid and municipal grant programs administered by the Agency to identify potential efficiencies and improvements related to the administration of Town Highway Aid and municipal grant programs. The consultant shall evaluate the various funding streams authorized pursuant to 19 V.S.A. § 306 as well as programs administered through the Agency's Municipal Assistance Bureau, including the Bicycle and Pedestrian Grant Program, Transportation Alternatives Program, Municipal Mitigation Program, Municipal Park and Ride Program, Better Roads Program, Municipal Highway and Stormwater Mitigation Program, and Grants in Aid.

(b) On or before January 15, 2026, the Agency shall submit a written report to the House and Senate Committees on Transportation regarding the consultant's findings and any recommendations for legislative or administrative actions to improve or increase the efficiency of the Town Highway Aid and municipal grant programs.

* * * Mileage-Based User Fee * * *

Sec. 17. 2023 Acts and Resolves No. 62, Secs. 27–29 are amended to read:

Sec. 27. MILEAGE-BASED USER FEE LEGISLATIVE INTENT

It is the intent of the General Assembly for the State:

(1) to start collecting a mileage-based user fee from all battery-electric vehicles registered in Vermont starting on ~~July 1, 2025, which is expected to be the first day of the first fiscal year when more than 15 percent of new pleasure car registrations in the State are plug-in electric vehicles (PEVs) or before~~ January 1, 2027 subject to sufficient funding being available for implementation;

(2) to ~~start subjecting~~ subject plug-in hybrid electric vehicles (PHEVs) that are a pleasure car to an ~~increased annual or a biennial registration electric vehicle infrastructure fee starting on July~~ January 1, 2025, and that PHEVs shall not be subject to a mileage-based user fee;

(3) to ~~work towards~~ examine collecting a fee on ~~kWhs~~ electricity that ~~are~~ is dispensed through certain electric vehicle supply equipment available to the

public so as to supplant lost gas fuel tax revenue from out-of-state PEVs traveling in Vermont; and

(4) to not commence collecting a mileage-based user fee until ~~such~~ the General Assembly has enacted legislation that establishes the amount of the fee and codifies any necessary authorizing language ~~is codified~~ in statute and that legislation becomes effective.

Sec. 28. MILEAGE-BASED USER FEE AUTHORIZATION

(a) Within the Agency of Transportation's Proposed Fiscal Year 2024 Transportation Program for Environmental Policy and Sustainability, the Agency of Transportation, including the Department of Motor Vehicles, is authorized to apply for and accept a competitive federal Strategic Innovation for Revenue Collection grant established pursuant to the Infrastructure Investment and Jobs Act, Pub. L. No. 117-58 (IIJA), Sec. 13001, with up to \$350,000.00 in Transportation Fund monies authorized for the nonfederal match in fiscal year 2024 and ~~a to-be-determined amount for the nonfederal match in subsequent fiscal years~~ up to \$350,000.00 in Transportation Fund monies authorized for the nonfederal match in fiscal year 2025.

(b) ~~As permitted under federal regulations and grant terms, the~~ The Agency shall utilize ~~grant monies to design~~ State or federal funding, or both, authorized to be used for the purpose of designing a mileage-based user fee that is consistent with Secs. 27 and 29 of this act.

(c) Subject to State procurement requirements and the availability of sufficient funding, the Agency may retain one or more contractors or consultants, or both, to assist with the design of a process to commence collecting a mileage-based user fee on ~~July 1, 2025~~ January 1, 2027.

Sec. 29. MILEAGE-BASED USER FEE DESIGN

(a) Definitions. As used in Secs. 27–30 of this act:

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

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

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

(A) multiplying the mileage-based user fee rate by the annual vehicle miles traveled ~~on~~;

(B) in the case of a terminating event, by multiplying the mileage-based user fee rate by the vehicle miles traveled between the last Vermont annual inspection and the terminating event; or

(C) in the absence of a recorded odometer reading during the mileage reporting period, by multiplying the mileage-based user fee by the

98th percentile of estimated annual vehicle miles traveled for a pleasure car in Vermont.

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

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

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

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

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

(b) Commencement date. The Agency shall design a process to collect a mileage-based user fee for miles driven by a BEV registered in Vermont to commence collecting revenue on ~~July 1, 2025~~ January 1, 2027.

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

(d) Imposition of a mileage-based user fee. The Agency shall design a process to collect a mileage-based user fee from the owner or lessee of a BEV registered in Vermont for each mileage reporting period ~~within 60 days after the Vermont annual inspection~~ on an annual, quarterly, or monthly basis selected by the owner or lessee and reconciled upon renewal of the vehicle registration or within 60 days after a terminating event that closes the mileage reporting period.

Sec. 18. INTENT

It is the intent of the General Assembly that:

(1) the mileage-based user fee for a BEV pleasure car be approximately equivalent to the average amount collected by the State in fuel tax revenue from the use of a non-PEV pleasure car registered in Vermont and the average amount collected by the State in fuel tax revenue and Electric Vehicle Infrastructure fee from the use of a PHEV pleasure car; and

(2) that the mileage-based user fee for BEV pleasure cars will be an interim step towards gradually expanding the mileage-based user fee to all motor vehicles upon elimination of the State fuel taxes for motor vehicles.

** * * Authority to Transfer Monies in State Fiscal Year 2026 * * **

Sec. 19. AUTHORIZATION TO USE MONIES TO CONTINUE

PARTNERSHIP WITH DRIVE ELECTRIC VERMONT IN STATE

FISCAL YEAR 2026

In State fiscal year 2026, the Secretary of Transportation is authorized to spend up to \$325,000.00 in remaining monies appropriated to the Electrify Your Fleet Program in State Fiscal Year 2024 to continue the Agency of Transportation's partnership with Drive Electric Vermont. The monies shall be used for programs and activities that support increased ownership and use of PEVs in the State through:

(1) stakeholder coordination;

(2) consumer education and outreach;

(3) infrastructure development; and

(4) the provision of technical assistance and support to Vermont municipalities and Vermont businesses desiring to electrify their vehicle fleets.

** * * Consideration of Vehicle Miles Traveled in Project Planning * * **

Sec. 20. 19 V.S.A. § 1 is amended to read:

§ 1. DEFINITIONS

As used in this title:

** * **

(26) "Vehicle miles traveled" means the estimated sum of the miles traveled by all motor vehicle trips within a specific area during a calendar year.

Sec. 21. 19 V.S.A. § 10b is amended to read:

§ 10b. STATEMENT OF POLICY; GENERAL

(a) The Agency shall be the responsible agency of the State for the development of transportation policy. It shall develop a mission statement to reflect:

(1) that State transportation policy shall be to encompass, coordinate, and integrate all modes of transportation and to consider complete streets, as defined in section 2401 of this title, principles; and

(2) the need for transportation projects that will improve the State's economic infrastructure; ~~as well as the~~ use of resources in efficient, coordinated, integrated, cost-effective, and environmentally sound ways; ~~reduce vehicle miles traveled within the State when feasible;~~ and that will be consistent with the recommendations of the Comprehensive Energy Plan (CEP) issued under 30 V.S.A. § 202b.

** * **

Sec. 22. 19 V.S.A. § 10c is amended to read:

§ 10c. STATEMENT OF POLICY; HIGHWAYS AND BRIDGES

** * **

(c) In choosing between the improvement of an existing highway and complete reconstruction, the Agency shall weigh the following factors:

** * **

(9) the impact on the historic, scenic, and aesthetic values of the municipality, as interpreted by the municipality, in which the highway is located; and

(10) if it is a forest highway under federal jurisdiction; and

(11) opportunities to reduce vehicle miles traveled or otherwise reduce greenhouse gas emissions related to the highway.

* * *

Sec. 23. 19 V.S.A. § 10i is amended to read:

§ 10i. TRANSPORTATION PLANNING PROCESS

* * *

(c) Transportation Program. The Transportation Program shall be developed in a fiscally responsible manner to accomplish the following objectives:

* * *

(3) strengthening the economy, protecting the quality of the natural environment, and improving Vermonters' quality of life; and

(4) achieving the recommendations of the CEP; and

(5) striving to reduce vehicle miles traveled and greenhouse gas emissions.

* * *

** * * Medical Transports * * **

Sec. 24. PUBLIC TRANSIT DEMAND RESPONSE VOLUNTEER

COORDINATORS; GRANTS; APPROPRIATION

(a) The Agency of Transportation is authorized to utilize up to \$600,000.00 in one-time funds appropriated from the Transportation Fund to the Agency of Transportation in fiscal year 2026 for the purpose of providing grants to public transit agencies to hire volunteer coordinators. Volunteer coordinators hired with grants provided pursuant to this section shall be responsible for the identification, recruitment, and retention of volunteers to provide transportation services to individuals enrolled in the State's demand response transportation programs.

(b) The Agency shall, to the extent possible, seek to provide grants to public transit providers in a manner that is geographically balanced and ensures the distribution of volunteer coordinators throughout the State.

(c) Not later than December 15, 2026, the Agency, in consultation with public transit agencies that receive grants pursuant to this section, shall submit a written report the House and Senate Committees on Transportation regarding the extent to which grants issued pursuant to this section resulted in an increase in volunteer capacity in the State.

Sec. 25. MEDICAID NON-EMERGENCY TRANSPORTATION

(a) In fiscal year 2026, prior to executing a contract to provide Medicaid Non-Emergency Transportation services, the Department of Vermont Health Access shall provide to the Joint Fiscal Committee a detailed analysis outlining:

(1) any potential degradation or expansion of service to eligible individuals under a new contract to provide Medicaid Non-Emergency Transportation services;

(2) any federal requirements contained in the request for proposals for the new contract; and

(3) the outcome of the consultation between the Department and the Agency of Transportation pursuant to subsection (b) of this section.

(b) The Department shall consult with the Agency of Transportation prior to developing the request for proposals for a new contract to provide Medicaid Non-Emergency Transportation services.

Sec. 26. VOLUNTEERS PROVIDING TRANSPORTATION SERVICES;

*BACKGROUND CHECKS; EXPANSION OF VOLUNTEER
POOL; REPORT*

(a) On or before July 15, 2025, the Department of Vermont Health Access shall commence meeting with the Vermont Public Transit Association, the Agency of Transportation, and, in the discretion of the Commissioner of

Vermont Health Access, other stakeholders to identify potential, federally permissible opportunities to expand the Medicaid Non-Emergency Transportation program's pool of volunteer drivers. As part of this work, the Department and Association shall collaborate to determine if there are specific classes of offenses that currently prevent volunteer drivers from providing transportation services through the Medicaid Non-Emergency Transportation program.

(1) The Vermont Public Transit Association shall, to the extent possible, gather and provide to the Department anonymized information from its members regarding:

(A) the number of potential volunteers who were barred from providing transportation services through the Medicaid Non-Emergency Transportation program due to a background check during the past year;

(B) which of the background checks currently required by the Medicaid Non-Emergency Transportation program resulted in potential volunteers being barred from providing transportation services, broken out by percentage; and

(C) a summary of the offenses that resulted in potential volunteers being barred from providing transportation services through the Medicaid Non-Emergency Transportation program, broken out by:

(i) the type of offense;

(ii) whether the offense was a felony or misdemeanor;

(iii) whether the offense was under State or federal law;

(iv) the percentage of potential volunteers who were barred from providing transportation services through the Medicaid Non-Emergency Transportation program for each type of offense; and

(v) to the extent that it is possible to determine, the number of rides that could have been provided by the individuals barred under each type of offense.

(2) The Department shall utilize the information provided by the Association pursuant to subdivision (1) of this subsection to determine, to the extent possible, whether the identified offenses are:

(A) fraud-based or otherwise implicate potential Medicaid fraud, waste, and abuse;

(B) an offense that otherwise bars an individual from providing transportation services through the Medicaid Non-Emergency Transportation program; or

(C) an offense that caused harm to an individual other than the offender, or otherwise negatively impacted the safety of the general public.

(b) The Department of Vermont Health Access and the Vermont Public Transit Association shall, on or before January 30, 2026, make themselves available to provide an update to the House Committees on Transportation and

on Health Care and to the Senate Committees on Transportation and on Health and Welfare regarding the work performed pursuant to this section and opportunities that were identified to expand the Medicaid Non-Emergency Transportation program's pool of volunteer drivers.

Sec. 27. VOLUNTEER DRIVERS; PUBLICITY; OUTREACH

(a) The Commissioner of Motor Vehicles, in consultation with the Vermont Public Transit Association, shall identify and pursue opportunities to communicate with the Vermont driving public regarding volunteer and community driver participation in the State's demand response transportation programs, including the Older Adults and Persons with Disabilities program and the Medicaid Non-Emergency Transportation program. Outreach conducted pursuant to this section may include:

(1) invitations for individuals to voluntarily indicate their interest through the operator licensing and vehicle registration processes, subject to any data privacy requirements under State or federal law;

(2) notices or other public outreach placed on the Department's website or other internet-based platforms; and

(3) messaging by the Agency of Transportation on social media platforms, including providing links to informational resources provided by the Vermont Public Transit Association.

(b) The Department of Vermont Health Access shall develop informational materials related to eligibility for the Medicaid Non-Emergency Transportation program. The Department shall, in consultation with the Agency of Transportation and other relevant stakeholders, make the materials available to the public on the Department's website and other internet-based platforms.

*Sec. 28. COORDINATION OF HEALTH CARE AND TRANSPORTATION
SERVICES; WORKING GROUP; REPORT*

(a) The Secretary of Transportation, in consultation with the Commissioner of Vermont Health Access, shall convene a working group to improve the coordination of health care and transportation services in relation to individuals enrolled in the State's demand response transportation programs. The working group shall be composed of stakeholders identified by the Secretary in consultation with the Commissioner of Vermont Health Access, including representatives of the Vermont Association of Hospitals and Health Systems, independent dialysis and methadone facilities, and the Vermont Public Transportation Association.

(b) The working group shall examine various options for improving the coordination of health care and transportation services, including:

(1) opportunities to coordinate the scheduling of health care appointments and treatments to maximize the use of shared rides; and

(2) opportunities to improve communication between the public transit agencies and health care providers to facilitate coordination of health care and transportation services for individuals enrolled in the State's demand response transportation programs.

(c) On or before January 15, 2026, the Secretary and Commissioner shall submit a written report to the House Committees on Transportation and on Health Care and the Senate Committees on Transportation and on Health and Welfare with the working group's findings and any recommendations for legislative action.

* * * Vehicle Identification Numbers for Certain Vehicles * * *

Sec. 29. ULTRA-LOW VOLUME VEHICLE MANUFACTURING; KIT-
CARS; HOMEBUILT MOTOR VEHICLES; VEHICLE
IDENTIFICATION NUMBER; REPORT

(a)(1) The Commissioner of Motor Vehicles, in consultation with the Secretary of Natural Resources and representatives of the ultra-low volume vehicle manufacturing industry in Vermont, shall examine processes for issuing vehicle identification numbers to ultra-low volume motor vehicles, kit-cars, and homebuilt motor vehicles and opportunities to facilitate the registration of such vehicles.

(2) As used in this section:

(A) “Homebuilt motor vehicle” means a motor vehicle that is constructed or assembled by an individual from new or used parts, or both, and is not a kit-car.

(B) “Kit-car” means a motor vehicle that is constructed by an individual from a manufactured kit that includes some or all parts and components necessary to construct the motor vehicle.

(C) “Ultra-low volume motor vehicle” means a vehicle that is manufactured for sale by a manufacturer whose annual worldwide production is not more than 325 motor vehicles.

(b) In preparing the report, the Commissioner shall:

(1) examine how other states address motor vehicle emissions requirements for ultra-low volume motor vehicles, kit-cars, and homebuilt motor vehicles;

(2) identify a cost-effective process for certifying the safety of ultra-low volume motor vehicles, kit-cars, and homebuilt motor vehicles; and

(3) develop a streamlined process to provide State Vehicle Identification Numbers to ultra-low volume motor vehicles, kit-cars, and homebuilt motor vehicles.

(c) On or before January 15, 2026, the Commissioner shall submit a written report to the House and Senate Committees on Transportation regarding the Commissioner’s findings and identifying any legislative action

necessary to enable the issuance of vehicle identification numbers to and registration of ultra-low volume motor vehicles, kit-cars, and homebuilt motor vehicles.

** * * Railroad Rights-of-Way * * **

Sec. 30. 5 V.S.A. § 3410 is added to read:

§ 3410. RAILROAD RIGHTS-OF-WAY; COMMUNICATIONS LEASES;

ANNUAL REPORT

Annually, on or before December 15, the Secretary shall report to the House and Senate Committees on Transportation regarding the most recent fiscal year's lease revenues for State-owned railroad rights-of-way related to:

(1) wired or wireless telephone infrastructure located in the rights-of-way;

(2) broadband infrastructure located in the rights-of-way; and

(3) leases of the rights-of-way for purposes other than the operation of the railroads within the rights-of-way.

Sec. 31. AVAILABILITY OF STATE-OWNED RAILROAD RIGHT-OF-

WAY FOR COMMUNICATIONS LEASES

In order to expand the use of State-owned railroad rights-of-way, the Secretary of Transportation, in consultation with the Commissioner of Public Service, shall provide information to communications companies regarding the availability for lease of property located in State-owned railroad rights-of-way.

** * * Dig Safe * * **

Sec. 32. 30 V.S.A. § 7006 is amended to read:

§ 7006. MARKING OF UNDERGROUND UTILITY FACILITIES

A company notified in accordance with section 7005 of this title shall, within 48 72 hours, exclusive of Saturdays, Sundays, and legal holidays, ~~of~~ after the receipt of the notice, mark the approximate location of its underground utility facilities in the area of the proposed excavation activities; provided, however, if the company advises the person that the proposed excavation area is of such length or size that the company cannot reasonably mark all of the underground utility facilities within 48 72 hours, the person shall notify the company of the specific locations in which the excavation activities will first occur and the company shall mark facilities in those locations within 48 72 hours and the remaining facilities within a reasonable time thereafter. A company and an excavator may by agreement fix a later time for the company's marking of the facilities, provided the marking is made prior to excavation activities. For the purposes of this chapter, the approximate location of underground facilities shall be marked with stakes, paint, or other physical means as designated by the Commission.

Sec. 33. 30 V.S.A. § 7006a is amended to read:

§ 7006a. MAINTENANCE OF UNDERGROUND UTILITY FACILITY

MARKINGS

After a company has marked its underground facilities in accordance with section 7006 of this title, the excavator shall be responsible for maintenance of the designated markings. In the event said markings are obliterated, destroyed, or removed, the person engaged in excavation activities shall notify the System referred to in section 7002 of this title that remarking is needed. The System shall then notify all member companies whose facilities may be affected. The Each applicable company shall within 48 72 hours, exclusive of Saturdays, Sundays, and legal holidays, following receipt of the notice, remark the location of its underground utility facilities.

** * * Effective Dates * * **

Sec. 34. EFFECTIVE DATES

(a) This section and Secs. 32 and 33 (dig safe) shall take effect on passage.

(b) The remaining sections shall take effect on July 1, 2025.