

H. 586

Page 26 & 27 Sec. 1293 Water Resources Preservation Fee

My main concern is the implementation. After reading this section I have more questions than answers.

It appears that it is not a flat fee, although the Secretary **may** set a flat fee for developed residential properties of no more than \$50. All other properties would have a graduated fee dependent upon their estimated impervious areas?

If the fee is calculated based on estimated impervious areas how does the amount due make its way to the tax bill? Would the grand list program calculate the areas and the information would be transferred to the bill as part of the assessed value? Would the listers and assessors be required to collect such data? Would it be a separate line item and listed as a state fee?

If it is a separate line item and subject to change depending on the change of the impervious area would a change of assessment notice be required and an appeal process? Not every taxpayer would be willing to accept the calculations and the associated fee. If it is appealable would it be considered a TAX appeal to the Board of Listers and the Board of Civil Authority?

The tax bill consists of a taxable value (based on the value of the property) and rates as multipliers. One rate is the municipal rate; the other is the education rate. Some towns break down their municipal rate into different lines. So again, is this a separate line? And if it is, would it be collectable from the escrow and mortgage companies? They collect and pay taxes for their customers; will they also pay state fees?

If the fee is not paid is it subject to penalty and interest at the same rate as the taxes, which can be different in each town?

Would towns be required to pay the fees to the State, whether they have been received or not?

H. 586 states that exempt properties would be assessed the fee. Currently we do not generate tax bills for exempt properties. That would add additional burden and costs to implement.

The miniscule amount to be retained by the towns (if we make timely payments) does nothing to entice the treasurers to accept the responsibility of all of the unknowns. If a property is assessed a \$50 fee, the town would retain 11 cents. The Town of Colchester has more than 150 exempt properties. The 11 cents would not cover the billing forms, envelopes, postage, printing and handling costs that are associated with mailing the bills.

Towns have not collected state fees as part of the tax bill in the past. Would we be setting a precedent as we move forward?

Is there another way to assess the fee, possibly through the income tax process? Adding any additional burden to the property tax bill is questionable in light of the education taxes etc.

The VMCTA is opposed to the fee being billed and collected as part of the tax bill.

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