



The Voice of Vermont Business

Senator Tim Ashe
Chair, Senate Finance Committee

4.10.15 Fee Bill testimony – Senate Finance - prepared by Tori Ossola.

Good Morning,

The Vermont Chamber of Commerce represents 1,500 businesses that employ approximately 45,000 Vermonters in all sectors of our economy. Regarding the proposed fee increases for our restaurants, we have polled our members and feedback was consistent.

Our independent restaurant members feel a large weight with last year's minimum wage increase and the annual increase in Catamount Health Assessment that is still in place and now used to subsidize VT Health Connect. These increased cost burdens are also occurring as they are trying to survive the continued slowdown in the economy. Even as the economy starts to pick up, there is little margin to pay for more fees, taxes, and costs. In addition to proposed increases government fees, everything is going up – food, health care, and even fuel prices until recently.

This year, restaurateurs and lodging facilities are worried over a host of proposals in addition to increases in fees, including mandated paid sick leave and a sugar added and diet beverage tax.

The cumulative burden of these policies will be too much for many to bear and keep their doors open.

The general consensus of our independent restaurant properties is that larger chain restaurants may have an advantage over smaller independent restaurants because they have the resources capable of keeping their Vermont restaurants open long enough to potentially scoop up the sales from the smaller local restaurants which creates an even greater burden.

An isolated fee increase of 13% up to 80% or more **MAY** seem affordable, however, when businesses take a look at all of the other increases they are being asked to absorb, it appears that we are continually asking for more and more to pay for no increase in benefit, thus impacting their ability to grow and employ more Vermonters.

We understand that fees are increased regularly to keep pace with the cost of the regulation, but some of the increases recommended by the Administration are so steep all at once. We would prefer something more modest and consistent, keeping pace with the overall economy which is growing at less than 3% and are appreciative of the work down by the House on this issue. We would encourage you to maintain the fee increases passed by the House, and not raise them higher.

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Proposed Health department Fee increases March 2015:

Restaurant/Food Service

Seating capacity of 0 to 25; from \$85.00 to \$110.00 (29% increase)
Seating capacity of 26 to 50; from \$145.00 to \$200.00 (38%)
Seating capacity of 51 to 100; from \$245.00 to \$300.00 (22%)
Seating capacity of 101 to 200; from \$305.00 to \$500.00 (64%)
Seating capacity of over 200; from \$390.00 to \$600.00 (54%)
Home Caterer; from \$95.00 to \$150.00 (58%)
Commercial Caterer; from \$200.00 to \$225.00 (13%)
Limited Operations; from \$95.00 to 125.00 (32%)

Bakery

Home Bakery; from \$55.00 to \$100.00 (82%)
Small Commercial; from \$125.00 to \$200.00 (60%)
Large Commercial; from \$250.00 to \$350.00 (40%)

Lodging

Capacity of 1-10; from \$80 to \$135 (69%)
Capacity of 11-20; from \$135 to \$230 (70%)
Capacity 21-50; from \$200 to \$340 (70%)
Capacity over 50; from \$340 to \$530 (56%)

Testimony provided by Dick Marron, Town and Country Resort, Stowe, VT

My objection to the fee increases is the doubling of the fees. The proposed fees for my motel and restaurant are in excess of \$1000. We do have a health inspector who visits our business once a year. He spends less than 2 hours. I am not sure how much that costs the Health Department and I do realize that the inspectors have to be trained so the cost of the service is more than the time spent on the inspection.

My concern is that fees are being used to generate revenues that go beyond the cost of providing the regulatory service.

I certainly understand that current state spending exceeds current revenues. We have owned and operated the Town & Country for 39 years and for the past 20 years my son has been general manager. To remain in business requires constant upgrades and as a result we have more debt on our property than our original purchase price. At the same time these investments enable us to at least maintain our sales. Those sales are subject to room and meals tax which generate about \$80,000 for state government and the Town of Stowe. In addition to motel and restaurant license we also have a liquor license which also costs more than \$1000.

I can assure you that as a seasonal business we all have to work very hard to make ends meet. So what might seem as a small amount of money on a case by case basis, it just compounds the current cost of doing business in Vermont. While I am not happy with the fee bill that passed the house, but it is certainly preferable to the administration proposal. At the very least I would ask the Senate Finance Committee to not increase the fees that passed the House.

Dick Marron
Town & Country Resort
Stowe VT