

1 Introduced by Committee on Transportation

2 Date:

3 Subject: Transportation; annual Transportation Program; Municipal Equipment

4 and Vehicle Loan Fund; Agency of Transportation; State highway

5 design standards; bonding; bridge inspections; Public Transit

6 Advisory Council; Green Mountain Transit Authority; public private

7 partnerships; Transportation Board; Transportation Alternatives Grant

8 Program; speed limits; Drive Electric Vermont

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

12 An act relating to the fiscal year 2027 Transportation Program and
13 miscellaneous changes to laws related to transportation

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

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

16 Sec. 1. TRANSPORTATION PROGRAM ADOPTED; DEFINITIONS

17 (a) Adoption. The Agency of Transportation's Proposed Fiscal Year 2027

18 Transportation Program appended to the Agency of Transportation's proposed

19 fiscal year 2027 budget, as amended by this act, is adopted to the extent

20 federal, State, and local funds are available.

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

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

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

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

13 (4) “Electric vehicle supply equipment (EVSE)” and “electric vehicle
14 supply equipment available to the public” have the same meanings as in
15 30 V.S.A. § 201.

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

1 (6) “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 (7) “Secretary” means the Secretary of Transportation.

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

7 (9) 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 * * * Repeal of Municipal Equipment and Vehicle Loan Fund Rules * * *

18 Sec. 2. RULES REGARDING MUNICIPAL HEAVY EQUIPMENT LOAN
19 FUND; REPEAL

20 The Rules Regarding Municipal Heavy Equipment Loan Fund (CVR 14-
21 053-002) are repealed. The Municipal Equipment and Vehicle Loan Fund, as

1 the successor to the Municipal Heavy Equipment Loan Fund, shall be
2 administered as provided pursuant to 29 V.S.A. § 1601.

3 * * * Statement of Policy; Highways and Bridges * * *

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

5 § 10c. STATEMENT OF POLICY; HIGHWAYS AND BRIDGES

6 * * *

7 (b) For projects that are not on the National Highway System, the Agency
8 shall ~~develop and implement~~ maintain State standards and guidance for
9 geometric design. ~~Design speeds may be lower than legal speeds. Design~~
10 ~~speeds lower than legal speeds may be used without the requirement of a~~
11 ~~formal design exception, provided appropriate warnings are posted if~~
12 appropriate warning signs, signals, and markings are used as provided pursuant
13 to 23 V.S.A. § 1025.

14 * * *

15 * * * Agency of Transportation Duties * * *

16 Sec. 4. 19 V.S.A. § 10 is amended to read:

17 § 10. DUTIES

18 The Agency shall, except where otherwise specifically provided by law:

19 * * *

20 (8)(A) Require any contractor or contractors employed in any project of
21 the Agency for construction of a transportation improvement to file in the

1 office of the Secretary a good and sufficient surety bond to the State of
2 Vermont, executed by a surety company authorized to transact business in this
3 State in ~~such~~ the sum as required by the Agency ~~shall direct~~, conditioned for
4 the compliance by the contractor or contractors and their agents and servants,
5 with all matters and things set forth and specified to be by the principal kept,
6 done, and performed at the time and in the manner in the contract between the
7 Agency and the contractor or contractors specified and to pay over, make
8 good, and reimburse the State of Vermont for all loss or losses and damage or
9 damages that the State of Vermont may sustain by reason of failure or default
10 on the part of the contractor or contractors. The Agency is authorized to
11 require any other condition in the bond that may ~~from time to time~~ be
12 necessary. The Secretary ~~at his or her discretion as to~~, as the Secretary
13 determines is in the best interest of the State, may accept other good and
14 sufficient surety in lieu of a bond and, in cases involving contracts for
15 ~~\$100,000.00~~ \$250,000.00 or less, may waive the requirement of a performance
16 bond.

17 (B) During an emergency event, the Secretary may, in the Secretary's
18 discretion, waive the bonding requirements of this subdivision (8) for
19 immediate, temporary stabilization work related to public safety or State
20 infrastructure. Permanent work shall be subject to the requirements of
21 subdivision (A) of this subdivision (8).

1 (9)(A) Require any contractor or contractors employed in any project of
2 the Agency for construction of a transportation improvement to file an
3 additional surety bond to the Secretary and the Secretary's successor in office,
4 for the benefit of labor, materialmen, and others, executed by a surety company
5 authorized to transact business in this State. The surety bond shall be in ~~such~~
6 the sum as required by the Agency shall direct, conditioned for the payment,
7 settlement, liquidation, and discharge of the claims of all creditors for
8 material; merchandise; labor; rent; hire of vehicles, power shovels, rollers,
9 concrete mixers, tools, and other appliances; professional services;
10 premiums; and other services used or employed in carrying out the terms of
11 the contract between the contractor and the State ~~and~~. The surety bond shall be
12 further conditioned for the following accruing during the term of performance
13 of the contract: the payment of taxes, both State and municipal, and the
14 payment of unemployment insurance contributions to the Vermont
15 Commissioner of Labor; ~~provided, however, in~~.

16 (B) In order to obtain the benefit of the security, the claimant shall
17 file with the Secretary a sworn statement of the claimant's claim, within 90
18 days after the final acceptance of the project by the State or within 90 days
19 from the time the taxes or unemployment contributions ~~to the Vermont~~
20 ~~Commissioner of Labor~~ are due and payable, and, within one year after the
21 filing of the claim, shall bring a petition in the Superior Court in the name of

1 the Secretary, with notice and summons to the principal, surety, and the
2 Secretary, to enforce the claim or intervene in a petition already filed. The
3 Secretary may, if the Secretary determines that it is in the best interests of the
4 State, accept other good and sufficient surety in lieu of a bond and, in cases
5 involving contracts for ~~\$100,000.00~~ \$250,000.00 or less, may waive the
6 requirement of a surety bond.

7 (C) During an emergency event, the Secretary may, in the Secretary's
8 discretion, waive the requirements of this subdivision (9) for immediate
9 emergency stabilization work related to public safety or State infrastructure.
10 Permanent work shall be subject to the requirements of subdivision (A) of this
11 subdivision (9).

12 * * *

13 * * * Bridge Inspections; Posting; Closure * * *

14 Sec. 5. 19 V.S.A. § 1514 is added to read:

15 § 1514. BRIDGE INSPECTION; POSTING; CLOSURE

16 (a) Definition. As used in this section, "bridge" means a structure to which
17 the National Bridge Inspection Standards apply pursuant to 23 C.F.R.
18 § 650.303.

19 (b) Bridge inspections. The Agency shall inspect bridges on State
20 highways and town highways in accordance with the requirements of the
21 National Bridge Inspection Standards.

1 (c) Municipally maintained bridges.

2 (1) For a bridge for which a municipality has maintenance
3 responsibility, the Agency shall advise the municipality of its inspection
4 findings and any noted deficiencies.

5 (2) The Agency shall notify a municipality if a bridge for which the
6 municipality has maintenance responsibility requires posting or closure and,
7 upon receiving notification, the municipality shall post or close the bridge, as
8 appropriate.

9 (3) If necessary to protect the public from an imminent hazard, the
10 Agency may post or close a bridge for which a municipality has maintenance
11 responsibility.

12 (4) A municipality shall be responsible for all costs and expenses related
13 to the posting or closure of a bridge for which it has maintenance
14 responsibilities, including the costs of any required notifications, procedures,
15 signage or traffic control devices, and barricades.

16 (d) Agency-maintained bridges.

17 (1) For any bridge for which the Agency has maintenance responsibility,
18 the Agency shall have the sole responsibility and authority to determine
19 whether the bridge shall be posted or closed, except that a municipality may
20 close an Agency-maintained bridge during an emergency.

Sec. 6. 23 V.S.A. § 2302 is amended to read:

§ 2302. TRAFFIC VIOLATION DEFINED

(a) As used in this chapter, “traffic violation” means:

* * *

(11) a violation of subsection 1006b(b) of this title, relating to operation of a prohibited vehicle in Smugglers' Notch; section 1006c of this title, relating to requirements for use of tire chains; or subsections 4120(a) and (b) of this title, relating to violations of an out-of-service order; or

(12) a violation of section 4123 of this title, relating to authorizing
railroad crossing violations; or

(13) a violation of 19 V.S.A. § 1514, relating to use of a bridge in violation of a posting or closure.

* * *

* * * Public Transit Advisory Council * * *

Sec. 7. 24 V.S.A. § 5084 is amended to read:

§ 5084. PUBLIC TRANSIT ADVISORY COUNCIL

(a) The Public Transit Advisory Council shall be created by the Secretary of Transportation under 19 V.S.A. § 7(f)(5), ~~to~~ and shall consist of the following members:

* * *

(8) a representative of ~~the Community of Vermont Elders~~ AARP Vermont;

(9) ~~a representative of private bus operators and taxi services;~~
[Repealed.]

(10) a representative of Vermont ~~intercity~~ private bus operators;

* * *

* * * Green Mountain Transit Authority * * *

Sec. 8. 24 App. V.S.A. ch. 801, § 7 is amended to read:

§ 7. Annual budget and assessments

(a) On or before February 15 in each year, the Board of Commissioners shall prepare a budget for the Authority for the next fiscal year, which shall include an estimate of the revenue of the Authority from fares and other sources, except membership assessments, and the expenses for the next fiscal

1 year, including debt service, and at such time the Board of Commissioners
2 shall call a meeting of the residents of its members for the purpose of
3 presenting the proposed budget and inviting discussion thereon. The meeting
4 shall be held at a place within the County and shall be warned by a notice
5 published in a newspaper of general circulation in the County at least 15 days
6 prior to the meeting. The notice shall contain a copy of the proposed budget,
7 and members of the legislative body of each member municipality shall be
8 notified of the meeting by certified mail. The proposed budget may include, in
9 addition to revenues from fares and other sources, anticipated voluntary local
10 match contributions, grants, donations, and other nonassessment revenues that
11 may be offered by a member municipality or another public or private source.

12 * * *

13 (f)(1) The Authority shall be permitted to seek and accept voluntary local
14 match contributions.

15 (2) Notwithstanding the formula for apportionment, the Authority may
16 accept voluntary local match contributions from a member municipality or
17 another public or private source for the purposes of:

18 (A) meeting federal, State, or other grant matching requirements; and

19 (B) supporting Authority programs, capital projects, and operations.

20 (3) A voluntary local match contribution accepted pursuant to this
21 subsection shall be in addition to any assessment required pursuant to this

1 section and shall not reduce, offset, or otherwise modify the assessment
2 apportioned to any member municipality pursuant to the formula for
3 apportionment unless the formula is amended in accordance with the
4 provisions of this section.

5 * * * Public Private Partnership Sunset Extension * * *

6 Sec. 9. 2018 Acts and Resolves No. 158, Sec. 21 as amended by 2023 Acts
7 and Resolves No. 62, Sec. 41 is further amended to read:

8 Sec. 21. REPEAL OF TRANSPORTATION P3 AUTHORITY

9 19 V.S.A. chapter 26, subchapter 2 shall be repealed on July 1, ~~2026~~ 2029.

10 * * * Transportation Board * * *

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

12 § 5. TRANSPORTATION BOARD; POWERS AND DUTIES

13 * * *

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

15 * * *

16 (7) provide appellate review, when requested in writing by an applicant
17 or permittee, of Agency decisions and rulings regarding private and
18 commercial access to State highway rights-of-way pursuant to the permit
19 process established in section 1111 of this title;

20 * * *

* * * Transportation Alternatives Grant Program * * *

Sec. 11. 19 V.S.A. § 38 is amended to read:

§ 38. TRANSPORTATION ALTERNATIVES GRANT PROGRAM

(a), (b) [Repealed.]

(c) The Transportation Alternatives Grant Program is created. The Grant Program shall be administered by the Agency and shall be funded in the amount provided for in 23 U.S.C. § 133(h), less the funds set aside for the Recreational Trails Program. Awards shall be made to eligible entities as defined under 23 U.S.C. § 133(h), and awards under the Grant Program shall be limited to the activities authorized under federal law and shall not exceed ~~\$300,000.00~~ \$600,000.00 per grant allocation.

* * *

(f)(1) In fiscal year 2024 ~~2027~~ and thereafter, ~~50 percent of Grant Program funds, or such lesser sum if all eligible applications amount to less than 50 percent of Grant Program funds, shall be reserved for municipalities for environmental mitigation projects relating to stormwater and highways, including eligible salt and sand shed projects, and the balance of Grant Program funds shall be awarded for any eligible activity, including environmental mitigation projects relating to stormwater and highways, such as eligible salt and sand shed projects, and infrastructure-related projects and~~

1 systems that will provide safe routes for nondrivers, and in accordance with the
2 priorities established in subdivision (2) of this subsection.

3 * * *

4 Sec. 12. 2023 Acts and Resolves No. 62, Sec. 11 is amended to read:

5 Sec. 11. TRANSPORTATION ALTERNATIVES GRANT PROGRAM

6 AWARDS IN STATE FISCAL YEARS 2024 TO 2027

7 Notwithstanding 19 V.S.A. § 38(c), Transportation Alternatives Grant
8 Program awards in State fiscal years 2024 to ~~2027~~ 2026 shall not exceed
9 \$600,000.00 per grant allocation. Notwithstanding 19 V.S.A. § 38(c),
10 Transportation Alternatives Grant Program awards in State fiscal year 2027
11 shall not exceed \$1,200,000.00 per grant allocation.

12 * * * Consultation Regarding Municipal Programs * * *

13 Sec. 13. MUNICIPAL TRANSPORTATION PROGRAMS; ONGOING

14 EVALUATION; IDENTIFICATION OF IMPROVEMENTS

15 (a) In addition to ongoing work pursuant to 2025 Acts and Resolves No.
16 43, Sec. 15, the Agency of Transportation, in consultation with the Vermont
17 League of Cities and Towns and the Vermont Association of Planning and
18 Development Agencies, shall:

19 (1) continue examining the requirements of 19 V.S.A. § 309c,
20 cancellation of locally managed projects, as set forth in 2024 Acts and
21 Resolves No. 43, Sec. 14, to evaluate the obligations, risks, and benefits

1 imposed by the provisions of that section on the State and the local sponsor of
2 a locally managed project and to identify potential changes to the provisions of
3 that section to ensure that State and federal transportation funding resources
4 are appropriately administered;

5 (2) continue evaluating the State’s Town Highway Aid and municipal
6 grant programs administered by the Agency, as set forth in 2024 Acts and
7 Resolves No. 43, Sec. 16, to identify potential efficiencies and improvements
8 related to the administration of Town Highway Aid and municipal grant
9 programs; and

10 (3)(A) examine the provisions in the Vermont statutes related to the
11 procedures for establishing speed limits; and

12 (B) identify potential opportunities to simplify and clarify those
13 provisions to assist municipalities in meeting local needs, including safety and
14 context sensitivity.

15 (b) The Agency shall, on or before January 15, 2027, submit to the House
16 and Senate Committees on Transportation any recommendations for legislative
17 action.

18 * * * PILOT Special Fund * * *

19 Sec. 14. 32 V.S.A. § 3709 is amended to read:

20 § 3709. PILOT SPECIAL FUND

1 (a) There is hereby established a PILOT Special Fund consisting of local
2 option tax revenues paid to the State Treasurer pursuant to 24 V.S.A. § 138.
3 This Fund shall be managed by the Commissioner of Taxes pursuant to chapter
4 7, subchapter 5 of this title. Notwithstanding subdivision 588(3) of this title,
5 all interest earned on the Fund shall be retained in the Fund for use in meeting
6 future obligations. The Fund shall be exclusively for payments required under
7 ~~chapter 123~~, subchapters 4 and 4C of this ~~title~~ chapter, ~~and~~ for any additional
8 State payments in lieu of taxes for correctional facilities, and as provided in
9 subsection (c) of this section. The Commissioner of Finance and Management
10 may draw warrants for disbursements from this Fund in anticipation of
11 receipts.

12 * * *

13 (c) If the local option tax revenues deposited in the PILOT Special Fund
14 pursuant to 24 V.S.A. § 138 in any State fiscal year exceed the full amount of
15 all payments made under subchapters 4 and 4C of this chapter plus any
16 amounts appropriated from the PILOT Special Fund to the Department of
17 Taxes for expenses related to grand list and appraisal assistance, one-half of
18 the amount by which the local option tax revenues exceed the payments made
19 under subchapters 4 and 4C of this chapter shall be transferred to the
20 Transportation Fund in the next fiscal year and allocated to general State aid
21 for town highways as provided pursuant to 19 V.S.A. § 306(a).

1 Sec. 15. 19 V.S.A. § 306 is amended to read:

2 § 306. APPROPRIATION; STATE AID FOR TOWN HIGHWAYS

3 (a) General State aid to town highways.

4 * * *

5 (4)(A) In addition to the amounts appropriated pursuant to subdivision
6 (1) of this subsection (a), amounts transferred to the Transportation Fund from
7 the PILOT Special Fund pursuant to 32 V.S.A. § 3709(c) shall be appropriated
8 for class 1, 2, and 3 town highways and shall be apportioned, distributed, and
9 used in the same manner as provided pursuant to subdivision (3) of this
10 subsection (a).

11 (B) Amounts appropriated pursuant to this subdivision (4) shall not
12 decrease the amount appropriated pursuant to subdivision (1) of this subsection
13 (a) or be subject to the annual inflationary adjustment provided for in
14 subdivisions (1) and (2) of this subsection (a).

15 * * *

16 * * * Drive Electric Vermont * * *

17 Sec. 16. DRIVE ELECTRIC VERMONT; APPROPRIATION

18 The sum of \$292,000.00 is appropriated from the Transportation Fund to
19 the Agency of Transportation to support the continuation of the Agency's
20 partnership with Drive Electric Vermont. The monies shall be used for

1 programs and activities that support increased ownership and use of plug-in
2 electric vehicles in the State through:
3 (1) stakeholder coordination;
4 (2) consumer education and outreach;
5 (3) infrastructure development; and
6 (4) the provision of technical assistance and support to Vermont
7 municipalities and Vermont businesses desiring to electrify their vehicle fleets.

8 * * * Effective Date * * *

9 **Sec. 17. EFFECTIVE DATE**

10 This act shall take effect on July 1, 2026.