

1 H.488

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

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

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

6 Sec. 1. TRANSPORTATION PROGRAM ADOPTED; DEFINITIONS

7 (a) Adoption. The Agency of Transportation's Proposed Fiscal Year 2026
8 Transportation Program appended to the Agency of Transportation's proposed
9 fiscal year 2026 budget, as amended by this act, is adopted to the extent
10 federal, State, and local funds are available.

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

12 (1) "Agency" means the Agency of Transportation.

13 (2) "Candidate project" means a project approved by the General
14 Assembly that is not anticipated to have significant expenditures for
15 preliminary engineering or right-of-way expenditures, or both, during the
16 budget year and funding for construction is not anticipated within a predictable
17 time frame.

18 (3) "Development and evaluation (D&E) project" means a project
19 approved by the General Assembly that is anticipated to have preliminary
20 engineering expenditures or right-of-way expenditures, or both, during the

1 budget year and that the Agency is committed to delivering to construction on
2 a timeline driven by priority and available funding.

3 (4) “Electric vehicle supply equipment (EVSE)” and “electric vehicle
4 supply equipment available to the public” have the same meanings as in
5 30 V.S.A. § 201.

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

10 (6) “Mileage-based user fee” or “MBUF” means a fee for vehicle use of
11 the public road system with distance, stated in miles, as the measure of use.

12 (7) “Plug-in electric vehicle (PEV),” “plug-in hybrid electric vehicle
13 (PHEV),” and “battery electric vehicle (BEV)” have the same meanings as in
14 23 V.S.A. § 4(85).

15 (8) “Secretary” means the Secretary of Transportation.

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

18 (10) The table heading “As Proposed” means the Proposed
19 Transportation Program referenced in subsection (a) of this section; the table
20 heading “As Amended” means the amendments as made by this act; the table
21 heading “Change” means the difference obtained by subtracting the “As

Proposed” figure from the “As Amended” figure; the terms “change” or “changes” in the text refer to the project- and program-specific amendments, the aggregate sum of which equals the net “Change” in the applicable table heading; and “State” in any tables amending authorizations indicates that the source of funds is State monies in the Transportation Fund, unless otherwise specified.

* * * Rail Program; Technical Correction * * *

Sec. 2. RAIL PROGRAM

(a) Within the Agency of Transportation’s Proposed Fiscal Year 2026 Transportation Program for Rail the following project is deleted: Barre–Berlin–Montpelier 04-9038–WACR Subsidy.

(b) Within the Agency of Transportation’s Proposed Fiscal Year 2026 Transportation Program for Rail, the following project is added: Hartford HRRD(1) 25G002–White River Junction Depot Repairs.

(c) Within the Agency of Transportation’s Proposed Fiscal Year 2026 Transportation Program for Rail, spending authority for Hartford HRRD(1) 25G002–White River Junction Depot Repairs is authorized as follows:

<u>FY26</u>	<u>As Proposed</u>	<u>As Amended</u>	<u>Change</u>
Other	0	260,000	260,000
Total	0	260,000	260,000

Sources of funds

State	0	260,000	260,000
Total	0	260,000	260,000

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

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

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

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

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

CHAPTER 58. ~~STATE ACQUISITION OF~~ STATE-OWNED RAILROADS
AND RAIL TRAILS

§ 3408. RAILBANKING; NOTIFICATION

The Agency, on behalf of the State, shall continue to hold the right-of-way of a railbanked line for reactivation of railroad service or for other public purposes not inconsistent with future reactivation of railroad service. ~~Such~~ The railbanking shall not be treated, for purposes of any law or rule of law, as an abandonment of the use of the rights-of-way for railroad purposes.

* * *

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

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

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

4 § 3408a. USE OF RAIL TRAILS

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

6 (1) “Rail trail” means the right-of-way of a State-owned railroad line
7 that has been authorized for railbanking and interim trail use pursuant to
8 16 U.S.C. § 1247(d) or section 3408 of this chapter.

9 (2) “Trail sponsor” means the Agency of Transportation in the case of a
10 rail trail maintained by the Agency or the municipality in the case of a rail trail
11 maintained by a municipality.

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

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

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

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

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

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

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

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

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

11 (7) Harassing or molesting wildlife, except for fishing.

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

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

17 (10) Soliciting alms or contributions.

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

1 (A) maintenance purposes;

2 (B) snowmobiles, subject to applicable State rules, when the
3 Vermont Association of Snow Travelers, Inc. has declared the Statewide
4 Snowmobile Trail System officially open;

5 (C) Other Power-Driven Mobility Devices (OPDMD) utilized by an
6 individual with a disability as permitted by the Agency's Rail Trail
7 Accessibility Policy;

8 (D) electric bicycles as permitted pursuant to applicable State rules;
9 and

10 (E) other circumstances that the trail sponsor determines are
11 appropriate.

12 (12) Overnight camping, except at areas designated for that purpose by
13 the trail sponsor.

14 (c) Penalty. Any person who violates the provisions of subsection (b) of
15 this section shall be subject to a civil penalty of not more than \$300.00.

16 * * * Transportation Board * * *

17 Sec. 7. 19 V.S.A. § 3 is amended to read:

18 § 3. TRANSPORTATION BOARD; CREATION; MEMBERS

19 ~~A transportation board~~ The Transportation Board is formed to be attached to
20 the Agency of Transportation. There shall be seven members of the Board,
21 appointed by the Governor with the advice and consent of the Senate. The

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;

* * *

* * * Green Mountain Transit Authority * * *

Sec. 9. 24 App. V.S.A. chapter 801 is amended to read:

CHAPTER 801. GREEN MOUNTAIN TRANSIT AUTHORITY

* * *

§ 2. AREA OF OPERATION

(a) The area of operation shall be Chittenden, ~~Franklin, Grand Isle, and Washington Counties and the Towns of Orange, Washington, and Williamstown.~~ The area of operation shall include Addison and Caledonia Counties and the Towns of Orange County other than Orange, Washington, and Williamstown, but only for the provision of commuter services. The area of operation shall include Lamoille County, but only for the provision of published scheduled services County for fixed route bus service. The Green Mountain Transit Authority may operate service outside Chittenden County, or demand response transit within Chittenden County, as determined by the Agency of Transportation's public transit grant process.

* * *

§ 10. IMPLEMENTATION

* * *

~~(e) Immediately upon joining the Authority, the municipality shall appoint two commissioners as provided herein. The initial terms of the commissioners~~

1 ~~of the initial members shall be arranged by the Chittenden County Regional~~
2 ~~Planning Commission so that the terms of approximately one-third of the~~
3 ~~commissioners shall expire in each year. The initial terms of commissioners~~
4 ~~from municipalities joining after March 7, 1973, shall be set by the Board of~~
5 ~~Commissioners.~~

6 * * *

7 * * * Town Highways * * *

8 Sec. 10. 19 V.S.A. § 306 is amended to read:

9 § 306. APPROPRIATION; STATE AID FOR TOWN HIGHWAYS

10 (a) General State aid to town highways.

11 (1) An annual appropriation to class 1, 2, and 3 town highways shall be
12 made. This appropriation shall increase over the previous fiscal year's
13 appropriation by the same percentage change as the following, whichever is
14 less, or shall remain at the previous fiscal year's appropriation if either of the
15 following are negative or zero:

16 (A) the percentage change of the Agency's total appropriations
17 funded by Transportation Fund revenues, excluding appropriations ~~for town~~
18 ~~highways~~ under this subsection (a) and subsections (e) and (h) of this section,
19 for the most recently closed fiscal year as compared to the fiscal year
20 immediately preceding the most recently closed fiscal year; or

21 * * *

1 (e) State aid for town highway structures.

2 (1) There shall be an annual appropriation for grants to municipalities
3 for maintenance (including actions to extend life expectancy) and for
4 construction of bridges and culverts; for maintenance and construction of other
5 structures, including causeways and retaining walls, intended to preserve the
6 integrity of the traveled portion of class 1, 2, and 3 town highways; and for
7 alternatives that eliminate the need for a bridge, culvert, or other structure,
8 such as the construction or reconstruction of a highway, the purchase of parcels
9 of land that would be landlocked by closure of a bridge, the payment of
10 damages for loss of highway access, and the substitution of other means of
11 access. This appropriation shall increase over the previous fiscal year's
12 appropriation by the same percentage change as the following, whichever is
13 less, or shall remain at the previous fiscal year's appropriation if either of the
14 following are negative or zero:

15 (A) the percentage change in the Agency's total appropriations
16 funded by Transportation Fund revenues, excluding appropriations under this
17 subsection (e) and subsections (a) and (h) of this section, for the most recently
18 closed fiscal year as compared to the fiscal year immediately preceding the
19 most recently closed fiscal year; or

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

1 (2) For purposes of subdivision (1)(B) of this subsection, the percentage
2 change in the CPI-U is calculated by determining the increase or decrease, to
3 the nearest one-tenth of a percent, in the CPI-U for the month ending on June
4 30 in the calendar year one year prior to the first day of the fiscal year for
5 which the appropriation will be made compared to the CPI-U for the month
6 ending on June 30 in the calendar year two years prior to the first day of the
7 fiscal year for which the appropriation will be made.

8 (3) Each fiscal year, the Agency shall approve qualifying projects with a
9 total estimated State share cost of \$7,200,000.00 at a minimum as new grants.
10 ~~The Agency's proposed appropriation for the Program shall take into account~~
11 ~~the estimated amount of qualifying invoices submitted to the Agency with~~
12 ~~respect to project grants approved in prior years but not yet completed as well~~
13 ~~as with respect to new project grants to be approved in the fiscal year~~
14 Beginning with State fiscal year 2027, the minimum total estimated State share
15 cost for the approved grants shall increase over the prior fiscal year's minimum
16 total estimated State share cost by the same percentage as the appropriation for
17 State aid for town highway structures is increased pursuant to subdivision (1)
18 of this subsection.

19 (4) In a given fiscal year, should expenditures in the Town Highway
20 Structures Program exceed the amount appropriated, the Agency shall advise
21 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)~~(5) 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 under this
3 subsection (h) and subsections (a) and (e) of this section, for the most recently
4 closed fiscal year as compared to the fiscal year immediately preceding the
5 most recently 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) Each fiscal year, the Agency shall approve qualifying projects with a
16 total estimated State share cost of \$8,600,000.00 at a minimum as new grants.
17 Beginning with State fiscal year 2027, the minimum total estimated State share
18 cost for the approved grants shall increase over the prior fiscal year's minimum
19 total estimated State share cost by the same percentage as the appropriation for
20 the Class 2 Town Highway Roadway Program is increased pursuant to
21 subdivision (1) of this subsection.

* * *

(2) to start ~~subjecting~~ subject plug-in hybrid electric vehicles (PHEVs) that are a pleasure car to an ~~increased~~ annual or a biennial ~~registration~~ electric

1 vehicle infrastructure fee starting on ~~July~~ January 1, 2025, and that PHEVs
2 shall not be subject to a mileage-based user fee;

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

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

8 Sec. 28. MILEAGE-BASED USER FEE AUTHORIZATION

9 (a) Within the Agency of Transportation's Proposed Fiscal Year 2024
10 Transportation Program for Environmental Policy and Sustainability, the
11 Agency of Transportation, including the Department of Motor Vehicles, is
12 authorized to apply for and accept a competitive federal Strategic Innovation
13 for Revenue Collection grant established pursuant to the Infrastructure
14 Investment and Jobs Act, Pub. L. No. 117-58 (IIJA), Sec. 13001, with up to
15 \$350,000.00 in Transportation Fund monies authorized for the nonfederal
16 match in fiscal year 2024 and ~~a to-be-determined amount for the nonfederal~~
17 ~~match in subsequent fiscal years~~ up to \$350,000.00 in Transportation Fund
18 monies authorized for the nonfederal match in fiscal year 2025.

19 (b) ~~As permitted under federal regulations and grant terms, the~~ The Agency
20 shall utilize ~~grant monies to design~~ State or federal funding, or both, authorized

1 to be used for the purpose of designing a mileage-based user fee that is
2 consistent with Secs. 27 and 29 of this act.

3 (c) Subject to State procurement requirements and the availability of
4 sufficient funding, the Agency may retain one or more contractors or
5 consultants, or both, to assist with the design of a process to commence
6 collecting a mileage-based user fee on July 1, ~~2025~~ 2026.

7 Sec. 29. MILEAGE-BASED USER FEE DESIGN

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

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

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

15 (3) “Mileage-based user fee” means the total amount that an owner or
16 lessee of a BEV registered in Vermont owes the State and is calculated by:

17 (A) multiplying the mileage-based user fee rate by the annual vehicle
18 miles traveled ~~or~~;

19 (B) in the case of a terminating event, by multiplying the mileage-
20 based user fee rate by the vehicle miles traveled between the last Vermont
21 annual inspection and the terminating event; or

1 (C) in the absence of a recorded odometer reading during the mileage
2 reporting period, by multiplying the mileage-based user fee by the 98th
3 percentile of estimated annual vehicle miles traveled for a pleasure car in
4 Vermont.

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

7 (5) “Mileage reporting period” means the time between annual
8 inspections or the time between ~~an~~ the most recent annual inspection and a
9 terminating event.

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

11 (7) “Plug-in electric vehicle (PEV)” has the same meaning as in
12 23 V.S.A. § 4(85) and includes battery electric vehicles (BEVs) and plug-in
13 hybrid electric vehicles (PHEVs), which have the same meaning as in
14 23 V.S.A. § 4(85)(A) and (B).

15 (8) “Terminating event” means either the registering of a BEV that had
16 been registered in Vermont in a different state or a change in ownership or
17 lesseeship of the BEV, or both.

18 (b) Commencement date. The Agency shall design a process to collect a
19 mileage-based user fee for miles driven by a BEV registered in Vermont to
20 commence collecting revenue on July 1, ~~2025~~ 2026.

1 (c) Covered vehicles. The Agency shall design a process to collect a
2 mileage-based user fee based on the annual vehicle miles traveled by BEVs
3 registered in the State.

4 (d) Imposition of a mileage-based user fee. The Agency shall design a
5 process to collect a mileage-based user fee from the owner or lessee of a BEV
6 registered in Vermont for each mileage reporting period ~~within 60 days after~~
7 ~~the Vermont annual inspection~~ on an annual, quarterly, or monthly basis
8 selected by the owner or lessee and reconciled upon renewal of the vehicle
9 registration or within 60 days after a terminating event that closes the mileage
10 reporting period.

11 Sec. 12. INTENT

12 It is the intent of the General Assembly that the mileage-based user fee for a
13 BEV pleasure car be approximately equivalent to the amount collected by the
14 State and federal government in gas tax revenue from the use of a non-PEV
15 pleasure car registered in Vermont and the amount collected by the State and
16 federal government in gas tax revenue and Electric Vehicle Infrastructure fee
17 from the use of a PHEV pleasure car.

18 Sec. 13. [Deleted.]

* * * Authority to Transfer Monies in State Fiscal Year 2026 * * *

Sec. 14. AUTHORIZATION TO USE MONIES TO CONTINUE

PARTNERSHIP WITH DRIVE ELECTRIC VERMONT IN STATE
FISCAL YEAR 2026

In State fiscal year 2026, the Secretary of Transportation is authorized to spend up to \$325,000.00 in remaining monies appropriated to the Electrify Your Fleet Program in State Fiscal Year 2024 to continue the Agency of Transportation's partnership with Drive Electric Vermont. The monies shall be used for programs and activities that support increased ownership and use of PEVs in the State through:

(1) stakeholder coordination;

(2) consumer education and outreach;

(3) infrastructure development; and

(4) the provision of technical assistance and support to Vermont municipalities and Vermont businesses desiring to electrify their vehicle fleets.

* * * Effective Date * * *

Sec. 15. EFFECTIVE DATE

This act shall take effect on July 1, 2025.