

Vermont Legislative Joint Fiscal Office

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FISCAL NOTE

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S.276 An act relating to rural economic development – House Agriculture and Forestry Recommendation of Amendment

Bill Summary

The bill contains numerous provisions aimed at stimulating rural economic development and specifically and economic development generally. The bill would go into effect on July 1, 2018.

Fiscal Summary

Sec. 2 Outdoor Recreation-Friendly Community Program

This section would establish the Outdoor Recreation-Friendly Community Program with the aim of providing incentives to communities to promote economic growth through outdoor recreation. This initiative was funded in the House-passed “big bill” with a \$100,000 general fund (GF) appropriation to the Agency of Commerce and Community Development (ACCD).

No additional cost

Sec. 10 Purchase and Use Tax Exemption for Forestry Equipment

This section would establish a purchase and use tax exemption for certain forestry equipment. The current purchase and use tax rate is 6% with a “per vehicle” cap of \$2,075. Due to the existing cap, and the fact that few pieces of forestry equipment meeting the definition of “motor vehicle” is sold each year, the potential revenue loss from this provision is limited. Revenues from the purchase and use tax are allocated one-third to the education fund (EF) and two-thirds to the transportation fund (TF).

Starting in FY19, ongoing cost of less than \$20,000 per year (~\$13k TF, ~\$7k EF).

Sec. 23 Fire Prevention and Building Code Fees

This section would reduce the cap on permit application fees payable to the Division of Fire Safety for building permits from \$185,000 to \$130,000. The Division has indicated that it can absorb the loss of this revenue in FY19 with carryforward funds.

Starting in FY19, ongoing cost of approximately \$50,000 per year (special fund).

Sec. 25 Sales and Use Tax for Advanced Wood Boilers

This section would establish a sales and use tax exemption for the purchase of advanced wood boilers. In order to be exempt, the boiler would need to be 1) a primary central heating system, 2) rated as high-efficiency, 3) contain one-week fuel storage, automated startup and shutdown, and fuel feed, and 4) meet other standards established by the Dept. of Environmental Conservation. Revenues from the sales and use tax are allocated 64% to the general fund and 36% to the education fund.

Starting in FY19, ongoing cost of \$110,000 per year (~\$70k GF, ~\$40k EF).