



General Assembly

February Session, 2026

Raised Bill No. 416

LCO No. 2604



Referred to Committee on TRANSPORTATION

Introduced by:
(TRA)

***AN ACT CONCERNING TRANSPORTATION SYSTEM
MODERNIZATION.***

Be it enacted by the Senate and House of Representatives in General Assembly convened:

1 Section 1. Subsection (d) of section 22a-202 of the 2026 supplement to
2 the general statutes is repealed and the following is substituted in lieu
3 thereof (*Effective from passage*):

4 (d) (1) On and after July 1, 2022, the Commissioner of Energy and
5 Environmental Protection shall establish and administer a program to
6 provide rebates or vouchers to residents, municipalities, businesses,
7 nonprofit organizations and tribal entities located in this state when
8 such residents, municipalities, businesses, organizations or tribal
9 entities purchase or lease a new or used battery electric vehicle, plug-in
10 hybrid electric vehicle or fuel cell electric vehicle. The commissioner, in
11 consultation with the advisory board, shall establish and revise, as
12 necessary, appropriate rebate levels, voucher amounts and maximum
13 income eligibility for such rebates or vouchers.

14 (2) The commissioner shall prioritize the granting of rebates or
15 vouchers to residents of environmental justice communities, residents

16 having household incomes at or below three hundred per cent of the
17 federal poverty level and residents who participate in state and federal
18 assistance programs, including, but not limited to, the state-
19 administered federal Supplemental Nutrition Assistance Program,
20 state-administered federal Low Income Home Energy Assistance
21 Program, a Head Start program established pursuant to section 10-16n
22 or assistance provided by Operation Fuel, Incorporated. Any such
23 rebate or voucher awarded to a resident of an environmental justice
24 community shall be in an amount not less than two hundred per cent
25 more than the standard rebate level or voucher amount. An eligible
26 municipality, business, nonprofit organization or tribal entity may
27 receive not more than ten rebates or vouchers a year, within available
28 funds, and not more than a total of twenty rebates or vouchers, except
29 the commissioner may issue additional rebates or vouchers to an eligible
30 business or nonprofit organization that operates a fleet of motor vehicles
31 exclusively in an environmental justice community.

32 (3) On and after July 1, 2022, and until June 30, 2027, inclusive, a new
33 battery electric vehicle, plug-in hybrid electric vehicle or fuel cell electric
34 vehicle that is eligible for a rebate or voucher under the program shall
35 have a base manufacturer's suggested retail price of not more than fifty
36 thousand dollars.

37 (4) A used battery electric vehicle, plug-in hybrid electric vehicle or
38 fuel cell electric vehicle that is eligible for a rebate or voucher under the
39 program shall (A) have a selling price at the point of sale of not more
40 than thirty-five thousand dollars, and (B) not be older than seven model
41 years old.

42 Sec. 2. Section 13b-23c of the general statutes is repealed and the
43 following is substituted in lieu thereof (*Effective October 1, 2026*):

44 The Commissioner of Transportation shall establish a matching grant
45 program for the purpose of assisting municipalities to modernize
46 existing traffic signal equipment and operations to make such

47 equipment and operations capable of utilizing transit signal priority and
48 responsive to congestion and to reduce idling. Applications shall be
49 submitted annually to the commissioner at such times and in such
50 manner as the commissioner prescribes. The commissioner shall
51 develop the eligibility criteria for participation in the program and
52 determine the amount a municipality shall be required to provide to
53 match any such grant. The commissioner shall give preference to
54 applications [submitted by two or more municipalities and establish
55 incentives for projects undertaken by two or more municipalities]
56 involving projects located in heavily congested areas.

57 Sec. 3. Subsection (g) of section 21 of public act 20-1, as amended by
58 section 344 of public act 22-118 and section 74 of public act 23-205, is
59 amended to read as follows (*Effective July 1, 2026*):

60 (g) For the Department of Transportation: For construction, repair or
61 maintenance of highways, roads, bridges, noise barriers or bus and rail
62 facilities and equipment, not exceeding \$130,000,000, provided not more
63 than \$75,000,000 shall be used for a matching grant program established
64 pursuant to section 13b-23c of the general statutes, as amended by this
65 act, to assist municipalities to modernize existing traffic signal
66 equipment and operations.

67 Sec. 4. Section 22a-201d of the general statutes is repealed and the
68 following is substituted in lieu thereof (*Effective July 1, 2026*):

69 (a) As used in this section, (1) "zero-emission school bus" has the same
70 meaning as provided in 42 USC 16091(a)(8), as amended from time to
71 time, (2) "alternative fuel school bus" means a school bus that reduces
72 emissions and is operated entirely or in part using liquefied natural gas,
73 compressed natural gas, hydrogen, propane or biofuels, [and] (3)
74 ["environmental justice community" has the same meaning as provided
75 in subsection (a) of section 22a-20a] "distressed municipality" means a
76 municipality that was a distressed municipality under the provisions of
77 subsection (b) of section 32-9p on July 1, 2026, (4) "carrier" has the same

78 meaning as provided in section 14-212, and (5) "biodiesel" has the same
79 meaning as provided in section 32-324.

80 (b) Except as provided in subsection (c) of this section, (1) on and after
81 [January] July 1, 2035, one hundred per cent of the school buses that
82 provide transportation for all school districts in the state shall be zero-
83 emission school buses or alternative fuel school buses, and (2) on and
84 after [January] July 1, 2040, [one hundred] ninety per cent of the school
85 buses that provide transportation for all school districts in the state shall
86 be zero-emission school buses.

87 (c) (1) On and after [January] July 1, 2030, [one hundred] ten per cent
88 of the school buses that provide transportation for school districts
89 [entirely within an environmental justice community as of July 1, 2022,
90 or in an area that encompasses at least one environmental justice
91 community as of July 1, 2022,] in a distressed municipality shall be zero-
92 emission school buses.

93 (2) On and after July 1, 2035, fifty per cent of the school buses that
94 provide transportation for school districts in a distressed municipality
95 shall be zero-emission school buses.

96 (3) On and after July 1, 2040, ninety per cent of the school buses that
97 provide transportation for school districts in a distressed municipality
98 shall be zero-emission school buses.

99 (d) (1) Not later than July 1, 2029, each distressed municipality shall
100 submit a plan and schedule to the Commissioner of Energy and
101 Environmental Protection that outlines how such distressed
102 municipality will achieve compliance with the provisions of this section.

103 (2) Not later than July 1, 2035, each municipality that is not a
104 distressed municipality shall submit a plan and schedule to the
105 commissioner that outlines how such municipality will achieve
106 compliance with the provisions of this section.

107 (e) On and after October 1, 2026, and until the schools buses in a
108 municipality are zero-emission school buses in accordance with the
109 provisions of subsection (c) of this section, a carrier shall fuel, or cause
110 to be fueled, any diesel-powered school bus with a biodiesel blend of at
111 least twenty per cent biodiesel.

112 ~~[(d)]~~ (f) The Commissioner of Energy and Environmental Protection,
113 in consultation with the Connecticut Green Bank, shall establish and
114 administer a grant program for the purpose of providing [matching] a
115 portion of the funds necessary for municipalities, school districts and
116 school bus operators [to submit federal grant applications in order] to
117 maximize federal, state or other sources of funding or financing for the
118 purchase or lease of zero-emission school buses and electric vehicle
119 charging or fueling infrastructure. Applications for such grants shall be
120 filed with the commissioner at such time and in such manner as the
121 commissioner prescribes. The commissioner shall give preference to
122 applications concerning the purchase or lease of a zero-emission school
123 bus that will be operated [primarily in an environmental justice
124 community. The commissioner shall determine the amount a
125 municipality, school district or school bus operator shall be required to
126 provide to match such grant] in a distressed municipality.

127 ~~[(e)]~~ (g) The Commissioner of Energy and Environmental Protection
128 shall, within available funds and appropriations, provide
129 administrative and technical assistance to municipalities, school
130 districts and school bus operators that are transitioning to the use of
131 zero-emission school buses, applying for federal grants for such buses
132 and installing electric vehicle charging and fueling infrastructure.

133 Sec. 5. (Effective July 1, 2026) (a) For the purposes described in
134 subsection (b) of this section, the State Bond Commission shall have the
135 power from time to time to authorize the issuance of bonds of the state
136 in one or more series and in principal amounts not exceeding in the
137 aggregate forty million dollars.

138 (b) The proceeds of the sale of such bonds, to the extent of the amount
139 stated in subsection (a) of this section, shall be used by the Department
140 of Energy and Environmental Protection for the purpose of
141 administering the grant program established pursuant to section 22a-
142 201d of the general statutes, as amended by this act.

143 (c) All provisions of section 3-20 of the general statutes, or the exercise
144 of any right or power granted thereby, that are not inconsistent with the
145 provisions of this section are hereby adopted and shall apply to all
146 bonds authorized by the State Bond Commission pursuant to this
147 section. Temporary notes in anticipation of the money to be derived
148 from the sale of any such bonds so authorized may be issued in
149 accordance with section 3-20 of the general statutes and from time to
150 time renewed. Such bonds shall mature at such time or times not
151 exceeding twenty years from their respective dates as may be provided
152 in or pursuant to the resolution or resolutions of the State Bond
153 Commission authorizing such bonds. None of such bonds shall be
154 authorized except upon a finding by the State Bond Commission that
155 there has been filed with it a request for such authorization that is signed
156 by or on behalf of the Secretary of the Office of Policy and Management
157 and states such terms and conditions as said commission, in its
158 discretion, may require. Such bonds issued pursuant to this section shall
159 be general obligations of the state and the full faith and credit of the state
160 of Connecticut are pledged for the payment of the principal of and
161 interest on such bonds as the same become due, and accordingly and as
162 part of the contract of the state with the holders of such bonds,
163 appropriation of all amounts necessary for punctual payment of such
164 principal and interest is hereby made, and the State Treasurer shall pay
165 such principal and interest as the same become due.

166 Sec. 6. (*Effective July 1, 2026*) (a) The Commissioner of Economic and
167 Community Development, or the commissioner's designee, shall
168 convene a working group to study and make recommendations
169 regarding state policies and incentives to increase the use of freight rail
170 transportation within the state. The working group shall consist of the

171 executive director of the Connecticut Port Authority and other members
172 selected by the commissioner, including representatives from
173 organizations representing the interests of manufacturers in the state,
174 representatives from freight rail carriers and any other members as
175 deemed necessary by the commissioner. The commissioner shall serve
176 as chairperson of the working group and shall schedule the first meeting
177 of the working group not later than September 1, 2026.

178 (b) Not later than January 1, 2027, the commissioner shall submit, in
179 accordance with the provisions of section 11-4a of the general statutes,
180 the results of such study and any recommendations to the joint standing
181 committee of the General Assembly having cognizance of matters
182 relating to transportation. The working group shall terminate on the
183 date that the commissioner submits such report or January 1, 2027,
184 whichever is later.

185 Sec. 7. (*Effective July 1, 2026*) (a) The Commissioner of Energy and
186 Environmental Protection, or the commissioner's designee, shall
187 convene a working group to study and make recommendations to
188 increase the utilization of freight rail for the transportation of municipal
189 solid waste, as defined in section 22a-207 of the general statutes. Such
190 study shall, at a minimum, (1) identify policies, incentives or
191 investments that could promote or expand the use of freight rail for
192 municipal solid waste transport, (2) identify any barriers that limit or
193 discourage such transportation, and (3) recommend legislative action
194 deemed necessary or desirable to facilitate such transportation.

195 (b) The working group shall consist of the Commissioner of
196 Transportation, or the commissioner's designee, the executive director
197 of the Connecticut Port Authority and other members selected by the
198 Commissioner of Energy and Environmental Protection, including
199 representatives from freight rail carriers, representatives from
200 municipal governments, representatives from municipal authorities
201 and regional authorities, as defined in section 22a-207 of the general
202 statutes, collectors of solid waste and recyclable items and any other

203 members as deemed necessary by the commissioner. The commissioner
204 may invite representatives of economic development and transportation
205 agencies in those states that are destinations for transported municipal
206 solid waste to attend meetings of the working group in an advisory
207 capacity to promote coordinated interstate freight rail policy. The
208 commissioner shall serve as chairperson of the working group and shall
209 schedule the first meeting of the working group not later than
210 September 1, 2026.

211 (c) Not later than January 1, 2027, the commissioner shall submit, in
212 accordance with the provisions of section 11-4a of the general statutes,
213 the results of such study and any recommendations to the joint standing
214 committees of the General Assembly having cognizance of matters
215 relating to transportation and the environment. The working group
216 shall terminate on the date that the commissioner submits such report
217 or January 1, 2027, whichever is later.

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|---|------------------------|---------------------|
| This act shall take effect as follows and shall amend the following sections: | | |
| Section 1 | <i>from passage</i> | 22a-202(d) |
| Sec. 2 | <i>October 1, 2026</i> | 13b-23c |
| Sec. 3 | <i>July 1, 2026</i> | PA 20-1, Sec. 21(g) |
| Sec. 4 | <i>July 1, 2026</i> | 22a-201d |
| Sec. 5 | <i>July 1, 2026</i> | New section |
| Sec. 6 | <i>July 1, 2026</i> | New section |
| Sec. 7 | <i>July 1, 2026</i> | New section |

Statement of Purpose:

To revise various transportation-related statutes concerning (1) the type of vehicles eligible for a rebate or voucher under the Connecticut Hydrogen and Electric Automobile Purchase Rebate program, (2) the matching grant program for modernizing existing traffic signal equipment and operations, (3) the requirements for zero-emission school buses and alternative fuel school buses and the related grant program for the purchasing or leasing of zero-emission school buses, (4) a working group to study incentives to increase the use of freight rail

transportation in the state, and (5) a working group to study incentives to transport municipal solid waste by freight rail.

[Proposed deletions are enclosed in brackets. Proposed additions are indicated by underline, except that when the entire text of a bill or resolution or a section of a bill or resolution is new, it is not underlined.]