



April 9, 2026

Dear Chair Westman & Senate Transportation Committee Members,

On behalf of the Conservation Law Foundation (CLF), Vermont Conservation Voters (VCV), Vermont Natural Resources Council (VNRC), and Vermont Public Interest Research Group (VPIRG), we wanted to share our thoughts related to H.944 and ask for your consideration of our concerns and recommendations.

Like you, we recognize that Vermont's transportation system faces many challenges. Funding sources are in decline, while the need to maintain infrastructure, expand affordable mobility options, and reduce climate pollution only grows. At the same time, transportation costs are one of the largest household expenses, and gas prices are skyrocketing at the pump.

We appreciate the Committee's continued work to identify potential new transportation revenue sources to fill current and future funding gaps. That said, we do have significant concerns about establishing a **mandatory** Mileage-Based User Fee (MBUF) program at this time.

We recognize that a MBUF could be a good funding pathway to ensure sufficient and stable transportation funding into the future, and we appreciate the inclusion of internal combustion engines in any potential ensuing MBUF program. We also do not oppose vehicular usage fees as a whole, but their efficacy depends on design. We have serious concerns about a program that unfairly targets electric vehicles. The world is transitioning to EVs; they are cleaner and more cost-effective, and they are a linchpin in meeting the state's essential climate targets. We also have serious concerns about advancing a mandatory program for which there are many unanswered questions about implementation that could sow serious confusion and potentially stymie EV adoption at a time when we should be making it easier for Vermonters to drive electric.

Like other states, we should enable AOT to leverage the Strategic Innovation for Revenue Collection Grant by establishing a voluntary MBUF. We urge the Committee to postpone a mandatory program, until further analysis is completed to inform covering all vehicles in the program. We recognize the need to fill funding gaps and, as such, would consider supporting an increased infrastructure fee for EVs not to exceed what the average Vermont driver pays in annual gas taxes, and exempting Mileage Smart participants. The goal is to ensure that implementation of such a significant program is seamless, fair and prioritizes – not potentially penalizes – cleaner, less costly vehicles. Please find our more comprehensive recommendations related to the MBUF proposal in our accompanying letter.

In addition to our MBUF recommendations, we have identified five other priorities focused on maximizing existing resources, making smart investments in affordable, inclusive, and resilient mobility solutions, and preventing further erosion of the essential services Vermonters rely on. To that end, we urge you to consider and include the following proposals:

- 1. Allow municipalities to increase the amount raised through a Local Option Tax (LOT) to support local transportation needs**

- a. *Expanding the LOT percentage to up to 2% on the existing categories would give municipalities a pathway to fund critical transportation services and projects, as AOT experiences delays and significant budget shortfalls.*
- b. *We also support municipalities keeping the majority of the revenue raised from an additional percentage on an existing LOT in line with the current 70/30 split.*
- 2. Increase base-level funding for Green Mountain Transit (GMT) by \$1 million**
 - a. *We must avoid triggering a “death spiral” for GMT – less service leads to fewer riders, which leads to less federal funding, which leads to even less service. If we let our transit systems deteriorate now, we are setting ourselves up for a painful transportation bottleneck just as Vermont works to grow its housing stock: more people, more homes, and no viable way to move around without a car.*
- 3. Ensure Drive Electric is adequately funded at \$275,000**
 - a. *The current appropriation of \$192,000 is not sufficient to retain the essential infrastructure that Drive Electric provides to facilitate access to critical information and ongoing opportunities around EVs. It is more important than ever to maintain partnerships and programs that work to electrify our most polluting sector, save Vermonters money, and increase accessibility to EVs and EV charging.*
- 4. Require newly installed or refurbished Level III EV chargers accept Tap to Pay credit card payments to make charging more reliable and accessible and to make real-time cost and status information more accurate and readily available**
 - a. *Today, many EV chargers require drivers to download and use a myriad of different web-based mobile apps, which can be difficult or impossible to access in rural Vermont where cell service is often limited or unavailable. Allowing drivers to pay directly by credit card makes charging simpler, more dependable, and accessible for travelers who need to charge on the go.*
 - b. ***Additionally, we are supportive of the Right to Charge proposal, which aims to increase accessibility of installing a charger in common interest communities.***
- 5. Permit municipalities to adopt speed limits under 25 miles per hour in downtown centers, village centers, and thickly settled districts**
 - a. *Allowing towns to set speed limits under 25 mph is crucial for enhancing safety, as reducing vehicle speeds significantly decreases the likelihood and severity of fatal crashes, particularly for pedestrians and cyclists. This authority is especially helpful for small towns seeking to improve street safety with limited access to more costly tools or infrastructure.*
 - b. ***We urge the committee to pursue a statutory change this session, rather than the study that is currently proposed.***

On behalf of each of our organizations, thank you for your hard work and for your careful consideration of our input. There is clearly a need to ensure a sufficient, more equitably designed, and sustainable source for transportation funding, while we build a cleaner, more affordable, multi-modal transportation system. And as costs for fossil fuels skyrocket, it's more important than ever that we prioritize – not inhibit – the uptake of electric transportation. Thank you again for your consideration. We would welcome the chance to provide testimony at the convenience of the committee.

Jenny Rushlow, Conservation Law Foundation
 Dan Fingas, Vermont Conservation Voters
 Kati Gallagher, Vermont Natural Resources Council
 Johanna Miller, Vermont Natural Resources Council
 Ben Edgerly-Walsh, VPIRG



RECOMMENDATIONS ON THE MILEAGE BASED USER FEE:

We urge delayed implementation of a mandatory MBUF program until the Agency has completed both phases of the Mileage Based User Fee Transition Plan Report. We also oppose a mandatory program that only applies to EV drivers.

VNRC, VCV, VPIRG, and CLF appreciate the proposed MBUF as a potential new, needed source of revenue for the declining Transportation Fund. However, we urge the Committee to begin this program as voluntary, in line with the approach of other states. This will give AOT time to set up a program and answer the many unknowns of program implementation. It will also protect EV drivers from being the guinea pigs; enabling the state to move forward with this new revenue mechanism – ensuring federal grant funding is spent and requirements are met.

Principles for a Fair, Strategic and Strong MBUF:

- ***Make it easier – not complex and more confusing – for Vermonters who own or want to purchase electric vehicles, which are cleaner and more affordable to operate and maintain over time.***
 - *In just a matter of weeks, the cost of gasoline has risen by about \$1 a gallon. The consequences of our reliance on imported, price volatile fossil fuels is increasingly and painfully clear. We should be prioritizing and making it easier for Vermonters to access the most cost effective, cost stable, cleanest vehicles. This counsels against a MBUF that isolates EVs and against a regressive fee structure to avoid disproportionate impacts on low-income and rural Vermonters.*
- ***As electric vehicle adoption continues to grow, it is important that these vehicles help fund our collective transportation system.***
 - *It is also critical that the legislature crafts new policy to fill gaps, not disincentivize vehicles that are a climate and cost-saving solution.*
- ***Contributions to Vermont's Transportation Fund should accurately reflect vehicles' true impacts on the environment, infrastructure, and public health.***
 - *Including a plan that outlines how, and when, all light-duty vehicles will move to a MBUF system is a positive and important change the Committee is exploring. We believe that including a plan for all vehicles to ultimately be assessed under the MBUF will promote a more equitable, fair, and well-functioning system.*
- ***Recognizing the need to implement the MBUF in a way that supports 10 V.S.A. § 578, the Global Warming Solutions Act (GWSA), is critical.***
 - *The Vermont Climate Action Plan, which details strategies for meeting the requirements of the GWSA, emphasizes that revenue sources must be compatible with climate actions. For the transportation sector, these actions include continuing “transportation electrification by supporting the availability, accessibility, and affordability of EVs and reliable EV charging options,” among others. This priority strategy is key to cutting climate pollution – and costs.*

Specific MBUF Recommendations

- ***The MBUF should be voluntary until AOT completes the necessary reports on the transition plan for all vehicles and there is a plan in place to cover them.***
 - *Currently only four states have implemented a MBUF and each of these programs are voluntary. Starting as a voluntary program would provide insight and clarity for AOT and EV drivers, who already face greater complexity than non-EV drivers. Washington and Hawaii have used the Strategic Innovation for Revenue Collection Grant to aid in their voluntary road usage fee program set up. Vermont could and should do the same, leveraging those dollars to put a framework in place for a voluntary program to start – and a pathway to a permanent program.*
 - *This will also give the state adequate time to engage in an education and outreach strategy so that it's a more seamless transition, no Vermonter is left behind in this process, and it ensures that much needed revenue is not left on the table.*
 - *We would consider supporting an increased infrastructure fee for EVs not to exceed what the average Vermont driver pays in annual gas taxes, exempting Mileage Smart participants so as to avoid regressive impacts.*
NOTE: At the bottom of this letter is a chart displaying how other states compare with Vermont's proposal, including their flat fee levels.
- ***Clarify when AOT must report back to the Legislature with answers to the unknown components of this program***
 - *The current language in the Mileage Based User Fee Transition Plan Report Section is confusing and should be clarified to ensure that AOT is held accountable to finding answers and solutions to the really critical unknowns. Additionally, language should be added to study how the state of Vermont can capture out-of-state revenue from EV drivers.*
- ***Add language to index the gas tax in 2032 along with the MBUF, or before***
 - *As Vermont progressively moves our state's registered vehicles toward the MBUF system, out-of-state tourists will increasingly be the only drivers assessed under the state gas tax. If Vermont fails to index the gas tax between now and 2032, we will be missing a critical opportunity to raise revenue from non-Vermonters that could have gone toward transportation infrastructure investments that make Vermont communities safer, more accessible, and resilient.*

Chart: How Other States Compare to Vermont's MBUF Proposal

State	Program & year implemented	Eligible Vehicles	Current mileage rate	Payment options	Alternative flat fee
Vermont (as proposed)	Jan 1, 2027	2027-2029: EVs 2029-2031: EVs and fuel-efficient vehicles (25 mpg average or higher) 2031 on: all light duty vehicles not more than 10,000lbs	\$0.014 cents / mile proposed	Odometer Readings	\$225
Hawaii	Hawaii Road Usage Charge, 2025	EVs	\$0.008 cents / mile	Odometer Readings	\$50
Oregon	OReGO , 2015	EVs and fuel-efficient vehicles (20 mpg average or higher)	\$0.02 cents/ mile (Indexed to fuel tax rate; 5% of fuel tax)	Odometer Plug-in, non-GPS odometer, Smart Telematics	\$115
Utah	RUC UT , 2020	EVs	\$0.0111 cents per mile (Indexed to fuel tax rate)	Smart Telematics, Odometer Readings via App	\$138.50
Virginia	Mileage Choice , 2022	EVs and fuel-efficient vehicles (25 mpg average or higher)	Varies based on vehicle fuel efficiency (Indexed to fuel tax rate)	OBD Plug-in, Smart Telematic	\$124.14

Information based on NSCL's ['States Look to Mileage Based Fees to Replace Gas Tax Revenue'](#) report