1	Introduced by Committee on Transportation
2	Date:
3	Subject: Transportation; annual Transportation Program; Vermont Route 36;
4	locally managed projects; rail trails; Transportation Board; town
5	highways; mileage-based user fee; EV infrastructure fee; electric
6	vehicle supply equipment
7	Statement of purpose of bill as introduced: This bill proposes to adopt the
8	State's annual Transportation Program and make miscellaneous changes to
9	laws related to transportation.
10 11	An act relating to the fiscal year 2026 Transportation Program and miscellaneous changes to laws related to transportation
12	It is hereby enacted by the General Assembly of the State of Vermont:
13	* * * Transportation Program Adopted as Amended; Definitions * * *
14	Sec. 1. TRANSPORTATION PROGRAM ADOPTED; DEFINITIONS
15	(a) Adoption. The Agency of Transportation's Proposed Fiscal Year 2026
16	Transportation Program appended to the Agency of Transportation's proposed
17	fiscal year 2026 budget, as amended by this act, is adopted to the extent
18	federal, State, and local funds are available.
19	(b) Definitions. As used in this act, unless otherwise indicated:
20	(1) "Agency" means the Agency of Transportation.
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1	(2) "Candidate project" means a project approved by the General
2	Assembly that is not anticipated to have significant expenditures for
3	preliminary engineering or right-of-way expenditures, or both, during the
4	budget year and funding for construction is not anticipated within a predictable
5	time frame.
6	(3) "Development and evaluation (D&E) project" means a project
7	approved by the General Assembly that is anticipated to have preliminary
8	engineering expenditures or right-of-way expenditures, or both, during the
9	budget year and that the Agency is committed to delivering to construction on
10	a timeline driven by priority and available funding.
11	(4) "Electric vehicle supply equipment (EVSE)" and "electric vehicle
12	supply equipment available to the public" have the same meanings as in
13	30 V.S.A. § 201.
14	(5) "Front-of-book project" means a project approved by the General
15	Assembly that is anticipated to have construction expenditures during the
16	budget year or the following three years, or both, with expected expenditures
17	shown over four years.
18	(6) "Mileage-based user fee" or "MBUF" means a fee for vehicle use of
19	the public road system with distance, stated in miles, as the measure of use.

1	(7) "Plug-in electric vehicle (PEV)," "plug-in hybrid electric vehicle
2	(PHEV)," and "battery electric vehicle (BEV)" have the same meanings as in
3	23 V.S.A. § 4(85).
4	(8) "Secretary" means the Secretary of Transportation.
5	(9) "TIB funds" means monies deposited in the Transportation
6	Infrastructure Bond Fund in accordance with 19 V.S.A. § 11f.
7	(10) The table heading "As Proposed" means the Proposed
8	Transportation Program referenced in subsection (a) of this section; the table
9	heading "As Amended" means the amendments as made by this act; the table
10	heading "Change" means the difference obtained by subtracting the "As
11	Proposed" figure from the "As Amended" figure; the terms "change" or
12	"changes" in the text refer to the project- and program-specific amendments,
13	the aggregate sum of which equals the net "Change" in the applicable table
14	heading; and "State" in any tables amending authorizations indicates that the
15	source of funds is State monies in the Transportation Fund, unless otherwise
16	specified.
17	* * * Rail Program; Technical Correction * * *
18	Sec. 2. RAIL PROGRAM
19	(a) Within the Agency of Transportation's Proposed Fiscal Year 2026
20	Transportation Program for Rail the following project is deleted: Barre-
21	Berlin-Montpelier 04-9038-WACR Subsidy.

1	(b) Within the	e Agency of Transp	ortation's Proposed Fis	scal Year 2026
2	Transportation Pr	ogram for Rail, the	following project is ac	lded: Hartford
3	HRRD(1) 25G00	2–White River June	ction Depot Repairs.	
4	(c) Within the	Agency of Transpo	ortation's Proposed Fis	scal Year 2026
5	Transportation Pr	ogram for Rail, spe	ending authority for Ha	rtford HRRD(1)
6	25G002–White R	tiver Junction Depo	t Repairs is authorized	as follows:
7	<u>FY26</u>	As Proposed	As Amended	<u>Change</u>
8	Other	0	260,000	260,000
9	Total	0	260,000	260,000
10	Sources of fun	<u>ds</u>		
11	State	0	260,000	260,000
12	Total	0	260,000	260,000
13	* * * Relinquis	hment of Vermont	Route 36 in the Town of	of St. Albans * * *
14	Sec. 3. RELINQ	UISHMENT OF V	ERMONT ROUTE 36	IN THE TOWN
15	OF ST. A	LBANS		
16	Pursuant to 19	V.S.A. § 15(a)(2),	the General Assembly	authorizes the
17	Secretary of Tran	sportation to enter	into an agreement with	the Town of St.
18	Albans to relinqu	ish a segment of the	e State highway in the	Town of St. Albans
19	known as Vermo	nt Route 36. The se	egment authorized to b	e relinquished
20	begins at mile ma	arker 0.00, just east	of the "Black Bridge"	(B2), and continues
21	14,963 feet (appr	oximately 2.834 mi	les) easterly to mile ma	arker 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.
21	* * *

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	<u>law.</u>
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
4	Vermont Association of Snow Travelers, Inc. has declared the Statewide
5	Snowmobile 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	<u>and</u>
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 to
21	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. No 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	* * *
21	§ 10. IMPLEMENTATION

1	* * *
2	(c) Immediately upon joining the Authority, the municipality shall appoint
3	two commissioners as provided herein. The initial terms of the commissioners
4	of the initial members shall be arranged by the Chittenden County Regional
5	Planning Commission so that the terms of approximately one third of the
6	commissioners shall expire in each year. The initial terms of commissioners
7	from municipalities joining after March 7, 1973, shall be set by the Board of
8	Commissioners.
9	* * *
10	* * * Town Highways * * *
11	Sec. 10. 19 V.S.A. § 306 is amended to read:
12	§ 306. APPROPRIATION; STATE AID FOR TOWN HIGHWAYS
13	(a) General State aid to town highways.
14	(1) An annual appropriation to class 1, 2, and 3 town highways shall be
15	made. 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 of the Agency's total appropriations
20	funded by Transportation Fund revenues, excluding appropriations for town
21	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 mediately preceding the most recently closed fiscal year; or

3 ***

- (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

I	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 minimum
20	total estimated State share cost by the same percentage as the appropriation for

1	State aid for town highway structures is increased pursuant to subdivision (1)
2	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.

11 ***

- (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.

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 minimum
3	total estimated State share cost by the same percentage as the appropriation for
4	the Class 2 Town Highway Roadway Program is increased pursuant to
5	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

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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

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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, authorized
5	to be used for the purpose of designing a mileage-based user fee that is
6	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 that
17	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	<u>Vermont</u> .
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 vehicles. 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	multiunit dwellings, or both.
10	* * * Effective Date * * *
11	Sec. 14. EFFECTIVE DATE
12	This act shall take effect on July 1, 2025.