

1 TO THE HONORABLE SENATE:

2 The Committee on Transportation to which was referred House Bill No.
3 488 entitled “An act relating to the fiscal year 2026 Transportation Program
4 and miscellaneous changes to laws related to transportation” respectfully
5 reports that it has considered the same and recommends that the Senate
6 propose to the House that the bill be amended by striking out all after the
7 enacting clause and inserting in lieu thereof the following:

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

9 Sec. 1. TRANSPORTATION PROGRAM ADOPTED; DEFINITIONS

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

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

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

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

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

6 (4) “Electric vehicle supply equipment (EVSE)” and “electric vehicle
7 supply equipment available to the public” have the same meanings as in
8 30 V.S.A. § 201.

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

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

15 (7) “Plug-in electric vehicle (PEV),” “plug-in hybrid electric vehicle
16 (PHEV),” and “battery electric vehicle (BEV)” have the same meanings as in
17 23 V.S.A. § 4(85).

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

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

1 (10) The table heading “As Proposed” means the Proposed
2 Transportation Program referenced in subsection (a) of this section; the table
3 heading “As Amended” means the amendments as made by this act; the table
4 heading “Change” means the difference obtained by subtracting the “As
5 Proposed” figure from the “As Amended” figure; the terms “change” or
6 “changes” in the text refer to the project- and program-specific amendments,
7 the aggregate sum of which equals the net “Change” in the applicable table
8 heading; and “State” in any tables amending authorizations indicates that the
9 source of funds is State monies in the Transportation Fund, unless otherwise
10 specified.

11 * * * Rail Program; Technical Correction * * *

12 Sec. 2. RAIL PROGRAM

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

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

19 (c) Within the Agency of Transportation’s Proposed Fiscal Year 2026
20 Transportation Program for Rail, spending authority for Hartford HRRD(1)
21 25G002–White River Junction Depot Repairs is authorized as follows:

	<u>FY26</u>	<u>As Proposed</u>	<u>As Amended</u>	<u>Change</u>
1				
2	Other	0	260,000	260,000
3	Total	0	260,000	260,000
4	<u>Sources of funds</u>			
5	State	0	260,000	260,000
6	Total	0	260,000	260,000

7 * * * Unobligated Fund Balance for Fiscal Year 2026 * * *

8 Sec. 3. UNOBLIGATED TRANSPORTATION FUND BALANCE; FISCAL
9 YEAR 2026

10 Notwithstanding any other provision of law, the Secretary of
11 Administration shall ensure an unobligated fund balance of at least
12 \$686,000.00 exists in the Transportation Fund in fiscal year 2026 after the
13 close of fiscal year 2025. It is the intent of the General Assembly that in the
14 creation of the fiscal year 2026 budget adjustment proposal and the fiscal year
15 2027 budget proposal, the unobligated fund balance required pursuant to this
16 section shall be utilized to offset estimated Transportation Fund revenue losses
17 from fee and tax reductions enacted during the 2025 legislative session.

18 * * * State and Federal Funding Updates * * *

19 Sec. 4. STATE AND FEDERAL FUNDING UPDATES

20 (a) On or before September 30, 2025 and December 15, 2025, the Secretary
21 of Transportation shall provide the Joint Transportation Oversight Committee

1 with a briefing on the status of State Transportation Fund revenues and federal
2 funding for the fiscal year 2026 Transportation Program, and any impacts on
3 the fiscal year 2026 Transportation Program. The briefing shall include:

4 (1) a summary of federal funding that has been received to date, federal
5 funding that is anticipated later in the State fiscal year, federal funding that is
6 delayed, and federal funding that has been reduced or subject to rescission;

7 (2) a summary of the Transportation Fund revenues to date in State
8 fiscal year 2026;

9 (3) a summary of the impacts on the fiscal year 2026 Transportation
10 Program that are caused by changes in State Transportation Fund revenues
11 from the consensus forecast or delays or reductions in federal funding; and

12 (4) a summary of any legislative action that may be necessary to address
13 reductions in State revenues or federal funding.

14 (b) Upon becoming aware of a significant change in State revenues or a
15 reduction in federal funding, rescission of federal grants, or delay of
16 anticipated federal funding that will impact the Agency's ability to carry out
17 significant portions of the fiscal year 2026 Transportation Program, the
18 Secretary of Transportation may request that the Joint Transportation
19 Oversight Committee meet within 14 days to review the Agency's plan to
20 address the reduction in funding.

1 Sec. 6. 19 V.S.A. § 10g(g) is amended to read:

2 (g) ~~Project updates. The Agency's annual proposed Transportation~~
3 ~~Program shall include project updates referencing this section and listing the~~
4 ~~following:~~

5 (1) ~~all proposed projects in the Program that would be new to the State~~
6 ~~Transportation Program;~~

7 (2) ~~all projects for which total estimated costs have increased by more~~
8 ~~than \$5,000,000.00 from the estimate in the adopted Transportation Program~~
9 ~~for the prior fiscal year or by more than 75 percent from the estimate in the~~
10 ~~adopted Transportation Program for the prior fiscal year;~~

11 (3) ~~all projects for which the total estimated costs have, for the first~~
12 ~~time, increased by more than \$10,000,000.00 from the Preliminary Plan~~
13 ~~estimate or by more than 100 percent from the Preliminary Plan estimate; and~~

14 (4) ~~all projects funded for construction in the prior fiscal year's adopted~~
15 ~~Transportation Program that are no longer funded in the proposed~~
16 ~~Transportation Program submitted to the General Assembly, the projected~~
17 ~~costs for such projects in the prior fiscal year's adopted Transportation~~
18 ~~Program, and the total costs incurred over the life of each such project.~~

19 [Repealed.]

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

21 Sec. 7. RELINQUISHMENT OF VERMONT ROUTE 36 IN THE TOWN

1 Assembly is not in session, to the Joint Transportation Oversight Committee.
2 The Agency, on behalf of the State, shall continue to hold the right-of-way of a
3 railbanked line for reactivation of railroad service or for other public purposes
4 not inconsistent with future reactivation of railroad service. ~~Such~~ The
5 railbanking shall not be treated, for purposes of any law or rule of law, as an
6 abandonment of the use of the rights-of-way for railroad purposes.

7 * * *

8 (c)(1) The Secretary may, after consulting with municipalities, adopt rules
9 consistent with the provisions of section 3408a of this chapter governing the
10 interim trail use of State-owned railroad rights-of-way that have been placed in
11 railbanked status.

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

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

16 Sec. 10. 5 V.S.A. § 3408a is added to read:

17 § 3408a. USE OF RAIL TRAILS

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

19 (1) “Rail trail” means the right-of-way of a State-owned railroad line
20 that has been authorized for railbanking and interim trail use pursuant to
21 16 U.S.C. § 1247(d) or section 3408 of this chapter.

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

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

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

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

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

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

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

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

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

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

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

2 (8) Using or discharging any firearms or other weapons or fireworks,
3 except by a person authorized by the trail sponsor or as otherwise permitted by
4 law.

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

7 (10) Soliciting alms or contributions.

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

9 (A) maintenance purposes;

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

13 (C) Other Power-Driven Mobility Devices (OPDMD) utilized by an
14 individual with a disability as permitted by the Agency’s Rail Trail
15 Accessibility Policy;

16 (D) electric bicycles as permitted pursuant to applicable State rules;
17 and

18 (E) other circumstances that the trail sponsor determines are
19 appropriate.

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

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(4) provide appellate review, when requested in writing, regarding legal disputes in the execution of contracts awarded by the Agency or by municipalities cooperating with the Agency to advance projects in the State’s Transportation Program, except that the Agency shall provide appellate review relating to bids and the competitive negotiation process under 19 V.S.A. § 10a;

(5) provide appellate review, when requested in writing, of decisions of the Secretary in administering the provisions of Title 24, relating to ~~junkyards~~ salvage yards;

* * *

* * * Green Mountain Transit Authority * * *

Sec. 13. 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 the urbanized area of 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~~

1 ~~provision of published scheduled services~~ County as established by the U.S.
2 Census Bureau. The Green Mountain Transit Authority may operate service
3 outside the urbanized area of Chittenden County with approval from the
4 Agency of Transportation. Nothing in this section shall be construed to
5 prevent other transit providers from offering transit connecting to the
6 urbanized area of Chittenden County, or providing on demand services in that
7 area, with the approval of the Agency of Transportation.

8 * * *

9 § 10. IMPLEMENTATION

10 * * *

11 ~~(c) Immediately upon joining the Authority, the municipality shall appoint~~
12 ~~two commissioners as provided herein. The initial terms of the commissioners~~
13 ~~of the initial members shall be arranged by the Chittenden County Regional~~
14 ~~Planning Commission so that the terms of approximately one-third of the~~
15 ~~commissioners shall expire in each year. The initial terms of commissioners~~
16 ~~from municipalities joining after March 7, 1973, shall be set by the Board of~~
17 ~~Commissioners.~~

18 * * *

19 * * * Town Highways * * *

20 Sec. 14. 19 V.S.A. § 306 is amended to read:

21 § 306. APPROPRIATION; STATE AID FOR TOWN HIGHWAYS

1 (a) General State aid to town highways.

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

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

12 * * *

13 (e) State aid for town highway structures.

14 (1) There shall be an annual appropriation for grants to municipalities
15 for maintenance (including actions to extend life expectancy) and for
16 construction of bridges and culverts; for maintenance and construction of other
17 structures, including causeways and retaining walls, intended to preserve the
18 integrity of the traveled portion of class 1, 2, and 3 town highways; and for
19 alternatives that eliminate the need for a bridge, culvert, or other structure,
20 such as the construction or reconstruction of a highway, the purchase of parcels
21 of land that would be landlocked by closure of a bridge, the payment of

1 damages for loss of highway access, and the substitution of other means of
2 access. This appropriation shall increase over the previous fiscal year's
3 appropriation by the same percentage change as the following, whichever is
4 less, or shall remain at the previous fiscal year's appropriation if either of the
5 following are negative or zero:

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

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

13 (2) For purposes of subdivision (1)(B) of this subsection, the percentage
14 change in the CPI-U is calculated by determining the increase or decrease, to
15 the nearest one-tenth of a percent, in the CPI-U for the month ending on June
16 30 in the calendar year one year prior to the first day of the fiscal year for
17 which the appropriation will be made compared to the CPI-U for the month
18 ending on June 30 in the calendar year two years prior to the first day of the
19 fiscal year for which the appropriation will be made.

20 (3) Each fiscal year, the Agency shall approve qualifying projects with a
21 total estimated State share cost of \$7,200,000.00 at a minimum as new grants.

1 ~~The Agency's proposed appropriation for the Program shall take into account~~
2 ~~the estimated amount of qualifying invoices submitted to the Agency with~~
3 ~~respect to project grants approved in prior years but not yet completed as well~~
4 ~~as with respect to new project grants to be approved in the fiscal year~~
5 Beginning with State fiscal year 2027, the minimum total estimated State share
6 cost for the approved grants shall increase over the prior fiscal year's minimum
7 total estimated State share cost by the same percentage as the appropriation for
8 State aid for town highway structures is increased pursuant to subdivision (1)
9 of this subsection.

10 (4) In a given fiscal year, should expenditures in the Town Highway
11 Structures Program exceed the amount appropriated, the Agency shall advise
12 the Governor of the need to request a supplemental appropriation from the
13 General Assembly to fund the additional project cost, provided that the Agency
14 has previously committed to completing those projects.

15 ~~(3)~~(5) Funds received as grants for State aid for town highway structures
16 may be used by a municipality to satisfy a portion of the matching
17 requirements for federal earmarks, subject to subsection 309b(c) of this title.

18 * * *

19 (h) Class 2 Town Highway Roadway Program.

20 (1) There shall be an annual appropriation for grants to municipalities
21 for resurfacing, rehabilitation, or reconstruction of paved or unpaved class 2

1 town highways. ~~However, municipalities~~ Municipalities that have no State
2 highways or class 1 town highways within their borders may use the grants for
3 such activities with respect to both class 2 and class 3 town highways. ~~Each~~
4 ~~fiscal year, the Agency shall approve qualifying projects with a total estimated~~
5 ~~State share cost of \$8,600,000.00 at a minimum as new grants. The Agency's~~
6 ~~proposed appropriation for the Program shall take into account the estimated~~
7 ~~amount of qualifying invoices submitted to the Agency with respect to project~~
8 ~~grants approved in prior years but not yet completed as well as with respect to~~
9 ~~new project grants to be approved in the fiscal year. This appropriation shall~~
10 increase over the previous fiscal year's appropriation by the same percentage
11 change as the following, whichever is less, or shall remain at the previous
12 fiscal year's appropriation if either of the following are negative or zero:
13 (A) the percentage change in the Agency's total appropriations
14 funded by Transportation Fund revenues, excluding appropriations under this
15 subsection (h) and subsections (a) and (e) of this section, for the most recently
16 closed fiscal year as compared to the fiscal year immediately preceding the
17 most recently closed fiscal year; or
18 (B) the percentage change in the Bureau of Labor Statistics
19 Consumer Price Index for All Urban Consumers (CPI-U).
20 (2) For purposes of subdivision (1)(B) of this subsection, the percentage
21 change in the CPI-U is calculated by determining the increase or decrease, to

1 the nearest one-tenth of a percent, in the CPI-U for the month ending on June
2 30 in the calendar year one year prior to the first day of the fiscal year for
3 which the appropriation will be made compared to the CPI-U for the month
4 ending on June 30 in the calendar year two years prior to the first day of the
5 fiscal year for which the appropriation will be made.

6 (3) Each fiscal year, the Agency shall approve qualifying projects with a
7 total estimated State share cost of \$8,600,000.00 at a minimum as new grants.
8 Beginning with State fiscal year 2027, the minimum total estimated State share
9 cost for the approved grants shall increase over the prior fiscal year's minimum
10 total estimated State share cost by the same percentage as the appropriation for
11 the Class 2 Town Highway Roadway Program is increased pursuant to
12 subdivision (1) of this subsection.

13 (4) In a given fiscal year, should expenditures in the Class 2 Town
14 Highway Roadway Program exceed the amount appropriated, the Agency shall
15 advise the Governor of the need to request a supplemental appropriation from
16 the General Assembly to fund the additional project cost, provided that the
17 Agency has previously committed to completing those projects. Funds
18 received as grants for State aid under the Class 2 Town Highway Roadway
19 Program may be used by a municipality to satisfy a portion of the matching
20 requirements for federal earmarks, subject to subsection 309b(c) of this title.

21 * * *

1 including roads, pavement, bridges, culverts, signals, signage, highway
2 equipment, and highway facilities;

3 (2) develop a framework for a system to assess the current condition of
4 municipal highway networks and the potential impacts of improvements to or
5 degradation of those networks on the State’s transportation system;

6 (3) develop a prioritization process to direct State funding to the repair,
7 upgrade, or replacement of specific municipal transportation assets based on
8 the need for such work in the context of the asset’s role in the State and
9 regional highway networks; and

10 (4) identify and recommend potential statutory changes to implement
11 the assessment framework developed pursuant to subdivision (2) of this
12 subsection and the prioritization process developed pursuant to subdivision (3)
13 of this subsection.

14 (b) The Agency of Transportation shall, not later than January 15, 2027,
15 submit a written report to the House and Senate Committees on Transportation
16 regarding the consultant’s findings and recommendations for legislative action.

17 Sec. 17. STATE TOWN HIGHWAY AID; MUNICIPAL GRANT

18 PROGRAMS; EFFICIENCIES; IMPROVEMENTS; REPORT

19 (a) The Agency of Transportation, in consultation with the Vermont
20 League of Cities and Towns and the Vermont Association of Planning and
21 Development Agencies, shall engage a consultant to evaluate the State’s Town

1 Highway Aid and municipal grant programs administered by the Agency to
2 identify potential efficiencies and improvements related to the administration
3 of Town Highway Aid and municipal grant programs. The consultant shall
4 evaluate the various funding streams authorized pursuant to 19 V.S.A. § 306 as
5 well as programs administered through the Agency’s Municipal Assistance
6 Bureau, including the Bicycle and Pedestrian Grant Program, Transportation
7 Alternatives Program, Municipal Mitigation Program, Municipal Park and
8 Ride Program, Better Roads Program, Municipal Highway and Stormwater
9 Mitigation Program, and Grants in Aid.

10 (b) On or before January 15, 2026, the Agency shall submit a written report
11 to the House and Senate Committees on Transportation regarding the
12 consultant’s findings and any recommendations for legislative or
13 administrative actions to improve or increase the efficiency of the Town
14 Highway Aid and municipal grant programs.

15 * * * Mileage-Based User Fee * * *

16 Sec. 18. 2023 Acts and Resolves No. 62, Secs. 27–29 are amended to read:

17 Sec. 27. MILEAGE-BASED USER FEE LEGISLATIVE INTENT

18 It is the intent of the General Assembly for the State:

19 (1) to start collecting a mileage-based user fee from all battery-electric
20 vehicles registered in Vermont starting on ~~July 1, 2025, which is expected to~~
21 ~~be the first day of the first fiscal year when more than 15 percent of new~~

1 ~~pleasure car registrations in the State are plug-in electric vehicles (PEVs) or~~
2 before January 1, 2027 subject to sufficient funding being available for
3 implementation;

4 (2) to ~~start subjecting~~ subject plug-in hybrid electric vehicles (PHEVs)
5 that are a pleasure car to an ~~increased~~ annual or a biennial ~~registration~~ electric
6 vehicle infrastructure fee starting on ~~July~~ January 1, 2025, and that PHEVs
7 shall not be subject to a mileage-based user fee;

8 (3) to ~~work towards~~ examine collecting a fee on ~~kWhs~~ electricity that
9 ~~are~~ is dispensed through certain electric vehicle supply equipment available to
10 the public so as to supplant lost ~~gas~~ fuel tax revenue from out-of-state PEVs
11 traveling in Vermont; and

12 (4) to not commence collecting a mileage-based user fee until ~~such~~ the
13 General Assembly has enacted legislation that establishes the amount of the fee
14 and codifies any necessary authorizing language ~~is codified~~ in statute and that
15 legislation becomes effective.

16 Sec. 28. MILEAGE-BASED USER FEE AUTHORIZATION

17 (a) Within the Agency of Transportation’s Proposed Fiscal Year 2024
18 Transportation Program for Environmental Policy and Sustainability, the
19 Agency of Transportation, including the Department of Motor Vehicles, is
20 authorized to apply for and accept a competitive federal Strategic Innovation
21 for Revenue Collection grant established pursuant to the Infrastructure

1 Investment and Jobs Act, Pub. L. No. 117-58 (IIJA), Sec. 13001, with up to
2 \$350,000.00 in Transportation Fund monies authorized for the nonfederal
3 match in fiscal year 2024 and ~~a to-be determined amount for the nonfederal~~
4 match in subsequent fiscal years up to \$350,000.00 in Transportation Fund
5 monies authorized for the nonfederal match in fiscal year 2025.

6 (b) ~~As permitted under federal regulations and grant terms, the~~ The Agency
7 ~~shall utilize grant monies to design~~ State or federal funding, or both, authorized
8 to be used for the purpose of designing a mileage-based user fee that is
9 consistent with Secs. 27 and 29 of this act.

10 (c) Subject to State procurement requirements and the availability of
11 sufficient funding, the Agency may retain one or more contractors or
12 consultants, or both, to assist with the design of a process to commence
13 collecting a mileage-based user fee on ~~July 1, 2025~~ January 1, 2027.

14 Sec. 29. MILEAGE-BASED USER FEE DESIGN

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

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

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

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

3 (A) multiplying the mileage-based user fee rate by the annual vehicle
4 miles traveled or;

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

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

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

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

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

18 (7) “Plug-in electric vehicle (PEV)” has the same meaning as in
19 23 V.S.A. § 4(85) and includes battery electric vehicles (BEVs) and plug-in
20 hybrid electric vehicles (PHEVs), which have the same meaning as in
21 23 V.S.A. § 4(85)(A) and (B).

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

4 (b) Commencement date. The Agency shall design a process to collect a
5 mileage-based user fee for miles driven by a BEV registered in Vermont to
6 commence collecting revenue on ~~July 1, 2025~~ January 1, 2027.

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

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

17 Sec. 19. INTENT

18 It is the intent of the General Assembly that:

19 (1) the mileage-based user fee for a BEV pleasure car be approximately
20 equivalent to the average amount collected by the State in fuel tax revenue
21 from the use of a non-PEV pleasure car registered in Vermont and the average

1 amount collected by the State in fuel tax revenue and Electric Vehicle
2 Infrastructure fee from the use of a PHEV pleasure car; and

3 (2) that the mileage-based user fee for BEV pleasure cars will be an
4 interim step towards gradually expanding the mileage-based user fee to all
5 motor vehicles.

6 Sec. 20. MILEAGE-BASED USER FEE; FUNDING; DESIGN; UPDATES

7 The Agency of Transportation shall report to the Joint Transportation
8 Oversight Committee on or before September 30, 2025 and December 15,
9 2025 regarding the status of federal grants and other funding for the design of
10 the mileage-based user fee pursuant to the provisions of 2023 Acts and
11 Resolves No. 62, Secs. 27–29, as amended by Sec. 12 of this act, and the
12 Agency’s progress in designing the mileage-based user fee.

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

14 Sec. 21. AUTHORIZATION TO USE MONIES TO CONTINUE

15 PARTNERSHIP WITH DRIVE ELECTRIC VERMONT IN STATE

16 FISCAL YEAR 2026

17 In State fiscal year 2026, the Secretary of Transportation is authorized to
18 spend up to \$325,000.00 in remaining monies appropriated to the Electrify
19 Your Fleet Program in State Fiscal Year 2024 to continue the Agency of
20 Transportation’s partnership with Drive Electric Vermont. The monies shall

1 be used for programs and activities that support increased ownership and use
2 of PEVs 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 * * * Consideration of Vehicle Miles Traveled in Project Planning * * *

9 Sec. 22. 19 V.S.A. § 1 is amended to read:

10 § 1. DEFINITIONS

11 As used in this title:

12 * * *

13 (26) “Vehicle miles traveled” means the estimated sum of the miles
14 traveled by all motor vehicle trips within a specific area during a calendar year.

15 Sec. 23. 19 V.S.A. § 10b is amended to read:

16 § 10b. STATEMENT OF POLICY; GENERAL

17 (a) The Agency shall be the responsible agency of the State for the
18 development of transportation policy. It shall develop a mission statement to
19 reflect:

1 Access shall provide to the Joint Fiscal Committee for review and approval a
2 detailed analysis demonstrating that by executing such a contract:

3 (1) no State policy, including the coordinated delivery of transportation
4 services in the Older Adults and Persons with Disabilities program and the
5 Medicaid Non-Emergency Transportation program, will be compromised;

6 (2) there will be no degradation of service to eligible individuals; and

7 (3) the financial stability of the State’s public transportation systems
8 will be maintained.

9 (b) The analysis shall also include the impact of the Agency of
10 Transportation’s investments in vehicles, technology, and other capital
11 investments on the coordinated service delivery model.

12 Sec. 28. VOLUNTEERS PROVIDING TRANSPORTATION SERVICES;
13 BACKGROUND CHECKS; EXPANSION OF VOLUNTEER
14 POOL; REPORT

15 (a) On or before July 15, 2025, the Department of Vermont Health Access
16 shall commence meeting with the Vermont Public Transit Association, the
17 Agency of Transportation, and, in the discretion of the Commissioner of
18 Vermont Health Access, other stakeholders to identify potential, federally
19 permissible opportunities to expand the Medicaid Non-Emergency
20 Transportation program’s pool of volunteer drivers. As part of this work, the
21 Department and Association shall collaborate to determine if there are specific

1 classes of offenses that currently prevent volunteer drivers from providing
2 transportation services through the Medicaid Non-Emergency Transportation
3 program.

4 (1) The Vermont Public Transit Association shall, to the extent possible,
5 gather and provide to the Department anonymized information from its
6 members regarding:

7 (A) the number of potential volunteers who were barred from
8 providing transportation services through the Medicaid Non-Emergency
9 Transportation program due to a background check during the past year;

10 (B) which of the background checks currently required by the
11 Medicaid Non-Emergency Transportation program resulted in potential
12 volunteers being barred from providing transportation services, broken out by
13 percentage; and

14 (C) a summary of the offenses that resulted in potential volunteers
15 being barred from providing transportation services through the Medicaid Non-
16 Emergency Transportation program, broken out by:

17 (i) the type of offense;

18 (ii) whether the offense was a felony or misdemeanor;

19 (iii) whether the offense was under State or federal law;

1 (iv) the percentage of potential volunteers who were barred from
2 providing transportation services through the Medicaid Non-Emergency
3 Transportation program for each type of offense; and

4 (v) to the extent that it is possible to determine, the number of
5 rides that could have been provided by the individuals barred under each type
6 of offense.

7 (2) The Department shall utilize the information provided by the
8 Association pursuant to subdivision (1) of this subsection to determine, to the
9 extent possible, whether the identified offenses are:

10 (A) fraud-based or otherwise implicate potential Medicaid fraud,
11 waste, and abuse;

12 (B) an offense that otherwise bars an individual from providing
13 transportation services through the Medicaid Non-Emergency Transportation
14 program; or

15 (C) an offense that caused harm to an individual other than the
16 offender, or otherwise negatively impacted the safety of the general public.

17 (b) The Department of Vermont Health Access and the Vermont Public
18 Transit Association shall, on or before January 30, 2026, make themselves
19 available to provide an update to the House Committees on Transportation and
20 on Health Care and to the Senate Committees on Transportation and on Health
21 and Welfare regarding the work performed pursuant to this section and

1 opportunities that were identified to expand the Medicaid Non-Emergency
2 Transportation program’s pool of volunteer drivers.

3 Sec. 29. VOLUNTEER DRIVERS; PUBLICITY; OUTREACH

4 (a) The Commissioner of Motor Vehicles, in consultation with the Vermont
5 Public Transit Association, shall identify and pursue opportunities to
6 communicate with the Vermont driving public regarding volunteer and
7 community driver participation in the State’s demand response transportation
8 programs, including the Older Adults and Persons with Disabilities program
9 and the Medicaid Non-Emergency Transportation program. Outreach
10 conducted pursuant to this section may include:

11 (1) invitations for individuals to voluntarily indicate their interest
12 through the operator licensing and vehicle registration processes, subject to any
13 data privacy requirements under State or federal law;

14 (2) notices or other public outreach placed on the Department’s website
15 or other internet-based platforms; and

16 (3) messaging by the Agency of Transportation on social media
17 platforms, including providing links to informational resources provided by the
18 Vermont Public Transit Association.

19 (b) The Department of Vermont Health Access, in consultation with the
20 Agency of Transportation and the Vermont Public Transit Association, shall
21 identify and pursue opportunities to increase awareness of available

1 transportation services provided by volunteer and community driver programs
2 among both individuals who are potentially eligible to volunteer as drivers and
3 individuals who could potentially utilize the transportation services.

4 Sec. 30. COORDINATION OF HEALTH CARE AND TRANSPORTATION
5 SERVICES; WORKING GROUP; REPORT

6 (a) The Secretary of Transportation, in consultation with the Commissioner
7 of Vermont Health Access, shall convene a working group to improve the
8 coordination of health care and transportation services in relation to individuals
9 enrolled in the State’s demand response transportation programs. The working
10 group shall be composed of stakeholders identified by the Secretary in
11 consultation with the Commissioner of Vermont Health Access, including
12 representatives of the Vermont Association of Hospitals and Health Systems,
13 independent dialysis and methadone facilities, and the Vermont Public
14 Transportation Association.

15 (b) The working group shall examine various options for improving the
16 coordination of health care and transportation services, including:

17 (1) opportunities to coordinate the scheduling of health care
18 appointments and treatments to maximize the use of shared rides; and

19 (2) opportunities to improve communication between the public transit
20 agencies and health care providers to facilitate coordination of health care and

1 transportation services for individuals enrolled in the State’s demand response
2 transportation programs.

3 (c) On or before January 15, 2026, the Secretary and Commissioner shall
4 submit a written report to the House Committees on Transportation and on
5 Health Care and the Senate Committees on Transportation and on Health and
6 Welfare with the working group’s findings and any recommendations for
7 legislative action.

8 * * * Vehicle Identification Numbers for Certain Vehicles * * *

9 Sec. 31. ULTRA-LOW VOLUME VEHICLE MANUFACTURING; KIT-
10 CARS; HOMEBUILT MOTOR VEHICLES; VEHICLE
11 IDENTIFICATION NUMBER; REPORT

12 (a)(1) The Commissioner of Motor Vehicles, in consultation with the
13 Secretary of Natural Resources and representatives of the ultra-low volume
14 vehicle manufacturing industry in Vermont, shall examine processes for
15 issuing vehicle identification numbers to ultra-low volume motor vehicles, kit-
16 cars, and homebuilt motor vehicles and opportunities to facilitate the
17 registration of such vehicles.

18 (2) As used in this section:

19 (A) “Homebuilt motor vehicle” means a motor vehicle that is
20 constructed or assembled by an individual from new or used parts, or both, and
21 is not a kit-car.

1 (B) “Kit-car” means a motor vehicle that is constructed by an
2 individual from a manufactured kit that includes some or all parts and
3 components necessary to construct the motor vehicle.

4 (C) “Ultra-low volume motor vehicle” means a vehicle that is
5 manufactured for sale by a manufacturer whose annual worldwide production
6 is not more than 325 motor vehicles.

7 (b) In preparing the report, the Commissioner shall:

8 (1) examine the potential to waive some or all Vermont motor vehicle
9 emissions requirements for ultra-low volume motor vehicles, kit-cars, and
10 homebuilt motor vehicles;

11 (2) identify a cost-effective process for certifying the safety of ultra-low
12 volume motor vehicles, kit-cars, and homebuilt motor vehicles; and

13 (3) develop a streamlined process to provide State Vehicle Identification
14 Numbers to ultra-low volume motor vehicles, kit-cars, and homebuilt motor
15 vehicles.

16 (c) On or before January 15, 2026, the Commissioner shall submit a written
17 report to the House and Senate Committees on Transportation regarding the
18 Commissioner’s findings and identifying any legislative action necessary to
19 enable the issuance of vehicle identification numbers to and registration of
20 ultra-low volume motor vehicles, kit-cars, and homebuilt motor vehicles.

21 * * * Railroad Lease Extensions * * *

1 Sec. 32. 5 V.S.A. § 3405 is amended to read:

2 § 3405. LEASE FOR CONTINUED OPERATION

3 (a) The Secretary, as agent for the State, with the approval of the General
4 Assembly, or if the General Assembly is not in session, approval of the Joint
5 Transportation Oversight Committee, is authorized to lease or otherwise
6 arrange for the continued operation of all or any State-owned railroad property
7 to any responsible person, provided that approval for the operation, if
8 necessary, is granted by the federal Surface Transportation Board under 49
9 C.F.R. Part 1150 (certificate to construct, acquire, or operate railroad lines).
10 The transaction shall be subject to any further terms and conditions as in the
11 opinion of the Secretary are necessary and appropriate to accomplish the
12 purpose of this chapter.

13 (b) To preserve continuity of service on State-owned railroads, the
14 Secretary may enter into a short-term lease or operating agreement, for a term
15 not to exceed six months, with a responsible railroad operator. The Secretary
16 shall notify the House and Senate Committees on Transportation within 10
17 calendar days after entering into any lease or agreement pursuant to this
18 subsection.

19 (c) The Secretary shall notify the House and Senate Committees on
20 Transportation or, if the General Assembly is not in session, the Joint
21 Transportation Oversight Committee when there are 12 months remaining on

1 the operating lease for any State-owned railroad, and when there are 12 months
2 remaining on a lease extension for the operating lease for any State-owned
3 railroad.

4 * * * Dig Safe * * *

5 Sec. 33. 30 V.S.A. § 7006 is amended to read:

6 § 7006. MARKING OF UNDERGROUND UTILITY FACILITIES

7 A company notified in accordance with section 7005 of this title shall,
8 within ~~48~~ 72 hours, exclusive of Saturdays, Sundays, and legal holidays, ~~of~~
9 after the receipt of the notice, mark the approximate location of its
10 underground utility facilities in the area of the proposed excavation activities;
11 provided, however, if the company advises the person that the proposed
12 excavation area is of such length or size that the company cannot reasonably
13 mark all of the underground utility facilities within ~~48~~ 72 hours, the person
14 shall notify the company of the specific locations in which the excavation
15 activities will first occur and the company shall mark facilities in those
16 locations within ~~48~~ 72 hours and the remaining facilities within a reasonable
17 time thereafter. A company and an excavator may by agreement fix a later
18 time for the company's marking of the facilities, provided the marking is made
19 prior to excavation activities. For the purposes of this chapter, the approximate
20 location of underground facilities shall be marked with stakes, paint, or other
21 physical means as designated by the Commission.

1 Sec. 34. 30 V.S.A. § 7006a is amended to read:

2 § 7006a. MAINTENANCE OF UNDERGROUND UTILITY FACILITY

3 MARKINGS

4 After a company has marked its underground facilities in accordance with
5 section 7006 of this title, the excavator shall be responsible for maintenance of
6 the designated markings. In the event said markings are obliterated, destroyed,
7 or removed, the person engaged in excavation activities shall notify the System
8 referred to in section 7002 of this title that remarking is needed. The System
9 shall then notify all member companies whose facilities may be affected. ~~The~~
10 Each applicable company shall within ~~48~~ 72 hours, exclusive of Saturdays,
11 Sundays, and legal holidays, following receipt of the notice, remark the
12 location of its underground utility facilities.

13 * * * Legal Trails * * *

14 Sec. 35. 19 V.S.A. chapter 3 is amended to read:

15 CHAPTER 3. TOWN HIGHWAYS

16 § 301. DEFINITIONS

17 As used in this chapter:

18 * * *

19 (2) “Legislative body” ~~includes boards of selectmen, aldermen, and~~

20 ~~village trustees~~ means a “legislative body” as defined in 24 V.S.A. § 2001.

1 town and to places that by their nature have more than normal amount of
2 traffic. The ~~selectmen~~ legislative body, with the approval of the Agency, shall
3 determine which highways are to be class 2 highways.

4 (3) Class 3 town highways:

5 (A) Class 3 town highways are all traveled town highways other than
6 class 1 or 2 highways. The ~~selectmen~~ legislative body, after conference with a
7 representative of the Agency, shall determine which highways are class 3 town
8 highways.

9 * * *

10 (5) Trails shall not be considered highways ~~and the town.~~ A
11 municipality shall have the authority to maintain trails but shall not be
12 responsible for any maintenance, including culverts and bridges.

13 * * *

14 § 303. TOWN HIGHWAY CONTROL

15 Town highways shall be under the general supervision and control of the
16 ~~selectmen~~ legislative body of the town where the roads are located. ~~Selectmen~~
17 The legislative body of a town shall supervise all expenditures.

18 § 304. DUTIES OF SELECTBOARD

19 (a) It shall be the duty and responsibility of the selectboard of the town to,
20 or acting as a board, it shall have the authority to:

21 * * *

1

2 (Committee vote: _____)

3

4

Senator _____

5

FOR THE COMMITTEE