

H. 872 – FEE BILL OVERVIEW

As Introduced

(Prepared by Legislative Council and JFO on 03-21-2016)

TOTAL NEW FY17 REVENUE: \$24,093,930.00

AGENCY OF AGRICULTURE, FOOD AND MARKETS

Sec. 1-29

New FY17 revenue: \$1,158,686.00 Special Funds

The Agriculture sections of the fee bill include fee adjustments, new fees, and the elimination of one fee. The new fees are: late fees for license and registration renewals, a fee on private applicators of pesticides and the expansion of pesticide applicator fees to federal, State and municipal agencies and public education institutions, the expansion of fee categories for milk handler licensees, and a fee for the registration of custom manure applicators. Significant new revenue would be generated by the proposed late fee, as well as the increases in the fees on commercial feeds, the fees for registering insecticides, fungicides, and rodenticides, the milk handlers' license fees, and the fees for operating gasoline pumps. The eliminated fee is the Dairy Promotion Council fee on handlers for all fluid milk sold in Vermont.

DEPARTMENT OF FINANCIAL REGULATION

Sec. 30-34

New FY17 revenue: \$ 21,960 Special Fund; \$20,790,000 General Fund.

The Financial Regulations sections would create a new fee for limited lines insurance providers, and modify an existing fee on investment companies. A new "business entity limited lines producer" category is established, so that a business may sell limited lines insurance such as travel accident or travel baggage insurance. A corresponding fee of \$150.00 would be created for initial licensing and subsequent biennial renewals.

The notice filing fee per portfolio or class of securities for mutual fund investment companies would be divided into two separate fees. First, a \$2,000.00 fee will be required for the initial filing. Second, the fee required for each annual renewal will be \$1,500.00. This mutual fund fee adjustment alone will generate a total estimate of new revenue of \$20,790,000.00.

A new exemption would also be created for the Department of Financial Regulations to exempt it from the statutory fee requirements that limit the purposes for which an agency may raise revenues through fees. This new exemption will allow DFR to raise revenues through its fees that are not directly related to its costs of regulation.

CENTER FOR CRIME VICTIM SERVICES

Sec. 35

New FY17 revenue: \$81,915 Special Fund

This section would increase the marriage license fee collected by town clerks for issuing and recording a marriage or civil union license. Part of the fee is retained by the town clerk. This part will not be increased. The remaining portion of the marriage license fee

H. 872 – FEE BILL OVERVIEW

As Introduced

(Prepared by Legislative Council and JFO on 03-21-2016)

is deposited into the Domestic and Sexual Violence special fund to support the programs managed by the Center for Crime Victim Services. The full amount of the fee increase would be allocated to the Domestic and Sexual Violence special fund.

DEPARTMENT OF PUBLIC SAFETY

Sec. 36-37

New FY17 revenue: \$1,507,977.00 Special Fund

The Public Safety sections address fees for hazardous substances and fire safety. The fees per pound for the use or storage of hazardous chemicals or substances at a facility are increased. The permit application fees for the approval of a construction plan according to fire prevention and building code are also increased. The permit fee increases alone will raise 1,393,012.00 in new revenue.

DEPARTMENT OF LIQUOR CONTROL

Sec. 38-43

New FY17 revenue: \$413,969.00 Special Fund; \$41,596.00 General Fund

The Liquor Control sections increase many existing liquor licensing fees by approximately 9 %. These include fees for licenses to bottle, to solicit, to sell at wholesale, to ship wine, to store wine, to cater, and to serve and sell alcohol according to the different statutory classes. The fees will also increase for permits for festivals, and educational sampling events. Additionally, the Liquor Control sections establish training requirements for liquor and tobacco licensees through in-person seminars or online programs. The fees for these training sessions will be the same regardless of whether they are taken in-person or online.

Included in the Liquor Control sections are two new fees relating to the regulation of electronic cigarettes, which are a type of tobacco substitute. The first fee is for vendors of tobacco substitutes, who will be required to obtain a tobacco substitute endorsement in addition to the current requirement of a tobacco license. The endorsement will require an annual \$50.00 fee to be paid to the Dept. of Liquor Control. The second new fee will be charged to tobacco substitute manufacturers, who will be required to pay a \$1,000.00 fee annually for each of their tobacco substitute brands. This fee will not be charged for each individual product flavor.

AGENCY OF NATURAL RESOURCES

Department of Fish and Wildlife

Sec. 44

New FY17 revenue: \$40,927.00 Special Fund

The Fish and Wildlife sections increase several license fees, and eliminate others. The increases are to combination hunting and fishing licenses for Vermont residents, and to fishing licenses, and combination hunting and fishing licenses for nonresidents. The fees that will be eliminated are fees for the second muzzle loader and the second archery

H. 872 – FEE BILL OVERVIEW

As Introduced

(Prepared by Legislative Council and JFO on 03-21-2016)

licenses for Vermont residents, as well as the \$50.00 fee for senior Vermont residents to receive one or multiple licenses at no additional cost. The free senior licenses will be for Vermont residents 70 years of age or older. Bear tags will also be permitted at any time during the season, for both residents and nonresidents.

Department of Environmental Conservation

Sec. 45

New FY17 revenue: \$0.00

The Environmental Conservation section pertains to licensing fees for Concentrated Animal Feeding Operations (CAFOs). The CAFO program applies to medium and large farms where precipitation causes discharge from the production area. While medium and large farms are currently charged application or operating fees, CAFOs have not been subject to any fees. The new proposed CAFO license fees will be the same as the existing medium and large farm license fees, which are \$1,500.00 for a medium farm, and \$2,500.00 for a large farm. As there are currently no CAFOs in Vermont, there are no projected revenues for FY 2017.

DEPARTMENT OF LABOR

Sec. 46

New FY17 revenue: \$0.00

The Workers' Compensation Fund premium rates are adjusted annually to reflect the budget for the program and the estimated calendar year premiums that will be paid by employers on workers' compensation insurance. This rate has been set at 1.45 percent since 2013, and will remain at the rate of 1.45 percent for FY 2017. No change in revenues is anticipated.

AGENCY OF EDUCATION

Sec. 47

New FY17 revenue: \$37,500.00 Special Fund

The Education section pertains to new fees for accreditation of Vermont institutions of higher education, through the Results Oriented Program Approval (ROPA) process. One new fee will be due annually, and grants preparation programs the authority to recommend licensure for their graduates. Other fees will be charged for initiating new programs, which requires preparation and review of the proposed program, and a site visit. The site visit will require a separate fee. A further annual fee is created to cover the costs of an in-depth ROPA review, which is required every seven years to maintain accreditation. Lastly, two-year program review fees will be charged to both new and existing programs, which must submit and present two-year reports. The \$37,500 estimated annual revenue from these fees is intended to cover the work of the 0.5 FTE needed to manage the program's day-to-day operations.

H. 872 – FEE BILL OVERVIEW As Introduced

(Prepared by Legislative Council and JFO on 03-21-2016)

REPORTS AND EFFECTIVE DATES

Sec. 22

The Agency of Agriculture, Food and Markets will be required to provide a report by November 15, 2016 to the House Committee on Ways and Means, the Senate Committee on Finance, the House Committee on Agriculture and Forest Products, and the Senate Committee on Agriculture that proposes a fee on small farms for the certification of their compliance with water quality requirements under the required agriculture practices.

Sec. 48

The fertilizer tonnage fees in section 5 will apply retroactively to January 1, 2016 to correct the inadvertent changes in last year's session law. All of the remaining sections will become effective on July 1, 2016.

H.872: 2016 Fee Bill Revenue Summary					
Agency/Dept.	Administration		House		Difference
	<i>Gen. Fund</i>	<i>Spec. Funds</i>	<i>Gen. Fund</i>	<i>Spec. Funds</i>	
AAFM	-	1,641,686	-	1,158,086	(483,600)
DFR- Business Entity Producers	-	21,960	-	21,960	-
Crime Victim Services	-	81,915	-	81,915	-
Public Safety	-	1,507,977	-	1,507,977	-
Liquor Control	41,596	258,577	41,596	413,969	155,392
Fish & Wildlife	-	40,927	-	40,927	-
Environmental Conservation	-	-	-	-	-
Web Portal Board	-	-	-	-	-
Labor	-	-	-	-	-
Education	-	-	-	37,500	37,500
Subtotal by Fund	41,596	3,553,042	41,596	3,262,334	(290,708)
DFR- Mutual Fund Fee	13,200,000	-	20,790,000	-	7,590,000
Total by Fund	13,241,596	3,553,042	20,831,596	3,262,334	
Fee Bill Total		16,794,638		24,093,930	7,299,292