
This act summary is provided for the convenience of the public and members of the General Assembly. It is intended to provide a general summary of the act and may not be exhaustive. It has been prepared by the staff of the Office of Legislative Counsel without input from members of the General Assembly. It is not intended to aid in the interpretation of legislation or to serve as a source of legislative intent.

Act No. 148 (H.868). An act relating to the fiscal year 2025 Transportation Program and miscellaneous changes to laws related to transportation

Subjects: Transportation; annual Transportation Program; emissions; town highway aid; electric distribution utilities; public transit; Mobility and Transportation Innovation (MTI) Grant Program; electric vehicle supply equipment (EVSE); EV infrastructure fees; complete streets; Amtrak; transportation planning; vehicle incentive programs; Central Garage Fund; beneficial electrification; appropriations calculations; right-of-way permit fees; mobility services; Vermont Rail Plan; complete streets principles; MileageSmart; Vermont State Design Standards

This act:

- Transportation Program. Adopts the Agency of Transportation's (Agency or AOT) Proposed Fiscal Year 2025 Transportation Program (Revised February 15, 2024) except as amended in the act (Transportation Program) and defines terms used throughout the act.
- Fiscal Year 2025 Transportation Investments Intended to Reduce Transportation-Related Greenhouse Gas Emissions, Reduce Fossil Fuel Use, and Save Vermont Households Money. Summarizes certain transportation investments.
- Heating Systems in Agency of Transportation Buildings. Reiterates that renewable energy goals in State Comprehensive Energy Plan requires Agency of Transportation to meet at least 35 percent of its thermal energy needs from non-fossil fuel sources by 2025 and 45 percent by 2035. Directs AOT to prioritize switching to high-efficiency, advanced wood heating when building new State facilities or replacing heating equipment. Requires AOT to report to the Department of Buildings and General Services by October 1 every other year on the percentage of its thermal energy usage during previous two years that came from fossil and non-fossil fuels.
- Public Transit; Carbon Reduction Program; Environmental Policy and Sustainability Program; Central Garage; Electric Vehicle Supply Equipment (EVSE). Reduces Fiscal Year 2025 Transportation Program spending for the Carbon Reduction Funding in the Public Transit Program by \$1,100,000 and uses those funds for electrification of the Central Garage Fleet in the Environmental Policy and Sustainability Program. Reduces Fiscal Year 2025 Transportation Program spending for the Central Garage by \$1,100,000 and distributes \$1,700,000 in one-time Transportation Fund monies to the Agency of Commerce and Community Development for grants to increase Vermonters' access to level 1 and 2 EVSE charging ports at workplaces and multiunit dwellings.

- Highway Maintenance; Spending Reduction; Central Garage; Restoration of Appropriations. Reduces Fiscal Year 2025 Transportation Fund spending for highway maintenance by \$2,160,000 and uses those funds for other purposes. Specifies that restoring the Fiscal Year 2025 Maintenance Program and Central Garage appropriations and authorizations to the levels included in AOT's Proposed Fiscal Year 2025 Transportation Program are to be AOT's top fiscal priorities. Provides a mechanism to allow AOT to restore the appropriations using unencumbered Fiscal Year 2024 Transportation Fund monies that would otherwise be authorized to carry forward.
- Town Highway Aid; Spending Increase. Increases authorized Town Highway Aid spending by \$860,000.
- Town Highway Structures; Spending Increase. Increases authorized Town Highway Structure spending by \$600,000.
- One-Time Public Transit Monies; Green Mountain Transit; Fare Collection, Evaluation, and Reorganization; Report. Authorizes one-time spending of \$630,000 for a grant to Green Mountain Transit (GMT) as bridge funding for Fiscal Year 2025 while GMT stabilizes its finances, adjusts its service levels, and transitions to a sustainable funding model; imposes conditions on grant funding, including restarting fare collection for urban and commuter transit, evaluating alternative service options, and reporting to Transportation Committees in November 2024 and February 2025.
- One-Time eBike Incentive Program Monies. Authorizes AOT to spend up to \$70,000 in one-time Transportation Fund monies to provide incentives under the eBike Incentive Program.
- AOT Duties; Bonding. Allows AOT Secretary to waive the requirement of a surety bond if a contract for construction of a transportation improvement is for \$100,000 or less.
- Delays; Increased Estimated Costs. Amends requirements for when existing projects must be included in the updates found in the Agency's annual proposed Transportation Program because of increased project costs. Requires AOT to report to the Transportation Committees on or before December 15, 2024 with a plan for providing sufficient notice when approved Transportation Program projects will be delayed.
- Appropriations Calculations; Central Garage Fund and Town Highway Aid. Clarifies the methodology for performing inflationary calculations for transfers to the Central Garage Fund and appropriations for town highway aid.
- Right-of-Way Permits; Fees; Waiver. Allows the AOT Secretary to waive collection of the right-of-way permit fee for minor commercial development if the Governor has declared a state of emergency and the Secretary has determined that the applicant is facing hardship; the applicant must apply for the waiver during, or within six months after the end of, the state of emergency.

- Replace Your Ride Program. Amends the Replace Your Ride Program to increase the period of time within which an “older low efficiency vehicle” removed from operation must have passed its annual inspection from within the prior year to within the prior 18 months. It also allows AOT to waive or modify some of the eligibility requirements for the Replace Your Ride Program under certain circumstances.
- Electrify Your Fleet Program. Revises certain purchase and lease incentives in the Electrify Your Fleet Program.
- eBike Incentives; Eligibility. Annualizes AOT’s report requirement on eBike incentives and requires the report to include a description of AOT’s post-voucher sampling audits and audit findings, plus any recommendations to improve the program design and effectiveness in directing funding to recipients most in need.
- Vehicle Incentive Programs; Annual Reporting. Amends AOT’s annual report requirement on the effectiveness of the State’s vehicle incentive programs to include addressing the effectiveness of the State’s marketing and outreach efforts making recommendations for improvements to those efforts.
- Vehicle Incentive Programs; Authority to Transfer Money. In Fiscal Year 2025, allows AOT Secretary to transfer up to 50 percent of any remaining monies for the New Plug-In Electrical Vehicle Program, the Mileage Smart Program, or the Replace Your Ride Program to any one of those three programs if the program has less than \$500,000 available for incentive distribution; AOT must report the transfer to Joint Transportation Oversight Committee and Joint Fiscal Office within 30 days after transfer.
- Electric Vehicle Supply Equipment (EVSE). Modifies and codifies EVSE goals of having publicly available level 3 EVSE charging ports within three driving miles of every exit of Interstate Highways 89, 91, and 93; within 25 driving miles of another level 3 EVSE charging port; and co-located with, or within safe and walkable and rollable distance of, publicly accessible amenities. Also modifies and codifies requirements that AOT file an annual report, with a map, regarding the State’s effort to meet its federally required Electric Vehicle Infrastructure Deployment Plan, and an annual report regarding the current operability of publicly available EVSE that was deployed with assistance of AOT funding. Requires AOT to submit a written plan by January 15, 2025, for how to fund and maintain the EVSE necessary for Vermont to meet relevant goals in the Comprehensive Energy Plan and the Vermont Climate Action Plan. Also requires AOT to provide testimony by March 1, 2025, regarding regulation of EVSE that is available to the public and how to ensure accuracy and transparency in EVSE costs and charges.
- Electric Distribution Utilities; EVSE-Related Service Upgrades; Report. Requires the Public Utility Commission to include information regarding service upgrade practices related to EVSE installation across all electric distribution utilities in a report due by January 15, 2025, pursuant to an existing reporting requirement.

- Mobility Services Guide; Oral Update. Requires AOT, in consultation with others, to develop a web-based guide outlining the different mobility service models that the State could consider for deployment and directs AOT to give an oral update and presentation of the web-based guide by February 15, 2025.
- Mobility and Transportation Innovations (MTI) Grant Program. Establishes and codifies the MTI Grant Program, which will support innovative transportation demand management programs and transit initiatives that improve mobility and access to services for transit-dependent Vermonters, reduce use of single-occupancy vehicles, reduce greenhouse gas emissions, and complement existing mobility investments. Allows for grant awards of up to \$250,000 per recipient for capital and/or operational costs for matching funds for other grants, for program delivery costs, or to extend existing programs, but not to supplant existing State funding for the same project or program.
- Vermont Rail Plan; Amtrak. Requires AOT, as part of its new Vermont Rail Plan, to consider and address adding additional daily service on the Vermonter and expanding service on the Valley Flyer. Also requires AOT to consult with others regarding bicycle storage on the trains serving these routes, with an oral update due by February 15, 2025.
- Replacement for the Vermont State Design Standards. Requires AOT to release a draft of the replacement for the VT State Design Standards by January 1, 2026; conduct at least 4 public hearings across the State; provide a publicly available summary of public engagement activities and public responses to the final draft of the replacement; consult key stakeholders; and provide oral updates by February 15, 2025 and 2026.
- Complete Streets; Traffic Calming Measures, Designated Centers. Expands the “complete streets principles” for State- and municipally managed transportation projects to include, when desired by a municipality or specifically identified in the regional plan, designing streets to calm and slow traffic in State-designated centers. Also requires a project manager who chooses not to incorporate “complete streets principles” in a project because the cost would be disproportionate to the need or probable use to address in the manager’s required written determination any design elements desired by the municipality or specifically identified in the regional plan but not incorporated.
- Analysis & Report on Sustainability Options; Transportation Emissions Reductions. Requires AOT and Agency of Natural Resources, in consultation with others, to prepare a written analysis of policy and investment scenarios to reduce transportation-related emissions and meet State greenhouse gas reduction standards. The analysis must address, at a minimum, the pros, cons, costs, and benefits of the State participating in a regional cap-and-invest program, adopting a clean transportation fuel standard, and implementing other potential revenue-raising, carbon-pollution reduction strategies, and include an estimate of the amount of emissions reduction from a minimum of four scenarios and a summary of how each analyzed proposal would be administered. Requires the State Treasurer to review the written analysis and make written recommendations to the

General Assembly and requires maintenance of a publicly accessible website regarding development of the written analysis and the filing of a status update with key legislative committees by November 15, 2024. Both the Agencies' written analysis and the Treasurer's recommendations must be filed with the legislative committees by February 15, 2025. Requires the Agencies to hire a consultant who is an expert in comprehensive transportation policy with a focus on emissions reductions and economic modeling.

- Better Connections Grant Program. Codifies the Better Connections Grant Program, an existing program that provides planning grants to municipalities to coordinate municipal land use decisions with transportation investments.
- Transportation Funding Study; Consultant. Directs AOT to contract with an independent consultant with expertise in transportation funding and finance to look at current and potential future transportation funding needs and options, including a mileage-based user fee (MBUF). A written update and preliminary draft, if available, are due by December 15, 2024, with the final report and recommendations due by January 15, 2025.
- EV Infrastructure Fee; Electric and Plug-In Hybrid Vehicles. Requires the DMV Commissioner to collect an annual electric vehicle (EV) infrastructure fee for electric and plug-in hybrid vehicles as follows:
 - for a battery electric vehicle, an annual amount equal to the annual registration fee or a biennial amount equal to twice the annual registration fee; and
 - for a plug-in hybrid electric vehicle, an amount equal to ½ of the annual registration fee or a biennial amount equal to the amount of the annual registration fee.

Allocates the EV infrastructure fees collected to the Transportation Fund to be used to increase Vermonters' access to EVSE charging ports. Directs DMV to implement a public outreach campaign about EV infrastructure fees by October 1, 2024. The EV infrastructure fee for battery electric vehicles will sunset on the effective date of a mileage-based user fee for battery electric vehicles.

- Proposed Fiscal Year 2026 Transportation Program; EVSE Charging Ports Project. Requires AOT to include a project in its proposed fiscal year 2026 transportation program that provides the estimated Fiscal Year 2026 revenue from the EV infrastructure fee to the Agency of Commerce and Community Development for grants to increase access to level 1 and 2 EVSE charging ports.
- Central Garage; Real Property; Facility Design; Authority. Authorizes AOT Secretary to use up to \$2 million in Central Garage Fund reserve funds to purchase a specific piece of real property in Berlin, or to purchase a different piece of real property after receiving specific prior approval from the Joint Transportation Oversight Committee (JTOC), to use for the new Central Garage. Allows AOT Secretary to use Central Garage Fund reserve funds for related design services but requires Secretary to collaborate with the affected municipality on design and construction

- Lease for Continued Operation of Railroads. Removes requirements for legislative and gubernatorial approval in order for the AOT Secretary to lease or make other arrangements for the continued operation of service on State-owned railroad property but requires the Secretary to notify the Transportation Committees or JTOC when there are 12 months remaining on an operating lease, or lease extension, for any State-owned railroad.
- Traffic Control Devices; Adoption of MUTCD Revisions. Aligns State law with federal provisions regarding implementation of the federal Manual on Uniform Traffic Control Devices for Streets and Highways (MUTCD).
- Sec. 34a – MileageSmart; Income Eligibility. Allows AOT to reduce the income eligibility threshold for point-of-sale MileageSmart vouchers (worth up to \$5,000) below 80 percent of the State median income based on available funding or applicant volume, or both, to prioritize vouchers to households with lower income. Allows the amount of the EV infrastructure fee for the first year that a plug-in electric vehicle purchased through MileageSmart is subject to the fee to be treated as an eligible MileageSmart expense until such time as a mileage-based user fee for battery electric vehicles goes into effect in Vermont.

Multiple effective dates, beginning on June 3, 2024

See budget chart on the following page.

FY 2025 Budget By Fund - As Passed							
	All Funds	T-Fund	Federal	Local/Other	InterDept	TIB	Int Svc Fund
DEPT. OF MOTOR VEHICLES	47,262,896	44,454,119	2,687,081		121,696		
FINANCE & ADMINISTRATION	24,558,595	23,202,105	1,356,490				
PROGRAM DEVELOPMENT							
Paving	130,141,087	23,235,723	106,905,364				
Interstate Bridge	55,524,967		51,272,470			4,252,497	
State Highway Bridge	64,915,709	2,295,360	51,689,724	456,403		10,474,222	
Roadway	67,048,158	10,044,843	56,057,435	945,880			
Traffic & Safety	50,710,934	382,621	50,328,313				
Park & Ride	1,464,833	150,000	1,314,833				
Bike & Pedestrian Facilities	11,648,752	2,288,020	7,622,024	1,738,708			
Transportation Alternatives	5,416,614		4,333,291	1,083,323			
Multi-Modal Facilities	0						
Program Development Administration	33,733,793	27,448,580	4,873,695		1,411,518		
Total Program Development	420,804,847	85,845,147	334,397,149	4,224,314	1,411,518	14,726,719	
REST AREAS	1,485,601	148,560	1,337,041				
POLICY & PLANNING	14,051,853	3,137,901	10,797,449		116,503		
ENVIRONMENTAL POLICY & SUSTAINABILITY	9,609,773	531,909	7,900,327	1,177,537			
MAINTENANCE	106,438,497	105,406,483	932,014		100,000		
PUBLIC TRANSIT PROGRAM	55,540,225	9,807,525	45,592,700		140,000		
AVIATION	21,839,511	5,766,122	16,073,389				
RAIL	48,746,831	15,690,849	30,641,237	218,745	2,196,000		
CENTRAL GARAGE	23,551,235						23,551,235
TRANSPORTATION BUILDINGS	2,825,000	2,825,000					
Total "VTrans" Programs	776,514,864	276,815,720	451,714,877	5,620,596	4,085,717	14,726,719	23,551,235
TOWN HIGHWAY BRIDGES	45,334,278		39,264,097	2,096,900		3,973,281	
TH STRUCTURES	8,016,000	8,016,000					
TH CLASS 2 ROADWAY PROGRAM	8,858,000	8,858,000					
TH - NONFEDERAL DISASTERS	1,150,000	1,150,000					
TH - FEDERAL DISASTERS	180,000	20,000	160,000				
TH AID PROGRAM	29,532,753	29,532,753					
TH CLASS 1 SUPPLEMENTAL GRANTS	128,750	128,750					
TH VERMONT LOCAL ROADS	481,452	121,452	360,000				
MUNICIPAL MITIGATION ASSISTANCE PROGRAM	7,143,000	715,000	1,428,000	5,000,000			
TH PUBLIC ASSISTANCE GRANTS	1,250,000	0	1,000,000	50,000	200,000		
Total "Town Highway" Programs	102,074,233	48,541,955	42,212,097	7,148,900	200,000	3,973,281	
TRANSPORTATION BOARD	200,097	200,097					
TOTAL AOT PROGRAMS	878,789,194	325,557,772	493,926,974	12,767,496	4,285,717	18,700,000	23,551,235
One-Time Appropriations	All Funds	T-Fund	Federal	Local/Other	InterDept	TIB	Int Svc Fund
E-Bike Grant Program	70,000	70,000					
EVSE Funding	1,700,000	1,700,000					
GMT Funding	630,000	630,000					
TOTAL ONE-TIME APPROPRIATIONS	2,400,000	2,400,000					
Transportation Fund Appropriations Not in AOT Budget or T-Bill							
Approp from TF to BGS for Info Center Operations	4,292,149						
JTOC Appropriation to DPS	20,250,000						
Play Act	2,500,000						
TOTAL OTHER TF APPROPRIATIONS	27,042,149						
Other Transfers and Adjustments to Transportation Fund							
Revenue (Into) TF							
From the CFCEI to TF	(25,000,000)						
From Other Funds to TF	(140,000)						
From Central Garage Fund to TF	(1,100,000)						
Transfers from TF							
Transfer from TF for transp-related debt service	316,745						
Transfer from TF to Downtown Fund	523,966						
Transfer from TF to Rec Trails Fund (10 VSA 446)	370,000						
Transfer from TF to Central Garage (19 VSA 13)	0						
Transfer from TF to Stabilization Reserve	1,753,319						
TOTAL NET TRANSFERS	(23,275,970)						

Logan Moeberry 9/5/2024 JFO