

Overview of the Fee Report and Request

Becky Wasserman

Office of Legislative Counsel

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Definition of a “Fee”

- A “fee” is “a monetary charge by an agency or the judiciary for a service or product provided to, or the regulation of, specified classes of individuals or entities.” (32 V.S.A. § 602(2)(A)).
- Certain charges are statutorily exempt from the definition of “fee” (32 V.S.A. § 602(2)(B)).
 - Examples include charges established by certain commissions, boards, and departments, monies paid into an enterprise or internal service fund, money from interest and premium payments, and “any other charge exempt by law”

Definition of a “Fee”

For purposes of the Executive Branch fee report, a “fee” means “any source of State revenue classified by the Department of Finance and Management Accounting Systems as “fees”, “business licenses,” “nonbusiness licenses,” and “fines and penalties.” In addition, the Department of Finance and Management shall identify any of the other State revenue sources that function in fact as a “fee” and reclassify them as fees. (32 V.S.A. § 605(e)).

Authority to Create, Review, and Adjust Fees

The stated purpose of the fee chapter is to:

- establish a uniform policy on the creation and review of Executive and Judicial Branch fees; and
- give the General Assembly the sole authority to create, review, and adjust fees (with certain exceptions).
- Fee creation may only be established by an act of the General Assembly. (32 V.S.A. § 603).

Authority to Create, Review, and Adjust Fees

- In general, the rate or amount of, or adjustment to, any fee shall be set by an act of the General Assembly, with certain exceptions.
 - Some rates may be adjusted by the Joint Fiscal Committee.
 - Certain fees may be set by the Department providing the service or product but must be reasonably and directly related to their costs and must be credited to special funds.

Executive Branch Annual Fee Report and Request

- Annually, Governor is required to submit a consolidated Executive Branch fee report and request to the General Assembly. (32 V.S.A. § 605).
- Beginning July 2011, fee report was required to cover different areas of government each year as part of a three-year cycle.

Executive Branch Annual Fee Report and Request

Fee report required to include certain information for each fee in existence on the preceding July 1:

- statutory authorization
- current rate or amount and when it was set or adjusted
- the fund where the revenue is deposited
- Revenues derived over two previous fiscal years
- Whether the Governor recommends any fee to be altered, reauthorized, or terminated

Executive Branch Annual Fee Report and Request

Fee request must include any proposal to:

- Create a new fee, or change, reauthorize, or terminate an existing fee
- Set a new or adjust an existing fee rate or amount
- Designate, or redesignate, the fund into which revenue is deposited

Judicial Branch Annual Fee Report and Request

- Every three years, Justices of the Supreme Court or the Court Administrator are required to submit a consolidated Judicial Branch fee report and request to the General Assembly. (32 V.S.A. § 605).
- Generally, requirements of Judicial fee report and request are the same as the Executive Branch report and request requirements.
- Judicial Branch is required to include any fees associated with e-filings and any proposals to reauthorize, change, or terminate those fees in its report.

Legislative Fee Review Process/Fee Bill

- Fee reports and requests are forwarded to the House Ways and Means Committee, which is required to consult with other standing committees of jurisdiction on the fees in their subject areas.
- Ways and Means Committee is directed to introduce a “consolidated fee bill” proposing:
 - The creation, change, reauthorization, or termination of any fee
 - The amount of a newly created fee, or change in amount of an existing or reauthorized fee
 - The designation, or redesignation, of the fund into which revenue from a fee is to be deposited

Fee Inventory and Fund Deficit Report

Act 185 of 2022 required a report from the Administration with:

- An inventory of all existing fees within the State (Executive, Judicial, Treasurer, AG, and Secretary of State).
- A list of funds with a deficit at the end of the most recent fiscal year or an expected deficit and when GF were needed to address a fund deficit or operating costs supported by the fund.
- A list of programs where the fees do not fully cover the cost of providing the service or regulatory function.