

Re: 2014 H.735 - 2014 Fee Bill

To: Senator Tim Ashe, Chair, Senate Finance Committee
From: Otto Trautz, Finance & Management

Having presented the Administration's Fee Bill to the House Ways & Means Committee, I anticipated the opportunity to present to the Senate Finance Committee the Administration's response to the changes made by the House. However, it seems that I will be unable to be present when your Committee takes up consideration of the 2014 Fee Bill (2014 H.735). The attached summary represents the Administration's responses (far right column). I would draw your attention to the four areas where the Administration is proposing specific changes to H.735 as passed by the House:

1. Tax Dept – the House removed our proposed Sec 3 - property tax appeals filing fee – request to increase the fining fee from \$70 to \$120.
2. Agriculture Agency – the House removed our proposed Sec 8 - apiary fee – request to charge a fee.
3. Public Safety – Secs 19 – 20 - firearms storage fee – language changed from our initial recommendation – please contact Sarah London, Governor's Counsel, for latest Administration proposal.
4. Vermont Web Portal – 3% fee – Secs 26-28 – see our proposal, immediately below.

While the Administration supports the House action authorizing the 3% Web Portal fee in Secs 26 and 27 of the Fee Bill, we believe that the authorization would be more properly expressed in the context of the existing Web Portal statute, 22 VSA Sec 953. As written, Secs 26 and 27 add Secs 954 and 955 to Title 22, without regard to the provisions of 22 VSA Sec 953(c), which provide for legislative approval of fees which were proposed by the Web Portal Board and which were approved by the Governor.

The process in Sec 953 is that Web Portal fee requests must be submitted for legislative approval if a member of the Joint Fiscal Committee so asks while the legislature is in session. This process is modeled on the grant approval process in 32 VSA Sec 5(a)(2). In the two cases since 2009 when a member of the JFC has so requested concerning grant approval, the resulting legislative action was stated in the context of the authorizing legislation, namely 32 VSA Sec 5. (See 2009 Resolution No. R-122, and 2009 Special Session Act 1 Sec E.813.2.)

In addition, we hope to clarify that the 3% fee is to be paid by the taxpayer or credit card holder, not the Department of Taxes or the Department of Motor Vehicles. I believe this is the acknowledged intent for these sections.

In its December 17, 2013 recommendation to the Joint Fiscal Committee, we believe the intent of the Web Portal Board was to review the 3% Web Portal fee for credit card tax payment transactions after two years (i.e., by July 1, 2016), and propose changes, if any (increase, decrease or rescission). Our proposed language replacing the repeal provision of Sec 28 again places review of this fee in the context of existing Web Portal statute.

We are requesting that Secs 26, 27 and 28 of 2014 H.735 be re-cast as follows:

Sec. 26 WEB PORTAL FEES; TAX DEPARTMENT AND DEPARTMENT OF MOTOR VEHICLES

(a) In accordance with the provisions of 22 VSA Sec 953, the General Assembly hereby approves the three percent credit card fees proposed by the Web Portal Board, which were approved by the Governor, and for which legislative action has been requested by a member of the Joint Fiscal Committee, as follows:

(1) Legislative approval is for the Vermont Web Portal to assess to the taxpayer a three percent fee on credit card payment of tax bills to the Vermont Department of Taxes;

(2) Legislative approval is for the Vermont Web Portal Board to assess to the credit card holder a three percent fee on over-the-counter credit card payment of Department of Motor Vehicle fees at Department branch offices.

Sec. 27 [Deleted]

Sec. 28. REVIEW OF WEB PORTAL FEE; TAX DEPARTMENT

Prior to July 1, 2016, the Web Portal Board shall consider any changes to the three percent fee on credit card payment of tax bills to the Vermont Department of Taxes authorized in Sec. 26(a)(1) of this act, and, consistent with the provisions of 22 VSA Sec 953(c), shall recommend any such proposed changes to the Joint Fiscal Committee.

Again, my apologies for being unable to in person present the Administration's response to 2014 H.735 as passed by the House.

<2014 Fee summary - admin recommend.xlsx>