August 5, 2010

The Honorable Governor James Douglas
Pavilion Building
Montpelier, Vermont 05602

Dear Governor Douglas:

DII has worked with the Vermont Information Consortium (VIC) and the Department of Motor Vehicles (DMV) to develop a statement of work to launch an online International Registration Plan (IRP) and a temporary fuel permit for the International Fuel Tax Agreement (IFTA), and VIC agreed to make capital investments to launch the site provided a fee structure was put in place that would over time cover the cost of investment into this site, support the Web Portal Project in general, and generate a reasonable return on their investment. The International Registration Plan (IRP) is a registration reciprocity agreement among states of the United States, District of Columbia, and provinces of Canada providing for payment of fees on the basis of total distances operated in all jurisdictions. The International Fuel Tax Agreement (IFTA) is a similar agreement among the same parties providing for payment of fuel taxes. These services will allow individuals to acquire a 72 hour trip permit which authorizes them to travel in Vermont under their respective international plans. The service will help fleet drivers and companies register their vehicle and contact information online anytime, apply for their permits and pay by credit card, and receive their new permits immediately, enabling a quicker turnaround at much lower costs.

The Web Portal Board met July 1st, 2010 and approved the proposed fee structure for the IRP system. In accordance with statutory changes that became effective July 1st, the next step in the process is for the Governor to consider whether to recommend to the Joint Fiscal Committee that the fee structure approved by the Web Portal Board should be affirmed. No work can begin on the proposed new system unless and until Joint Fiscal affirms the action of the Web Portal Board. Statute requires us to present to the Governor for his consideration:

(A) the costs, direct and indirect, for the present and future years related to the charge;
(B) the department or program which will utilize the charge;
(C) a brief statement of purpose;
(D) the impact on existing programs if the charge is not accepted.

Therefore, we submit the following for your consideration:

(A) All costs of this service would be borne by the users, out of state trucking companies. Each permit would incur a $5 fee for using the system which would complete both requirements. This system is voluntary but we expect the convenience of the service to attract many users to the online option. There are approximately 1,500 IRP and 750 IFTA permits sold each year in Vermont. At $5.00 per permit, VIC expects total potential revenues of nearly $11,250 from this service.

Once the service goes live it will be the sole method of acquiring these permits.
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(B) This service will be used to request permits from the Vermont Department of Motor Vehicles.

(C) In Vermont today, fleet drivers and companies who wish to purchase IRP and/or IFTA trip permits must submit their request to a third party permitting agency. The permitting agency assigns a Vermont permit number, which they have purchased in advance from the DMV, and faxes the IRP and/or IFTA permit back to the customer. Due to the volume of requests received by a permitting agency, this process can take 2 – 3 hours and requires that the individual pay a permit fee of $15.00 and the permitting service fees which can be $35.00 or more for each permit. Once the permit is issued, a copy is then faxed to the DMV and recorded. It is a very paper- and labor-intensive process, and requires multiple steps by department resources.

The proposed online service to be developed by VIC will expedite this process considerably. The service will help fleet drivers and companies register their vehicle and contact information online anytime, apply for their permits and pay by credit card, and receive their new permits immediately, enabling a quicker turnaround at much lower costs. The service will also reduce costs related to Department time dedicated to handling these requests, provide a comprehensive backend for reporting, and allow the DMV to have more overall control of the permitting process and better utilize their resources in other, more valuable ways.

(D) If this service is rejected the DMV will have to continue to rely on the current inefficient process to provide these permits. The fleet drivers and companies will continue to be inconvenienced by having to rely on what is now a manual process.

Based on the above description of the need for the system and on knowledge and belief that the fees associated with the system are both necessary and reasonable, I recommend that you approve the fee structure as proposed and forward this letter, along with your approval, to the Joint Fiscal office, so they may take the next steps to help us continue to create a modern tax system for the State of Vermont.

Respectfully Submitted,

David H. Tucker
Commissioner and CIO
DII

Approved

James H. Douglas, Governor of the State of Vermont
MEMORANDUM

To: James Reardon, Commissioner of Finance & Management
From: Nathan Lavery, Fiscal Analyst
Date: September 22, 2010
Subject: JFO #2454, #2455, #2456

No Joint Fiscal Committee member has requested that the following items be held for review:

JFO #2454 — $75,000 donation from the American Association of State Highway and Transportation Officials (AASHTO) to the Agency of Transportation (AOT). This donation will be used to perform a field evaluation of crack sealing materials. The donation consists of approximately $30,000 worth of crack sealing materials and installation expenses, and approximately $45,000 to reimburse AOT for evaluation of the materials and traffic control for the project. [JFO received 8/10/10]

JFO #2455 — Request to approve the proposed fee structure for online International Registration Plan. This online service would allow individuals to acquire a 72 hour trip permit authorizing them to travel in Vermont under international agreements. [JFO received 8/12/10]

JFO #2456 — Request to approve the proposed fee structure for online property transfer tax return service. This online service would allow Vermont property buyers and sellers to submit a property transfer tax return electronically. [JFO received 8/12/10]

The Governor’s approval may now be considered final. We ask that you inform the Secretary of Administration and your staff of this action.

cc: David Dill, Secretary
    David Tucker, Commissioner
MEMORANDUM

To: Joint Fiscal Committee Members
From: Nathan Lavery, Fiscal Analyst
Date: August 19, 2010
Subject: Grant Requests

Enclosed please find three (3) requests that the Joint Fiscal Office has received from the administration.

**JFO #2454** — $75,000 donation from the American Association of State Highway and Transportation Officials (AASHTO) to the Agency of Transportation (AOT). This donation will be used to perform a field evaluation of crack sealing materials. The donation consists of approximately $30,000 worth of crack sealing materials and installation expenses, and approximately $45,000 to reimburse AOT for evaluation of the materials and traffic control for the project. [JFO received 8/10/10]

**JFO #2455** — Request to approve the proposed fee structure for online International Registration Plan. This online service would allow individuals to acquire a 72 hour trip permit authorizing them to travel in Vermont under international agreements. This fee request is subject to JFC review in accordance with 22 V.S.A. § 953(c). [JFO received 8/12/10]

**JFO #2456** — Request to approve the proposed fee structure for online property transfer tax return service. This online service would allow Vermont property buyers and sellers to submit a property transfer tax return electronically. This fee request is subject to JFC review in accordance with 22 V.S.A. § 953(c). [JFO received 8/12/10]

In accordance with the procedures for processing such requests, we ask you to review the enclosed and notify the Joint Fiscal Office (Nathan Lavery at (802) 828-1488; nlavery@leg.state.vt.us) if you have questions or would like an item held for Joint Fiscal Committee review. Unless we hear from you to the contrary by September 2 we will assume that you agree to consider as final the Governor’s acceptance of these requests.

**cc:** James Reardon, Commissioner
David Dill, Secretary
David Tucker, Commissioner
Dear Joint Fiscal Committee members,

I am writing today regarding a new online service being proposed by the Department of Motor Vehicles for out-of-state trucking companies for which I hope to gain your support.

The International Registration Plan (IRP) and International Fuel Tax Agreement (IFTA) are registration reciprocity agreements among states of the U.S. District of Columbia, and provinces of Canada that provide for payment of apportionable fees and fuel taxes. These services allow individuals and fleet trucking companies to acquire a 72 hour trip permit which authorizes them to travel in Vermont under their respective international plans.

In Vermont, the processing of these permits currently requires a great deal of time by DMV staff, and the provision of an online service to handle this processing will greatly help the Department. The online service will streamline internal processes, create cost savings for the State, and provide a better user experience for the individuals who use the service. I understand the funding of the online service will be in the form of an access fee of $5 to be paid by the out-of-state individuals and fleet trucking companies who use the service, and thus not require any taxpayer funds. This fee will be less than many of these truckers currently pay to third party vendors’ private permitting services.

I encourage approval of this new permitting system as it will bring value to the state and to businesses engaged in commerce within Vermont.

Thank you for your consideration and please let me know if you have any questions.

Sincerely,

Dick Mazza
Dear Joint Fiscal Committee members,

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The International Registration Plan (IRP) and International Fuel Tax Agreement (IFTA) are registration reciprocity agreements among states of the U.S, District of Columbia, and provinces of Canada that provide for payment of apportionable fees and fuel taxes. These services allow individuals and fleet trucking companies to acquire a 72 hour trip permit which authorizes them to travel in Vermont under their respective International plans.

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Respectfully Submitted,

David H. Tucker
Commissioner and CIO
DII

Approved

James H. Douglas, Governor of the State of Vermont
Sec. B16. 22 V.S.A. § 953(c) is amended to read:

(c) Any charges created or changed by the board shall be approved by the joint fiscal committee before taking effect as follows:

(1) All such charges shall be submitted to the governor who shall send a copy of the approval or rejection to the joint fiscal committee through the joint fiscal office together with the following information with respect to those items:

(A) the costs, direct and indirect, for the present and future years related to the charge;
(B) the department or program which will utilize the charge;
(C) a brief statement of purpose;
(D) the impact on existing programs if the charge is not accepted.

(2) The governor's approval shall be final unless within 30 days of receipt of the information a member of the joint fiscal committee requests the charge be placed on the agenda of the joint fiscal committee or, when the general assembly is in session, be held for legislative approval. In the event of such request, the charge shall not be accepted until approved by the joint fiscal committee or the legislature. During the legislative session, the joint fiscal committee shall file a notice with the house clerk and senate secretary for publication in the respective calendars of any charge approval requests that are submitted by the administration.