

1 H.384

2 Introduced by Representatives Dolan of Waitsfield, Bock of Chester, Conlon
3 of Cornwall, Durfee of Shaftsbury, McCormack of Burlington,
4 Mrowicki of Putney, Patt of Worcester, Squirrell of Underhill,
5 Stevens of Waterbury, Sullivan of Burlington, White of
6 Hartford, and Wood of Waterbury

7 Referred to Committee on

8 Date:

9 Subject: Motor vehicles; licensing fees; gasoline tax; diesel tax; municipal
10 roads

11 Statement of purpose of bill as introduced: This bill proposes to have an
12 additional fee on gasoline and diesel for five years to provide additional aid to
13 municipalities for road infrastructure, including compliance with the Municipal
14 Roads General Permit.

15 An act relating to increasing the gasoline and diesel fee revenue to provide
16 aid to municipalities for road infrastructure

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

2 * * * Additional Gasoline Fee * * *

3 Sec. 1. 23 V.S.A. § 3106a is amended to read:

4 § 3106a. IMPOSITION, RATE, AND PAYMENT OF LICENSE FEE

5 In all cases where a distributor is required to pay a tax under this chapter,
6 the distributor shall also pay to the Commissioner in the same manner and time
7 the following:

8 (a) The license fee, established under 10 V.S.A. § 1942, of one cent per
9 gallon upon each gallon of such motor fuel sold by the distributor in the State.
10 The Commissioner shall deposit these license fees into the Petroleum Cleanup
11 Fund established by 10 V.S.A. chapter 59.

12 (b) The license fee, established under 19 V.S.A. § 306(g)(1), of four cents
13 per gallon upon each gallon of such motor fuel sold by the distributor in the
14 State. The Commissioner shall deposit these license fees into the Municipal
15 Road Infrastructure Fund established by 19 V.S.A. § 306(g)(2).

16 Sec. 2. 23 V.S.A. § 3106(a)(2) is amended to read:

17 (2) For the purposes of subdivision (1)(B) of this subsection:

18 (A) The tax-adjusted retail price applicable for a quarter shall be the
19 average of the retail price for regular gasoline collected and determined to
20 three decimal places and published by the Department of Public Service for
21 each of the three months of the preceding quarter after all federal and State

1 taxes and assessments, ~~and~~ the petroleum distributor licensing fee established
2 by 10 V.S.A. § 1942, and the municipal road infrastructure licensing fee
3 established by 19 V.S.A. § 306(g)(1), applicable in each month have been
4 subtracted from that month's retail price. Calculations of the tax-adjusted
5 retail price applicable for a quarter shall be permanently maintained on the
6 website of the Department of Public Service.

7 * * *

8 Sec. 3. 23 V.S.A. § 3106a is amended to read:

9 § 3106a. IMPOSITION, RATE, AND PAYMENT OF LICENSE FEE

10 In all cases where a distributor is required to pay a tax under this chapter,
11 the distributor shall also pay to the Commissioner in the same manner and time
12 the following:

13 ~~(a) The license fee, established under 10 V.S.A. § 1942, of one cent per~~
14 ~~gallon upon each gallon of such motor fuel sold by the distributor in the State.~~
15 The Commissioner shall deposit these license fees into the Petroleum Cleanup
16 Fund established by 10 V.S.A. chapter 59.

17 ~~(b) The license fee, established under 19 V.S.A. § 306(g)(1), of four cents~~
18 ~~per gallon upon each gallon of such motor fuel sold by the distributor in the~~
19 ~~State. The Commissioner shall deposit these license fees into the Municipal~~
20 ~~Road Infrastructure Fund established by 19 V.S.A. § 306(g)(2).~~

1 Sec. 4. 23 V.S.A. § 3106(a)(2) is amended to read:

2 (2) For the purposes of subdivision (1)(B) of this subsection:

3 (A) The tax-adjusted retail price applicable for a quarter shall be the
4 average of the retail price for regular gasoline collected and determined to
5 three decimal places and published by the Department of Public Service for
6 each of the three months of the preceding quarter after all federal and State
7 taxes and assessments, and the petroleum distributor licensing fee established
8 by 10 V.S.A. § 1942, ~~and the municipal road infrastructure licensing fee~~
9 ~~established by 19 V.S.A. § 306(g)(1)~~, applicable in each month have been
10 subtracted from that month's retail price. Calculations of the tax-adjusted
11 retail price applicable for a quarter shall be permanently maintained on the
12 website of the Department of Public Service.

13 * * *

14 * * * Additional Diesel Fee * * *

15 Sec. 5. 23 V.S.A. § 3015(6) is added to read:

16 (6) Notwithstanding subdivision (4) of this section, the four cents per
17 gallon fee imposed by 19 V.S.A. § 306(g)(1) shall be deposited into the
18 Municipal Road Infrastructure Fund established by 19 V.S.A. § 306(g)(2).

19 Sec. 6. 23 V.S.A. § 3015(6) is amended to read:

20 ~~(6) Notwithstanding subdivision (4) of this section, the four cents per~~
21 ~~gallon fee imposed by 19 V.S.A. § 306(g)(1) shall be deposited into the~~

1 ~~Municipal Road Infrastructure Fund established by 19 V.S.A. § 306(g)(2).~~

2 [Repealed.]

3 * * * Supplemental State Aid for Municipal Road Infrastructure * * *

4 Sec. 7. 19 V.S.A. § 306(g) is added to read:

5 (g) Supplemental State aid for municipal road infrastructure.

6 (1) There is established a licensing fee of four cents per gallon of motor
7 fuel sold by a distributor or dealer or used by a user in this State that will be
8 assessed against every distributor, dealer, or user as defined in 23 V.S.A.

9 chapters 27 and 28, and that will be deposited into the Municipal Road

10 Infrastructure Fund established pursuant to subdivision (2) of this subsection.

11 This fee shall be paid in the same manner, at the same time, and subject to the

12 same restrictions or limitations as the tax on motor fuels. The fee shall be

13 collected by the Commissioner of Motor Vehicles and deposited into the

14 Municipal Road Infrastructure Fund.

15 (2) Fees collected pursuant to subdivision (1) of this subsection shall be

16 deposited and credited to a special fund that shall be managed in accordance

17 with 32 V.S.A. chapter 7, subchapter 5 and available to the Agency to provide

18 supplemental aid to municipalities. This fund shall be known as the Municipal

19 Road Infrastructure Fund and all interest earned on Fund balances shall be

20 credited to the Fund.

1 (3) The Fund balance at the end of each fiscal quarter shall be
2 distributed to towns as follows:

3 (A) Six percent of the Fund balance shall be apportioned to class 1
4 town highways. The apportionment for each town shall be that town's
5 percentage of class 1 town highways of the total class 1 town highway mileage
6 in the State.

7 (B) Forty-four percent of the Fund balance shall be apportioned to
8 class 2 town highways. The apportionment for each town shall be that town's
9 percentage of class 2 town highways of the total class 2 town highway mileage
10 in the State.

11 (C) Fifty percent of the Fund balance shall be apportioned to class 3
12 town highways. The apportionment for each town shall be that town's
13 percentage of class 3 town highways of the total class 3 town highway mileage
14 in the State.

15 (D) Monies apportioned under subdivisions (3)(A)–(3)(C) of this
16 subsection shall be distributed to each town in quarterly payments beginning
17 July 15 in each year.

18 (E) Each town shall use the monies apportioned to it solely for
19 highway infrastructure needs including paving and activities and practices
20 being implemented for compliance with the Municipal Roads General Permit.
21 Monies may not be used for any purpose aside from meeting infrastructure

1 needs. Monies do not need to be used in the fiscal year of the apportionment
2 provided that the town has a specific plan for how the monies will be used for
3 a future highway infrastructure project.

4 (F) Each town shall annually report, on or before April 1 in each year
5 and on a form prescribed by the Secretary, to its District Transportation
6 Administrator how monies apportioned to it were spent or are intended to be
7 spent.

8 (G) A town that, as determined by the Secretary in consultation with
9 the District Transportation Administrator, uses or intends to use monies
10 apportioned to it for an unauthorized purpose will be ineligible for any money
11 in the following fiscal year. The Secretary shall, for the following fiscal year,
12 calculate the apportionments in subdivisions (3)(A)–(3)(C) of this subsection
13 as if there were no highways in the ineligible town.

14 (H) The members of the town’s selectboard, or other elected body,
15 shall be personally liable to the State, in a civil action brought by the Attorney
16 General, for making any unauthorized expenditures from money apportioned
17 to the town under this section.

18 Sec. 8. REPEALS

19 (a) 19 V.S.A. § 306(g)(1) (establishment of the municipal road
20 infrastructure licensing fee) is repealed on July 1, 2024.

1 (b) 19 V.S.A. § 306(g)(2)–(g)(3) (supplemental State aid for municipal
2 road infrastructure) are repealed on October 16, 2024.

3 * * * Report on Merit of Additional Fees * * *

4 Sec. 9. REPORT ON MERIT OF ADDITIONAL FEES

5 On or before January 15, 2024, the Agency of Transportation, in
6 consultation with the Agency of Natural Resources, shall report to the House
7 and Senate Committees on Transportation, the House Committee on Natural
8 Resources, Fish, and Wildlife, and the Senate Committee on Natural Resources
9 and Energy on the merit of this additional fee as a funding source based on
10 four full fiscal years of implementation.

11 * * * Effective Dates * * *

12 Sec. 10. EFFECTIVE DATES

13 (a) This section and Secs. 1 (gasoline tax), 2 (calculation of gasoline tax),
14 5 (diesel tax), 7 (supplemental State aid for municipal road infrastructure),
15 8 (repeals), and 9 (reporting) shall take effect on July 1, 2019.

16 (b) Secs. 3 (gasoline tax post repeal), 4 (calculation of gasoline tax post
17 repeal), and 6 (diesel tax post repeal) shall take effect on July 1, 2024.