

Testimony of Dawn Francis, Colchester Town Manager

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Colchester has 27 miles of shoreline on Lake Champlain and the lake defines our community. We are all supportive of a cleaner lake and recognize the need for additional resources to improve water quality. Our testimony is provided in the spirit of working collaboratively with policy makers so as to craft legislation we can all support and implement.

1. Our community like many other MS 4 communities, is in the process of developing a stormwater utility which will probably have the outcome of a surcharge based on impervious surfaces and will also assess what are now tax exempt properties including colleges, the medical center and the state highway system. It is essential for legislation to include exemptions, incentives or credits for municipalities that are implementing stormwater cleanup measures.
2. The bill defers any decision on the parcel water quality fee until January 15, 2016 at which point a proposal will be submitted by the Secretary of the Administration. While the proposal shall include a tiered per parcel fee that provides for equitable apportionment among all parcel owners, including owners of industrial property, commercial property, residential property and agricultural lands, it suggests no exemptions for municipal storm water utilities. This creates a significant disincentive for the creation of storm water utilities which would significantly improve storm water programs.
3. There is lack of clarity in the bill language and proposed storm water fee structure to determine exactly what our revised costs might look like. Excluding periodic application fees for various environmental permits, and in the absence of any further clarification, our annual permit operating fees will go from approximately \$5,000 to \$26,500 a year. Over the life of the five year permit, this would be about \$132,000 in operating permit fees and results in yet another cost shift from the State to municipalities that will add to our taxpayer's tax burden. Again, the legislation also needs to exempt communities that are already meeting standards and implementing best management practices.
4. Similar in nature to concerns with the possible overlay of local storm water utility parcel fees by a state per parcel fee structure, many of the proposed fees create a

degree of duplicity which is both inefficient and confusing. The bill's fee sections are in need of redrafting and clarification.

5. Adding any additional burden to the property tax bill is challenging in light of the education taxes, etc. Is there another way to assess the fee, possibly through the income tax process?
6. If the fee is calculated based on estimated impervious areas how does the amount due make its way to a 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? Will the fees be used to cover these costs?
7. 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?
8. The municipal 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?
9. 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?
10. The bill contemplates exempt properties would be assessed a fee. Currently, we do not generate tax bills for exempt properties. That would add additional burden and costs to implement. For example, the Town of Colchester has more than 150 exempt properties. We would need to cover the cost of data collection and maintenance, billing forms, envelopes, postage, printing and handling costs that are associated with mailing the bills.