

# Vermont Legislative Joint Fiscal Office

One Baldwin Street • Montpelier, VT 05633-5701 • (802) 828-2295 • Fax: (802) 828-2483

## *FISCAL NOTE*

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Prepared by: Daniel Dickerson

### **H.527 – An Act Relating to Executive Branch Fees – As Introduced**

<https://legislature.vermont.gov/Documents/2020/Docs/BILLS/H-0527/H-0527%20As%20Introduced.pdf>

#### **Bill Summary**

The bill proposes to increase existing fees and levy new fees within several agencies and departments within Vermont state government. Total new revenues in FY20 are estimated to be \$9,147,500, of which \$5,772,500 would go to the General Fund while \$3,375,000 would go to various special funds. A brief summary of the bill revenues, by agency, is in the table below while a written summary of the bill provisions are in the following pages.

<b>Summary of 2019 Fee Bill Revenues</b>				
<b>Agency/Department</b>	<b>FY20 New Revenue</b>			
	General Fund	Special or Other Fund	<i>Total</i>	
Agency of Agriculture, Food and Markets	\$0	\$256,000	\$256,000	
Department of Financial Regulation	\$5,770,000	\$267,000	\$6,037,000	
Department of Fish & Wildlife	\$0	\$240,000	\$240,000	
Department of Labor	\$0	\$0	\$0	
Department of Motor Vehicles	\$0	\$150,000	\$150,000	
Department of Public Service/Public Utility Commission	\$0	\$1,111,000	\$1,111,000	
Secretary of State – Office of Professional Regulation	\$0	\$1,351,000	\$1,351,000	
Judiciary	\$2,500	\$0	\$2,500	
<b>Total</b>	<b>\$5,772,500</b>	<b>\$3,375,000</b>	<b>\$9,147,500</b>	

#### Agency of Agriculture, Food and Markets

The bill would establish a new tier of fees for growers and processors of hemp, as well as a fee for cannabis quality control laboratories. Fees for hemp growers and processors would vary by acreage. The existing \$25 fee for hemp growers would be eliminated. All new fee revenues would be deposited into the Feed, Seeds and Fertilizer special fund.

**Total new revenues in FY20 are estimated to be \$256,000.**

#### Department of Financial Regulation

The bill would establish a new series of combination fees for the application and registration of mortgage brokers, lenders and servicers. Existing fees would be increased for money transmission licenses, debt adjusters, producers, adjusters and appraisers, as well as broker dealer agents. The bill would transition the producer appointment fee from a biennial fee to an annual fee starting in FY2022. All fee revenues from new fees, as well as for debt adjusters and money transmission licenses, would be deposited in the Financial Institution Supervision Fund. Fee revenues from producers, adjusters and appraisers would go to the Insurance Regulatory and Supervision Fund (IRSF). New revenues from broker dealer agent fees would go to the Securities Regulation and Supervision Fund (SRSF). Excess revenues from the IRSF and SRSF would be swept to the general fund at the end of the fiscal year.

**Total new revenues in FY20 are estimated to be \$6,037,000, of which \$5,770,000 would end up in the General Fund and \$267,000 would remain in a special fund.**

#### Department of Fish & Wildlife

The bill would increase fees for resident and non-resident fishing, hunting and combination licenses. Additionally, the bill would increase the multiplier for lifetime licenses for individuals less than one year of age and would apply to hunting, fishing and combination licenses. The multiplier is applied to the one-year cost of a fishing, hunting or combination license and would increase from 6 to 8. As an example, the resident one-year fishing license would increase to \$28 under this bill while a lifetime fishing license after the multiplier of 8 is applied would be \$224 ( $\$28 \times 8 = \$224$ ). Lifetime license revenues are deposited in the Fish and Wildlife Trust Fund, while one-year license revenues go to the Fish & Wildlife Operating Fund.

**Total new revenues in FY20 are estimated to be \$240,000.**

#### Department of Labor

The bill would set the worker's compensation insurance rate at 1.4% and the self-insured losses and corporation losses rate at 1.0% for FY2020. Both rates are unchanged from FY19

**No New Revenues**

#### Department of Motor Vehicles

The bill would increase the registration fee for all-terrain vehicles (ATVs) from \$35 to \$45 annually. The fees are collected by the Department of Motor Vehicles and revenues are split 10% to the Transportation Fund and 90% to the Vermont ATV Sportsman's Association (VASA).

**Total new revenues in FY20 are estimated to be \$150,000: \$15,000 T-Fund and \$135,000 VASA.**

#### Department of Public Service/Public Utility Commission

The bill would levy new fees on small net metering projects and would increase the gross receipts tax on electric companies and gas companies. Additionally, the 60/40 split of gross receipts tax revenues between Department and Commission would be removed from statute and replaced with separate tax rates for the Department and for the Commission. For example, the current rate for telephone companies is 0.0050, while the two new rates would be 0.003 for the Department and 0.002 for the Commission. When the separate rates are combined, there would be no change for water, telephone and cable companies, while the electric rate would increase from 0.005 to 0.00525 and the gas rate would increase from 0.003 to 0.00525.

The new net metering fees would apply to projects of less than 500 kW in plant capacity. Projects up to 50 kW in capacity would be subject to a \$100 registration fee and a \$25 modification fee, while projects above 50 kW up to 500 kW would be subject to a \$5/kW registration fee and a \$100 modification fee. Fee revenues would be split 60/40 between the Department and the Commission.

**Total new revenues in FY20 are estimated to be \$1,111,000, with the Department receiving \$730,000 and the Commission receiving \$381,000.**

#### Secretary of State – Office of Professional Regulation (OPR)

The bill would increase professional licensing fees for many professions that fall within the regulatory jurisdiction of OPR. Most professions are subject to a one-time initial licensing fee and then an ongoing biennial license renewal fee. All revenues would go to the Professional Regulatory Fee Fund for the operations of OPR.

**Total new revenues in FY20 are estimated to be \$1,351,000.**

#### Vermont Judiciary

The bill would add clarifying language to several existing fees in statute, and would levy two new fees: a \$100 fee for petitions to obtain birth orders, which is estimated to raise \$2,500 annually, as well as a \$150 fee for petitions to appeal denials to amend birth or death certificates. The Judiciary does not know how many filings would be subject to the second new fee at this time. All revenues would be deposited in the General Fund

**Total new revenues in FY20 are estimated to be \$2,500.**