

1 TO THE HOUSE OF REPRESENTATIVES:

2 The Committee on Ways and Means to which was referred House Bill No.  
3 944 entitled “An act relating to the fiscal year 2027 Transportation Program  
4 and miscellaneous changes to laws related to transportation” respectfully  
5 reports that it has considered the same and recommends that the bill be  
6 amended as follows:

7 First: By striking out Sec. 14, 32 V.S.A. § 3709, PILOT Special Fund, and  
8 Sec. 15, 19 V.S.A. § 306, appropriation; State aid for town highways, and the  
9 associated reader assistance heading in their entirety and inserting in lieu  
10 thereof two new Secs. 14 and 15 to read as follows:

11 Sec. 14. [Deleted.]

12 Sec. 15. [Deleted.]

13 Second: By striking out Sec. 19, 23 V.S.A. chapter 43, mileage-based user  
14 fee, and inserting in lieu thereof a new Sec. 19 to read as follows:

15 Sec. 19. 23 V.S.A. chapter 43 is added to read:

16 CHAPTER 43. ROAD USAGE CHARGES

17 Subchapter 1. Mileage-Based User Fee

18 § 4301. PURPOSE

19 The purpose of this chapter is to impose a mileage-based user fee for battery  
20 electric vehicle pleasure cars to ensure that battery electric vehicles contribute

1 to the Transportation Fund in an amount that reflects the annual miles traveled  
2 by each vehicle.

3 § 4302. DEFINITIONS

4 As used in this chapter:

5 (1) “Account manager” means a person that the Agency of  
6 Transportation or Department of Motor Vehicles contracts with to administer  
7 and manage the mileage-based user fee.

8 (2) “Annual vehicle miles traveled” means the total number of miles that  
9 a BEV is driven during the mileage reporting period.

10 (3) “BEV” means a battery electric vehicle pleasure car.

11 (4) “Mileage-based user fee” means the fee charged for the annual  
12 vehicle miles traveled by a BEV pursuant to section 4303 of this chapter.

13 (5) “Mileage-based user fee rate” means the per-mile usage fee charged  
14 to the owner or lessee of a BEV pursuant to section 4303 of this chapter.

15 (6) “Mileage reporting period” means:

16 (A) the time period between annual inspections; or

17 (B) the time period between the most recent annual inspection and a  
18 terminating event.

19 (7) “Terminating event” means any of the following:

20 (A) the registering of a BEV that had been registered in Vermont in a  
21 different state;

1           (B) a change in ownership or lesseeship of a BEV; or

2           (C) the termination of a BEV’s registration.

3       § 4303. MILEAGE-BASED USER FEE; ASSESSMENT; CALCULATION;  
4           PAYMENT; EXEMPTIONS

5       (a) Annual mileage-based user fee.

6           (1) The Commissioner shall, for each BEV registered in Vermont,  
7       calculate pursuant to subsection (b) of this section a mileage-based user fee  
8       within 14 days after the conclusion of the BEV’s mileage reporting period.

9           (2) As soon as practicable after calculating the amount of the mileage-  
10       based user fee due for a BEV, the Commissioner shall mail to the registered  
11       owner or lessee of the BEV a statement of the amount of the mileage-based  
12       user fee assessed pursuant to this section.

13           (3) Not more than 45 days after a mileage-based user fee assessment is  
14       mailed pursuant to subdivision (2) of this subsection, the owner or lessee of the  
15       BEV shall:

16           (A) remit the full amount of the mileage-based user fee to the  
17       Commissioner; or

18           (B) enter into an agreement with the Commissioner to pay the  
19       amount of the mileage-based user fee in quarterly or monthly installments.

20       (b) Calculation of the mileage-based user fee. The Commissioner shall  
21       calculate the mileage-based user fee of each BEV by multiplying the miles

1 traveled by the BEV during the applicable period by the rate established  
2 pursuant to subsection (c) of this section. The number of miles traveled for a  
3 mileage reporting period shall be equal to the difference between the mileage  
4 shown on the BEV’s odometer at the end of the mileage reporting period and  
5 the mileage shown on the BEV’s odometer at the beginning of the mileage  
6 reporting period.

7 (c) Mileage-based user fee rate. The mileage-based user fee rate shall be  
8 \$0.014 per mile traveled by a BEV during its mileage reporting period.

9 (d) Exemptions. The mileage-based user fee assessed pursuant to this  
10 section shall not apply to:

- 11 (1) BEVs owned or operated by the government of the United States;  
12 (2) BEVs that are owned or operated by the State; and  
13 (3) BEVs that are used in short-term rentals.

14 (e) Fee in addition to other fees and taxes. A mileage-based user fee  
15 assessed pursuant to this section shall be in addition to any other fees and taxes  
16 imposed by this title.

17 (f) Review of amount assessed. A person may, within 45 days after an  
18 assessment is mailed pursuant to subsection (a) of this section, appeal the  
19 amount of the assessment to the Commissioner. The Commissioner shall  
20 establish procedures for filing and hearing appeals pursuant to this subsection  
21 that are consistent with the provisions of sections 105–107 of this title. The

1 procedures shall include a process by which an appellant can resolve the  
2 dispute prior to the issuance of a final administrative decision on the appeal.

3 (g) Refunds. Upon occurrence of a terminating event, the Commissioner  
4 shall issue a refund to the owner or lessee of a BEV for any amounts paid by  
5 the owner or lessee that are in excess of the amount due pursuant to this  
6 chapter.

7 § 4304. REPORTS

8 (a) Upon completion of an inspection of a BEV pursuant to section 1222 of  
9 this title, an inspection mechanic shall report the mileage shown on the BEV's  
10 odometer to the Department in the manner required by the Commissioner.

11 (b) Upon the occurrence of a terminating event, the owner or lessee of a  
12 BEV shall report the mileage shown on the BEV's odometer at the time of the  
13 terminating event to the Department in the time and manner required by the  
14 Commissioner.

15 § 4305. FAILURE TO PAY FEE WHEN DUE; INTEREST

16 (a) Any person who fails to pay the mileage-based user fee when due shall  
17 owe, in addition to the mileage-based user fee, interest calculated at one and  
18 one-half percent per month on the amount of the mileage-based user fee that  
19 remains unpaid. The maximum amount of interest that may accrue pursuant to  
20 this subsection shall not exceed 18 percent of the amount of the unpaid fee.

1       (b)(1) An individual may request at any time that the Commissioner waive  
2       some or all of the amount of the overdue fee or interest due, or both, pursuant  
3       to subsection (a) of this section.

4       (2) The Commissioner may, upon receiving a request pursuant to  
5       subdivision (1) of this subsection or on the Commissioner’s own motion,  
6       waive some or all of the amount of the overdue fee and interest required  
7       pursuant to subsection (a) of this section if the Commissioner determines that  
8       good cause existed for the delay in payment or that requiring repayment would  
9       constitute an economic hardship.

10       § 4306. FAILURE TO FILE REPORT; PENALTY RATE

11       If the Commissioner is unable to determine the annual vehicle miles  
12       traveled for a BEV because a person failed to file a report required by section  
13       4304 of this chapter or failed to have the BEV inspected as required pursuant  
14       to section 1222 of this title within a reasonable period of time after the report  
15       or inspection is due, the Commissioner shall calculate the mileage-based user  
16       fee for the BEV based on the 98th percentile of the miles traveled by BEVs  
17       registered in Vermont during mileage reporting periods ending in the  
18       preceding calendar year.

19       § 4307. REGISTRATION; SUSPENSION OR REFUSAL

20       (a) Suspension of registration. The Commissioner may suspend or refuse  
21       to renew the registration of a BEV if the Commissioner determines, following

1 notice and an opportunity for a hearing as provided pursuant to subsection (b)  
2 of this section, that the owner or lessee of the BEV:

3 (1) failed to file a report required pursuant to section 4304 of this  
4 chapter;

5 (2) filed a report containing an intentional misrepresentation,  
6 misstatement, or omission of material information required by this chapter; or

7 (3) is delinquent at the time of renewal in the payment amount due  
8 pursuant to the provisions of this chapter.

9 (b) Notice and opportunity for hearing. The Commissioner shall provide  
10 the owner or lessee of a BEV with not less than 15 days' notice of the intent to  
11 suspend or not to renew the registration of the BEV pursuant to the provisions  
12 of this section. The owner or lessee shall be provided with the opportunity for  
13 a hearing and shall be permitted to be represented by counsel at the hearing.

14 § 4308. POWERS OF THE COMMISSIONER

15 (a) General authority. The Commissioner shall have the authority to  
16 administer and enforce the provisions of this chapter.

17 (b) Additional powers. In addition to any powers or authority specifically  
18 granted to the Commissioner pursuant to the provisions of this chapter, the  
19 Commissioner may do the following:

20 (1) Adopt rules pursuant to 3 V.S.A. chapter 25 as the Commissioner  
21 determines necessary to administer and enforce the provisions of this chapter.

1           (2) Prescribe forms appropriate to the purposes of this chapter.

2           (3) Contract with an account manager to administer and manage the  
3 mileage-based user fee.

4           § 4309. APPEALS; JUDICIAL REVIEW

5           (a) Administrative appeal. An aggrieved person may appeal any final  
6 decision, order, or finding of the Commissioner under this chapter within not  
7 more than 45 days after the decision is issued or the order or finding is made.  
8 The Commissioner shall establish procedures for filing and hearing appeals  
9 pursuant to this subsection that are consistent with the provisions of sections  
10 105–107 of this title.

11           (b) Appeal to superior court. Following a final decision on an appeal  
12 pursuant to subsection (a) of this section or subsection 4303(f) of this chapter,  
13 the appellant may appeal the decision pursuant to Rule 74 of the Vermont  
14 Rules of Civil Procedure. The appeal shall be to the Washington Superior  
15 Court or, in the discretion of the appellant, to the Superior Court in the county  
16 where the appellant resides or has a principal place of business.

17           (c) Exclusivity of remedies. The appeals provided by this section and  
18 subsection 4303(f) of this chapter shall be the exclusive remedies available to  
19 any person for review of an assessment, decision, or order or finding of the  
20 Commissioner under this chapter.

1                    Subchapter 2. BEV Rental Vehicle Road Usage Charge

2                    § 4321. BEV RENTAL VEHICLE ROAD USAGE CHARGE

3                    (a) For any BEV pleasure car subject to use tax imposed pursuant to 32  
4                    V.S.A. § 8903(d), there is imposed on each rental transaction for a BEV a road  
5                    usage charge equal to one percent of the rental charge, which shall be collected  
6                    by the rental company from the renter and remitted to the Commissioner.  
7                    Amounts collected pursuant to this section shall be deposited in the  
8                    Transportation Fund.

9                    (b) As used in this section, rental charge has the same meaning as in 32  
10                   V.S.A. § 8903(d).

11                   Third: By striking out Sec. 21, mileage-based user fee; transition, in its  
12                   entirety and inserting in lieu thereof a new Sec. 21 to read as follows:

13                   Sec. 21. MILEAGE BASED USER FEE; TRANSITION

14                   BEV pleasure cars that are registered in Vermont on December 31, 2026,  
15                   shall transition to the mileage-based user fee established pursuant to 23 V.S.A.  
16                   chapter 43, subchapter 1 as follows:

17                   (1) The initial mileage reporting period for each BEV shall commence  
18                   on its first annual inspection occurring on or after January 1, 2027.

19                   (2) If the initial mileage reporting period for a BEV begins before the  
20                   BEV is required to renew its registration, the BEV shall receive a credit equal

1 to \$89.00 towards the amount of the mileage-based user fee due pursuant to 23  
2 V.S.A. § 4303 for the initial mileage reporting period.

3 Fourth: By striking out Sec. 22, allocation of fiscal year 2027 mileage-  
4 based user fee revenues, in its entirety and inserting in lieu thereof two new  
5 sections to be Secs. 22 and 23 to read as follows:

6 Sec. 22. MILEAGE-BASED USER FEE; PAY-AS-YOU-GO OPTION;  
7 IMPLEMENTATION PLAN; REPORT

8 On or before February 15, 2027, the Secretary of Transportation shall  
9 submit a written report to the House Committees on Transportation and on  
10 Ways and Means and the Senate Committees on Transportation and on Finance  
11 regarding the potential for offering a pay-as-you-go option for the mileage-  
12 based user fee established pursuant to 23 V.S.A. chapter 43, subchapter 1. The  
13 report shall provide a plan for implementation of a pay-as-you-go program as  
14 well as detailed information regarding:

15 (1) anticipated staffing, administration, and information technology  
16 necessary to implement and operate a pay-as-you-go program;

17 (2) anticipated costs related to the implementation and operation of a  
18 pay-as-you-go program; and

19 (3) legislative language necessary to enable a pay-as-you-go program.

20 Sec. 23. TRANSFER

1        (a) Notwithstanding any provision of 19 V.S.A. § 11f to the contrary, in  
2        State fiscal year 2027, the amount of \$2,200,000.00 is transferred from the  
3        Transportation Infrastructure Bond Fund to the Transportation Fund.

4        (b) Of the amount transferred, \$1,700,000.00 shall be allocated in State  
5        fiscal year 2027 to general State aid for town highways pursuant to 19 V.S.A.  
6        § 306(a). The amount allocated pursuant to this subsection shall be  
7        appropriated for class 1, 2, and 3 town highways and shall be apportioned,  
8        distributed, and used in the same manner as provided pursuant to 19 V.S.A.

9        § 306(a)(3). The amount allocated pursuant to this subsection shall not  
10       decrease the amount appropriated pursuant to 19 V.S.A. § 306(a)(1) or be  
11       subject to the annual inflationary adjustment provided for in 19 V.S.A.  
12       § 306(a)(1) and (2).

13       and by renumbering the remaining sections to be numerically correct.

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15       (Committee vote: \_\_\_\_\_)

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\_\_\_\_\_

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Representative \_\_\_\_\_

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FOR THE COMMITTEE