

1 Introduced by House 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

6 Statement of purpose of bill as introduced: This bill proposes to adopt the

7 State’s annual Transportation Program and make miscellaneous changes to

8 laws related to transportation.

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

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

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

13 Sec. 1. TRANSPORTATION PROGRAM ADOPTED; DEFINITIONS

14 (a) Adoption. The Agency of Transportation’s Proposed Fiscal Year 2026

15 Transportation Program appended to the Agency of Transportation’s proposed

16 fiscal year 2026 budget, as amended by this act, is adopted to the extent

17 federal, State, and local funds are available.

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

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

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.

20           (7) “Secretary” means the Secretary of Transportation.

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

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

13           (c) Technical corrections.

14           (1) In the Agency of Transportation’s Proposed Fiscal Year 2026  
15           Transportation Program for Rail, in the project details, the following project is  
16           deleted: Barre–Berlin–Montpelier – WACR Subsidy.

17           (2) In the Agency of Transportation’s Proposed Fiscal Year 2026  
18           Transportation Program for Rail, in the project details, the following project is  
19           added: Hartford HRRD – White River Junction Rail Station Roof.

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

2           Sec. 2. RELINQUISHMENT OF VERMONT ROUTE 36 IN THE TOWN  
3                           OF ST. ALBANS

4           Pursuant to 19 V.S.A. § 15(a)(2), the General Assembly authorizes the  
5           Secretary of Transportation to enter into an agreement with the Town of St.  
6           Albans to relinquish a segment of the State highway in the Town of St. Albans  
7           known as Vermont Route 36. The segment authorized to be relinquished  
8           begins at mile marker 0.00, just east of the “Black Bridge” (B2), and continues  
9           14,963 feet (approximately 2.834 miles) easterly to mile marker 2.834, where  
10           Vermont Route 36 meets the boundary of the City of St. Albans, and includes  
11           the 0.106-mile westbound section of Vermont Route 36 and approaches at the  
12           entrance to the St. Albans Bay Town Park.

13                   \* \* \* Recovery of Funding for Cancelled Local Projects \* \* \*

14           Sec. 3. 19 V.S.A. § 309c is amended to read:

15           § 309c. CANCELLATION OF LOCALLY MANAGED PROJECTS

16           (a)(1) Notwithstanding section 309a of this title, a municipality or other  
17           local sponsor responsible for a locally managed project through a grant  
18           agreement with the Agency shall be responsible for the repayment, in whole or  
19           in part, of ~~federal funds required by the Federal Highway Administration or~~  
20           ~~other federal agency~~ funds provided pursuant to the grant agreement because  
21           of cancellation of the project by the municipality or other local sponsor due to

1 circumstances or events wholly or partly within the municipality’s or other  
2 local sponsor’s control.

3 (2) Prior to any ~~such~~ determination that cancellation of a project was  
4 due to circumstances or events wholly or partly within a municipality’s or  
5 other local sponsor’s control, the Agency shall consult with the municipality or  
6 other local sponsor to attempt to reach an agreement to determine the scope of  
7 the municipality’s or other local sponsor’s repayment obligation.

8 (b)(1) Within 15 days ~~of~~ after an Agency determination under subsection  
9 (a) of this section, a municipality or other local sponsor may petition the Board  
10 for a hearing to determine if cancellation of the project was due to  
11 circumstances or events ~~in whole~~ wholly or ~~in part~~ partly outside the  
12 municipality’s or local sponsor’s control.

13 (2) The Board shall hold a hearing on the petition within 30 days ~~of~~  
14 following its receipt and shall issue an appropriate order within 30 days  
15 ~~thereafter~~ after the hearing. If the Board determines that cancellation of the  
16 project was due in whole or in part to circumstances or events outside the  
17 municipality’s or local sponsor’s control, it shall order that the municipality’s  
18 or local sponsor’s repayment obligation be reduced ~~proportionally, in whole or~~  
19 ~~in part~~ in proportion to the degree to which circumstances or events outside of  
20 the municipality’s or local sponsor’s control caused the cancellation of the  
21 project.

1           (3) The municipality or other local sponsor shall have no obligation to  
2           make a repayment under this section until the Board issues its order.

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

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

5                   Chapter 58. ~~State Acquisition of~~ State-Owned Railroads and Rail Trails

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

7           § 3408. RAILBANKING; NOTIFICATION

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

19                           \* \* \*

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

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

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

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

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

8 § 3408a. USE OF RAIL TRAILS

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

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

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

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

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

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

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

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

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

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

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

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

13           (7) Hunting, trapping, or molesting wildlife, except for fishing at  
14           locations approved by the trail sponsor.

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

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

20           (10) Soliciting alms or contributions.

21           (11) Use of motorized vehicles, except for:





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

8 \* \* \*

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

10 § 5. TRANSPORTATION BOARD; POWERS AND DUTIES

11 \* \* \*

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

13 \* \* \*

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

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

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Sec. 9. 20 V.S.A. § 3065 is amended to read:

§ 3065. PENALTIES

(a) A person who knowingly violates, or causes to be violated, a provision of sections 3062–3064 of this title, or a ~~regulation made~~ rule adopted by the Public Utility Commission in pursuance thereof Transportation Board pursuant to those sections, shall be imprisoned not more than 18 months or fined not more than \$2,000.00, or both.

\* \* \*

Sec. 10. 24 V.S.A. § 5106 is amended to read:

§ 5106. EXEMPTION FROM REGULATION

The public transportation systems and facilities operating under this authority are exempt from any of the regulatory provisions of Title 30, except that the ~~Public Utility Commission~~ Transportation Board may impose any regulatory provisions of Title 30 that it may determine ~~from time to time~~ to be necessary.

Sec. 11. 24 App. V.S.A. chapter 801 is amended to read:

CHAPTER 801. GREEN MOUNTAIN TRANSIT AUTHORITY

\* \* \*

1 § 5. EXEMPTION FROM REGULATION

2 The public transportation systems and facilities operating under this  
3 Authority are generally exempt from any of the regulatory provisions of Title  
4 30 of the Vermont Statutes Annotated. However, the ~~Public Utility~~  
5 ~~Commission~~ Transportation Board may impose those regulatory provisions of  
6 Title 30 of the Vermont Statutes Annotated that it may determine ~~from time to~~  
7 ~~time~~ to be necessary.

8 \* \* \*

9 Sec. 12. 25 V.S.A. § 241 is amended to read:

10 § 241. APPLICATION OF PROVISIONS

11 This subchapter shall apply to every person, partnership, unincorporated  
12 association, or corporation that shall drive or float lumber in any stream. The  
13 use of any ~~such~~ stream for such purpose shall constitute an election on the part  
14 of ~~such~~ the person, partnership, unincorporated association, or corporation to  
15 be subject to the provisions of this subchapter and to be bound thereby. This  
16 subchapter shall apply to every owner of the land adjoining any stream ~~so~~ used  
17 for the purpose of driving or floating lumber, unless, within 60 days after an  
18 alleged injury, the owner notifies, in writing, the ~~Public Utility Commission~~  
19 Transportation Board that the provisions of this subchapter are not intended to  
20 apply.

1 Sec. 13. 25 V.S.A. § 242 is amended to read:

2 § 242. PETITION TO PUBLIC UTILITY COMMISSION

3 When damage is done to ~~such~~ the owner of land adjoining a stream by ~~such~~  
4 the driving or floating of lumber in the driving or floating of the same in that  
5 stream and ~~such owner~~ the landowner and the owner of the lumber do not  
6 agree upon the damages, either party may ~~prefer a petition to the Public Utility~~  
7 ~~Commission~~ Transportation Board setting forth the injury alleged to be  
8 sustained and ~~praying for the seeking~~ redress provided for by pursuant to the  
9 provisions of this subchapter.

10 Sec. 14. 25 V.S.A. § 243 is amended to read:

11 § 243. NOTICE AND HEARING; DECISION

12 Upon due notice to all parties in interest, the ~~Public Utility Commission~~  
13 Transportation Board shall hear and determine the cause of ~~such~~ the injury to  
14 the land or other property adjoining such the stream. When the ~~Commission~~  
15 Board determines that ~~such~~ the injury was caused by the driving or floating of  
16 lumber, it shall fix the compensation to be paid therefor, including expense for  
17 witnesses and a reasonable attorney fee attorney's fees, and render a decision  
18 accordingly, which. The decision shall be final and a bar to any other action  
19 brought for such damages.

1     Sec. 15. 25 V.S.A. § 244 is amended to read:

2     § 244. JUDGMENT ON DECISION

3         A party in interest may file in the Superior Court for the county in which the  
4     inquiry was held a certified copy of the decision of the ~~Commission Board~~  
5     awarding compensation, whereupon ~~such~~ the court shall render judgment in  
6     accordance ~~therewith~~ with the decision and notify the parties ~~thereof~~ of the  
7     judgment. ~~Such~~ The judgment shall have the same effect, and all proceedings  
8     in relation ~~thereto~~ to the judgment shall ~~hereafter~~ be the same as though ~~such~~  
9     the judgment had been rendered in an action duly heard and determined by  
10    ~~such~~ the court, and there shall be no appeal ~~therefrom~~ from the judgment.

11    Sec. 16. 25 V.S.A. § 245 is amended to read:

12    § 245. BOND OF FOREIGN CORPORATION

13         A foreign corporation, before driving or floating any logs, lumber, or other  
14     timber in any stream in this State, shall file in the Office of the Secretary of  
15     State for the benefit of the owners of land adjoining any stream used by ~~such~~  
16     the corporation, a good and sufficient bond to be approved by the Secretary  
17     and in ~~such sum as he or she directs~~ an amount directed by the Secretary. ~~Such~~  
18     The bond shall be given to the Secretary as trustee of the corporation, for each  
19     and all of the riparian owners, and shall be conditioned for the payment of all  
20     damages and compensation awarded by the ~~Commission Board~~ and any  
21     judgment rendered by any court from which an appeal has not been taken.

1 Upon breach of the condition of ~~such the~~ bond, the Secretary, upon application  
2 by a riparian owner whose award by the ~~Commission Board~~ or judgment  
3 remains unpaid for more than 30 days, shall institute proceedings thereon ~~in his~~  
4 ~~or her name~~ as trustee for the benefit of all landowners to whom ~~such the~~  
5 corporation may be indebted, ~~as hereinbefore provided,~~ pursuant to the  
6 provisions of section 244 of this chapter at the time ~~such the~~ proceedings shall  
7 ~~be are~~ instituted.

8 Sec. 17. 32 V.S.A. § 8394 is amended to read:

9 § 8394. PETITION AND HEARING FOR RELIEF FROM TAXES

10 Upon the written petition of any railroad corporation operating a railroad  
11 located in whole or in part within this State, setting forth that the financial  
12 condition of ~~such the~~ corporation is such that the payment of any taxes  
13 assessed against it under the provisions of this chapter would imperil the  
14 continued operation of ~~such the~~ railroad and would be detrimental to the  
15 general good of the State, the ~~Public-Utility Commission~~ Transportation Board  
16 shall fix a time and place for hearing ~~thereon on the petition~~ and give due  
17 notice ~~thereof of the hearing~~, including notice to the Attorney General who  
18 shall attend ~~such the~~ hearing and represent the interests of the State.

19 \* \* \* Town Highways \* \* \*





1 year as compared to the fiscal year immediately preceding the most recently  
2 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) Each fiscal year, the Agency shall approve qualifying projects with a  
6 total estimated State share cost of \$7,200,000.00 at a minimum as new grants.  
7 The Agency's proposed appropriation for the Program shall take into account  
8 the estimated amount of qualifying invoices submitted to the Agency with  
9 respect to project grants approved in prior years but not yet completed as well  
10 as with respect to new project grants to be approved in the fiscal year. For  
11 purposes of subdivision (1)(B) of this subsection, the percentage change in the  
12 CPI-U is calculated by determining the increase or decrease, to the nearest one-  
13 tenth of a percent, in the CPI-U for the month ending on June 30 in the  
14 calendar year one year prior to the first day of the fiscal year for which the  
15 appropriation will be made compared to the CPI-U for the month ending on  
16 June 30 in the calendar year two years prior to the first day of the fiscal year  
17 for which the appropriation will be made.

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

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

3 ~~(3)~~(4) Funds received as grants for State aid for town highway structures  
4 may be used by a municipality to satisfy a portion of the matching  
5 requirements for federal earmarks, subject to subsection 309b(c) of this title.

6 \* \* \*

7 (h) Class 2 Town Highway Roadway Program.

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

1           (A) the percentage change in the Agency’s total appropriations  
2 funded by Transportation Fund revenues, excluding appropriations for town  
3 highway structures under this subsection (h), for the most recently closed fiscal  
4 year as compared to the fiscal year immediately preceding the most recently  
5 closed fiscal year; or

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

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

15           (3) In a given fiscal year, should expenditures in the Class 2 Town  
16 Highway Roadway Program exceed the amount appropriated, the Agency shall  
17 advise the Governor of the need to request a supplemental appropriation from  
18 the General Assembly to fund the additional project cost, provided that the  
19 Agency has previously committed to completing those projects. Funds  
20 received as grants for State aid under the Class 2 Town Highway Roadway

1 Program may be used by a municipality to satisfy a portion of the matching  
2 requirements for federal earmarks, subject to subsection 309b(c) of this title.

3 \* \* \*

4 \* \* \* Mileage Based User Fee \* \* \*

5 Sec. 19. 2023 Acts and Resolves No. 62, Secs. 27–30 are amended to read:

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

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

8 (1) to start collecting a mileage-based user fee from all battery-electric  
9 vehicles registered in Vermont starting on July 1, ~~2025~~ 2026, which is  
10 expected to be the first day of the first fiscal year when more than 15 percent  
11 of new pleasure car registrations in the State are plug-in electric vehicles  
12 (PEVs);

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

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

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

1           **Sec. 28. MILEAGE-BASED USER FEE AUTHORIZATION**

2           (a) Within the Agency of Transportation’s Proposed Fiscal Year 2024  
3           Transportation Program for Environmental Policy and Sustainability, the  
4           Agency of Transportation, including the Department of Motor Vehicles, is  
5           authorized to apply for and accept a competitive federal Strategic Innovation  
6           for Revenue Collection grant established pursuant to the Infrastructure  
7           Investment and Jobs Act, Pub. L. No. 117-58 (IIJA), Sec. 13001, with up to  
8           \$350,000.00 in Transportation Fund monies authorized for the nonfederal  
9           match in fiscal year 2024 and a to-be-determined amount for the nonfederal  
10          match in subsequent fiscal years.

11          (b) As permitted under federal regulations and grant terms, the Agency  
12          shall utilize grant monies to design a mileage-based user fee that is consistent  
13          with Secs. 27 and 29 of this act.

14          (c) Subject to State procurement requirements, the Agency may retain one  
15          or more contractors or consultants, or both, to assist with the design of a  
16          process to commence collecting a mileage-based user fee on July 1, 2025  
17          2026.

18           **Sec. 29. MILEAGE-BASED USER FEE DESIGN**

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

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

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

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

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

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

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

18 (7) “Plug-in electric vehicle (PEV)” has the same meaning as in  
19 23 V.S.A. § 4(85) and includes battery electric vehicles (BEVs) and plug-in  
20 hybrid electric vehicles (PHEVs), which have the same meaning as in  
21 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 or terminating event that closes the mileage  
14 reporting period.

15 **Sec. 30. REPORTS**

16 The Secretary of Transportation and the Commissioner of Motor Vehicles  
17 shall file a written report not later than January 31, 2024 with the House and

1 Senate Committees on Transportation, the House Committee on Ways and  
2 Means, and the Senate Committee on Finance that provides the following:

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

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

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

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

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



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

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

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

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

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

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

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

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

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

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

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

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

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

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

20 (F) Agency oversight of any account manager, including privacy  
21 protection of personal information and access and auditing capability of

1 financial and other records related to administration of the process to collect a  
2 mileage-based user fee; and

3 (5) an update on what other states and the federal government are doing  
4 to address lost gas tax revenue from the adoption of PEVs along with any  
5 applicable suggestions for opportunities for regional collaboration and an  
6 explanation of the source of the information provided under this subdivision.

7 \* \* \* EVSE Special Fund \* \* \*

8 Sec. 20. 23 V.S.A. § 361(d) is amended to read:

9 ~~(d) The annual and biennial EV infrastructure fees collected in subsections~~  
10 ~~(b) and (c) of this section shall be allocated to the Transportation Fund. The~~  
11 Electric Vehicle Supply Equipment (EVSE) Special Fund is established and  
12 shall be managed in accordance with 32 V.S.A. chapter 7, subchapter 5.  
13 Annual and biennial EV infrastructure fees collected pursuant to subsections  
14 (b) and (c) of this section shall be deposited in and credited to the Fund. The  
15 Fund shall be available to the Secretary of Commerce and Community  
16 Development for programs administered by the Agency of Commerce and  
17 Community Development to increase Vermonters' access to level 1 and 2  
18 electric vehicle supply equipment (EVSE) charging ports at workplaces or  
19 multiunit dwellings, or both and for necessary cost incurred in administering  
20 the Fund.

