

Summary of H.944
As Proposed by Senate Transportation Committee

Sec. 1. Legislative Findings

Sec. 2. Transportation Program Adopted; Definitions

- Adopts the fiscal year 2027 Transportation Program.

Sec. 3. FY 2027 Transportation Investments Intended to Reduce Transportation-Related GHG Emissions, Reduce Fossil Fuel Use and Save VT Households Money

- Summary of funding for various programs and projects in the FY 2027 transportation program.

Sec. 4. Paving; Statewide District Leveling

- Adds an additional \$1.7 million from the Transportation Fund to Statewide District Leveling.

Sec. 5. State Highway Bridges

- Replaces \$1.75 million from the Transportation Fund with \$1.75 million from the Transportation Infrastructure Bond (TIB) Fund in the State Highway Bridge program.

Sec. 6. Amends 32 V.S.A. § 3709. PILOT Special Fund

- Provides that $\frac{3}{4}$ of local option tax revenues in excess of the combined amount of annual PILOT payments + payments for correctional facilities + grand list stabilization payments + payments to Dept. of Taxes for expenses related to grand list and appraisal assistance shall be transferred to the Local Option Municipal Transportation Special Fund to support aid for town highways.

Sec. 7. Adds 19 V.S.A. § 306b. Local Option Municipal Transportation Special Fund

- Creates new special fund to provide additional State aid for town highways.

Sec. 8. Amends 19 V.S.A. § 306. Appropriation; State Aid for Town Highways

- Provides that amounts appropriated from Local Option Municipal Transportation Special Fund shall be added to the base appropriation for general State aid for town highways; State aid for town highway structures; and the Class-2 roadway program.
- Does not impact the ongoing base appropriation for general State aid for town highways.

Sec. 9. General State Aid for Town Highways; Additional Appropriation

- Appropriates \$3 million in FY 27 from the PILOT Special Fund to general State aid for town highways.

Sec. 10. Transfer

- Transfers \$10.4 million from General Fund to Transportation Fund.

Sec. 11. Amends 16 V.S.A. § 4025. Education Fund

- Gradually reduces the amount of Purchase and Use Tax revenues allocated to the Education Fund beginning in fiscal year 2028.
 - FY 2028→\$43.5million; FY 2029→\$33.5 million; FY 2030→\$23.5 million; and FY 2031→\$13.5 million.

Sec. 12. Amends 16 V.S.A. § 4025. Education Fund

- Eliminates allocation of Purchase and Use Tax revenues to the Education Fund in FY 2032.

Sec. 13. Authority to Issue Transportation Infrastructure Bonds; FY 2028-2032

- Authorizes issuance of transportation infrastructure bonds in FY 2028–2032, subject to legislative approval in each fiscal year.
- Requires Capital Debt Affordability Advisory Committee to annually report on maximum amount of transportation infrastructure bonds that can be issued.
- Requires Treasurer to annually review any requested bond issuance as part of net State-tax supported debt analysis.

Sec. 14. 2028 Proposed Transportation Program; Transportation Infrastructure Bond Proposal; Report

- Requires AOT to prepare proposed FY 2028 transportation program proposals with and without bonding.
- Requires comparison of costs and timelines to do projects with bonding and without.

Sec. 15. Findings and Intent

- Findings and intent related to the mileage-based user fee program

Sec. 16. Adds 23 V.S.A. chapter 43. Mileage-Based User Fee

- § 4301 establishes definitions for the mileage-based user fee.
- § 4302 establishes mileage-based user fee and the process for assessing it.
 - Fee is 1.4 cents per mile.
 - An owner or lessee can pay the fee in four different ways:
 - Annual payment at the end of mileage reporting period;
 - Estimated payments on an annual, quarterly, or monthly basis;
 - Pay-as-you-go with payments based on odometer readings taken during a reporting period; or
 - Flat fee of \$178/year.
 - Maximum fee under all options is \$178/year.
 - U.S. and State government vehicles, as well as rental cars are exempt from the fee.
 - Provides a process to dispute the amount of the fee.
- § 4303 requires submission of mileage reports.
- § 4304 provides that an owner or lessee who does not get an inspection or submit an odometer reading will pay the \$178 flat fee, but can get an inspection or odometer reading within 90 days and receive a credit for any overpayment towards the next fee due.
- § 4305 permits the Commissioner to suspend or refuse to renew the registration of an EV for which the fee has not been paid, a required report has not been filed, or a report included intentional misrepresentations.
- § 4306 sets out general powers of the Commissioner to implement the chapter.
- § 4307 permits an individual to file administrative appeals related to the program and to appeal final decisions of the Commissioner to the Superior Court.

Sec. 17. Amends 23 V.S.A. § 361. Pleasure Cars

- Updates the name of the EV Infrastructure Fee to the Infrastructure Fee and redirects fee revenues to the Transportation Fund instead of the ACCD program to increase access to Level 1 and 2 chargers at multifamily residences and workplaces.

Sec. 18. Mileage-Based User Fee; Initial Transition

- Currently registered EVs will transition into the MBUF program beginning with their first annual inspection following 1/1/2027.
- Only two options for paying MBUF in initial mileage reporting period: either an annual payment based on total miles traveled or a flat rate payment of \$178.
- For new registrations or registration renewals in 2027 and 2028 that do not elect to pay the flat rate, owners or lessees will pay a road usage charge of \$89 for a 1-year registration or \$178 for a two-year registration that is credited against the actual fee due at the end of the reporting period.
- For vehicles that will not renew their registration prior to completion of the initial reporting period, the amount of the EV infrastructure fee paid in 2025 or 2026 (either \$89 or \$178) will be credited against the actual fee due at the end of the reporting period.

Sec. 19. Outreach and Education; User Experience; Report

- Requires AOT and DMV to develop and implement an education, outreach, and communications program to provide information about the mileage-based user fee and to gather feedback from the public on the program.

Sec. 20. Mileage-Based User Fee Transition Plan; Report

- Requires AOT and DMV to develop a plan for the expansion of the mileage-based user fee to hybrids and other fuel efficient vehicles by January 1, 2029 and to all light duty vehicles (i.e. vehicles with a gross vehicle weight rating of up to 10,000lbs) by January 1, 2031.
 - Plan must include additional options for tracking mileage, including an option that allows owners and lessees to only pay for miles traveled in Vermont, and a sliding-scale of fees or credits for vehicles that also purchase gasoline or diesel fuel to ensure that users are supporting the transportation system in an equitable manner.
- Requires an initial report with a proposal for legislation by January 31, 2027.
- Requires submission by July 30, 2028 of a draft implementation plan that AOT must provide to FHWA under the federal Strategic Innovation for Revenue Collection grant.
- Requires submission of the final version of the federally required plan and any additional proposals for legislative action by September 15, 2028.

Sec. 21. Amends 23 V.S.A. § 4301. Definitions

- Updates the definition of “covered vehicle” for the mileage-based user fee to include motor vehicles with an EPA rating of at least 25mpg, plug-in hybrids, and hybrids.
 - This expansion would take effect on January 1, 2029.

Sec. 22. Amends 23 V.S.A. § 4301. Definitions

- Updates the definition of “covered vehicle” for the mileage-based user fee to include all light-duty motor vehicles, meaning motor vehicles with a gross vehicle weight rating of up to 10,000 pounds.
 - This expansion would take effect on January 1, 2031.

Sec. 23. Amends 23 V.S.A. § 4302(e). Mileage-based user fee rate.

- Allows the mileage-based user fee to be annually adjusted for inflation beginning on January 1, 2032.
 - Section takes effect on January 1, 2031 or when all light-duty vehicles become subject to the mileage-based user fee, whichever is later.

Sec. 24. Rules Regarding Municipal Heavy Equipment Loan Fund; Repeal

- Repeals obsolete rules for the Municipal Heavy Equipment Loan Fund, which has been superseded by the statutes governing the Municipal Equipment and Vehicle Loan Fund.

Sec. 25. Amends 19 V.S.A. § 10c. Statement of Policy; Highways and Bridges

- Makes technical amendments to clarify provision relating to Vermont standards for roadway design and the application of certain federal signage requirements to roadways with lower design speeds.

Sec. 26. Amends 19 V.S.A. § 10. Duties

- Increases the contract amount below which the Secretary of Transportation may waive bonding requirements from \$100,000 to \$250,000.
- Permits Secretary of Transportation to waive bonding requirements for temporary stabilization work during an emergency.

Sec. 27. Adds 19 V.S.A. § 1514. Bridge Inspection; Posting; Closure

- Brings State into compliance with the National Bridge Inspection Standards regarding inspection, posting, and closure of bridges.
- Establishes a new penalty of up to \$1,000 for a person who violates the posting or closure of a bridge.

Sec. 28. Amends 23 V.S.A. § 2302. Traffic Violation Defined

- Makes technical amendments for consistency.
- Makes violation of a bridge posting or closure a traffic violation.

Sec. 29. Amends 24 V.S.A. § 5084. Public Transit Advisory Council

- Amends membership of Council to replace Community of Vermont Elders member with a member from AARP Vermont because COVE has dissolved.
- Combines representation of private bus operators into a single member.
- Eliminates taxi service member because position has not been filled in several years.

Sec. 30. Amends 24 App. V.S.A. ch. 801, § 7. Green Mountain Transit Authority Annual Budget and Assessments.

- Permits GMTA's annual budget to include voluntary member contributions, grants, donations, and other nonassessment revenue.
- Permits GMTA to seek voluntary member contributions, grants, donations, and other nonassessment revenue.
- Provides that voluntary member contributions will not impact member assessments.

Sec. 31. Amends Sunset of Agency of Transportation Public Private Partnership Authority

- Sunset is extended from 7/1/26 to 7/1/29.

Sec. 32. Amends 19 V.S.A. § 5. Transportation Board; Powers and Duties

- Limits review of a “Section 1111 permit” decision to appeals by the applicant or permittee.

Sec. 33. Amends 19 V.S.A. § 38. Transportation Alternatives Grant Program

- Increases the maximum grant amount from \$300,000 to \$600,000.
- Eliminates the requirement that 50% of Grant Program funds be reserved for environmental mitigation projects and instead lets grants be issued for any eligible activity, including environmental mitigation and safe routes for nondrivers.

Sec. 34. Amends 2023 Acts and Resolves No. 62, Sec. 11. Transportation Alternatives Grant Program Awards in State Fiscal Years 2024-2027

- Increases the maximum grant amount for State fiscal year 2027 to \$1,200,000.

Sec. 35. Municipal Transportation Programs; Ongoing Evaluation; Identification of Improvements

- Directs Agency of Transportation to continue work, in consultation with Vt. League of Cities and Towns and Vt. Assoc. of Planning and Development Agencies, on studies from 2025 T-Bill related to cancellation of locally managed projects and identifying potential efficiencies related to town highway aid and municipal grant programs.
- Also directs the Agency, in consultation with Vt. League of Cities and Towns and Vt. Assoc. of Planning and Development Agencies, to examine laws related to setting speed limits and to identify opportunities to simplify and clarify those statutes to meet local needs related to safety and context sensitivity.
- Requires recommendations for legislative action to be submitted in January 2027.

Sec. 36. Drive Electric Vermont; Appropriation

- Appropriates \$242,000 to continue the Agency’s partnership with Drive Electric Vermont.

Sec. 37. Amends 2023 Acts and Resolves No. 62, Sec. 8, Sale or Lease of Caledonia County State Airport

- Deletes requirement that Agency ensure that the Airport continue to be identified as a public use airport in National Plan of Integrated Airport Systems until 2050.

Sec. 38. Amends 2023 Acts and Resolves No. 62, Sec. 9. Repeal of Authority for Sale or Lease of Caledonia County State Airport

- Extends the sunset of authority to sell Airport from 5/1/2026 to 11/1/2027.

Sec. 39. Public Transit Demand Response Medical Transports; Volunteer Drivers; Mobility Management; Grants; Appropriation

- Appropriates \$400,000 from the Transportation Fund to AOT to provide grants to public transit agencies to support recruitment and retention of volunteer drivers and mobility management activities related to medical transports.

Sec. 40. Amends 19 V.S.A. § 2901

- Adds definitions related to charging stations and charging station networks.

Sec. 41. Adds 19 V.S.A. § 2908. Public EVSE; Real-Time Status; Availability

- Requires EV charging stations that are installed or reconditioned on or after September 30, 2026 to make real-time information regarding their location, status, type of charging equipment, charging speed, and payment methods available to third-party software developers to allow the data to be available to drivers through EV charging apps.
 - Requirements mirror the standards adopted as part of the federal NEVI program and in California.

Sec. 42. Amends 27A V.S.A. § 1-204. Preexisting Common Interest Communities

- Makes requirement that a common interest community not place unreasonable restrictions on installation of EV chargers applicable to preexisting communities.

Sec. 43. Adds 2023 27A V.S.A. § 3-125. Electric Vehicle Supply Equipment

- Prohibits common interest communities from placing unreasonable restrictions on the installation of EV chargers in certain locations.
 - Permits communities to enact reasonable requirements including compliance with architectural standards; installation by a licensed electrician; and payment of costs of installation, repair, and operation by the owner.

Sec. 44. Adds 32 V.S.A. § 9784. Jet Fuel Transportation Infrastructure Surcharge

- Places a 2% surcharge on the sale of jet fuel.
- Surcharge would be collected in same manner as sales tax, deposited in Transportation Fund, and could only be used to support aviation infrastructure projects.

Sec. 45. Amends 19 V.S.A. § 11. Transportation Fund

- Amends the Transportation Fund to reflect the creation of the Jet Fuel Transportation Infrastructure Surcharge.

Sec. 46. Intelligent Speed Assistance; Implementation and Cost Evaluation; Report

- Requires DMV to evaluate and report back on the potential for implementing an intelligent speed assistance program in Vermont.
 - Intelligent speed assistance programs use devices to limit the speed of a vehicle operated by an individual with a history of significant speeding violations.

Sec. 47. Amends 20 V.S.A. § 3065. Penalties

- Deletes outdated language relating to Public Utility Commission jurisdiction over the transportation of explosives.

Sec. 48. Amends 24 V.S.A. § 5106. Exemption from Regulation

- Updates to reflect that Transportation Board has jurisdiction over public transit agencies, rather than Public Utility Commission.

Sec. 49. Amends 24 App. V.S.A. ch. 801, § 5. Exemption from Regulation

- Updates to reflect that Transportation Board has jurisdiction over public transit agencies, rather than Public Utility Commission.

Sec. 50. Amends 25 V.S.A. § 241. Application of Provisions

- Deletes outdated language relating to Public Utility Commission jurisdiction over log drives on rivers.
- Clarifies that jurisdiction lies with the Agency of Natural Resources.

Sec. 51. Amends 25 V.S.A. § 242. Petition to Agency of Natural Resources

- Deletes outdated language relating to Public Utility Commission jurisdiction over log drives on rivers.
- Clarifies that jurisdiction lies with the Agency of Natural Resources.

Sec. 52. Amends 25 V.S.A. § 243. Notice and Hearing; Decision

- Deletes outdated language relating to Public Utility Commission jurisdiction over log drives on rivers.
- Clarifies that jurisdiction lies with the Agency of Natural Resources.

Sec. 53. Amends 25 V.S.A. § 244. Judgment on Decision

- Deletes outdated language relating to Public Utility Commission jurisdiction over log drives on rivers.
- Clarifies that jurisdiction lies with the Agency of Natural Resources.

Sec. 54. Amends 25 V.S.A. § 245. Bond of Foreign Corporation

- Deletes outdated language relating to Public Utility Commission jurisdiction over log drives on rivers.
- Clarifies that jurisdiction lies with the Agency of Natural Resources.

Sec. 55. Amends 32 V.S.A. § 8394. Preexisting Common Interest Communities

- Deletes outdated language relating to Public Utility Commission jurisdiction over requests by railroads for a waiver of State tax liability.
- Clarifies that jurisdiction lies with the Department of Taxes.

Sec. 56. Vehicle History Information; Report

- Requires Commissioner of Motor Vehicles, in consultation with AG's Office, Vermont car dealerships, and the Alliance for Automotive Innovation, to examine the use and reliability of vehicle history reports in relation to the purchase and sale of vehicles.
- Report will look at issues related to accuracy and reliability and provide recommendations for legislative action necessary to protect consumers.

Sec. 57. Effective Dates

- Staged reduction in Purchase and Use Tax payments to the Education Fund takes effect July 1, 2027.
- Repeal of Purchase and Use Tax payments to the Education Fund takes effect July 1, 2031.
- MBUF implementation takes effect January 1, 2027.

- MBUF expansion to fuel efficient vehicles is effective January 1, 2029.
- MBUF expansion to all light-duty vehicles is effective January 1, 2031.
- MBUF adjustment for inflation is effective January 1, 2031, or whenever the MBUF applies to all light-duty vehicles, to allow for possibility of delays in MBUF rollout and expansion.
- All other sections effective July 1, 2026.