

# Vermont Legislative Joint Fiscal Office

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## FISCAL NOTE

Date: May 7, 2018

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### H.922 An act relating to making numerous revenue changes—as recommended by the Senate Finance Committee

<https://legislature.vermont.gov/assets/Documents/2018/WorkGroups/Senate%20Finance/Bills/H.922/H.922~Emily%20Miller~As%20Recommended%20By%20Senate%20Finance%20Committee~5-7-2018.pdf>

H.922 Miscellaneous Tax Bill- Senate Finance, May 7, 2018		FY2019 Revenue Impact		
Sec #	Brief Provision Description	General Fund	SHCRF <sup>a</sup>	Other Funds
1	Adjusts the formula for assessing municipal stormwater fees	N/A	N/A	-\$206,300 <sup>a</sup>
2	Adjusts the formula for Green Mountain Care Board bill back	N/A	N/A	N/A
2a-2d	Establishes an assessment on manufacturers of Vermont-dispensed prescription opioids			+\$775,000 <sup>b</sup>
3-7	Adjusts eligibility for the Vermont Higher Education Investment Plan (VHEIP) credit to apply to only Vermont post-secondary institutions and requires a report on nonpostsecondary uses of the VEHIP credit	N/A	N/A	N/A
7a-7b	Includes federal tax link-up and adjustments	N/A	N/A	N/A
8	Increases the amount of first year credits for the Vermont Housing Finance Agency Down Payment Assistance program	-\$125,000 <sup>c</sup>	N/A	N/A
9	Increases the annual cap on the Downtown and Village Tax Center Tax Credit program	-\$250,000	N/A	N/A
10	Places a 46% wholesale tax on the liquids used in e-cigarettes as well as one-time e-cigarettes	N/A	+\$385,000 <sup>d</sup>	N/A
11-31	Miscellaneous technical tax changes	N/A	N/A	N/A
<b>Revenue impacts to each fund</b>		<b>-\$375,000</b>	<b>+\$385,000</b>	<b>+\$568,700</b>
<b>Net revenue impact</b>		<b>+\$578,700</b>		

## Net Revenue Estimates

<sup>a</sup> These fees are dedicated to the Environmental Permit Fund. Under current law, these fees raised \$496,000. If Section 1 is enacted, the total collected from these fees would total \$289,700, representing a revenue loss of \$206,300. **The Agency of Natural Resources has already accounted for this change during their FY2019 budget submission.**

<sup>b</sup> All funds deposited into the newly created “Substance Use Disorder Prevention, Treatment, and Recovery Fund.” This bill contains \$775,000 in new FY19 revenues<sup>1</sup>. This is offset by Tax Department estimates of approximately \$300,000 in start-up administration costs. FY20 revenue is \$3.1 million. On-going administration costs beyond FY19 are unknown at this point in time.

<sup>c</sup> Revenue loss increases approximately \$125,000 for subsequent fiscal years. See below:

Expansion of VHFA Downpayment Assistance Program							
		FY2019	FY2020	FY2021	FY2022	FY2023	
VHFA Down Payment Assistance Program* (Loans for 1st-time homebuyers)		\$ 125,000	\$ 250,000	\$ 375,000	\$ 500,000	\$ 625,000	
*Note: Down Payment Assistance is a commitment for five years	2019 credits	\$125,000	\$125,000	\$125,000	\$125,000	\$125,000	
	2020 credits		\$125,000	\$125,000	\$125,000	\$125,000	
	2021 credits			\$125,000	\$125,000	\$125,000	
	2022 credits				\$125,000	\$125,000	
	2023 credits					\$125,000	
	2024 credits						
	2025 credits						
Expansion of VHFA Downpayment Assistance Program (continued)							
		FY2024	FY2025	FY2026	FY2027	FY2028	FY2029
VHFA Down Payment Assistance Program* (Loans for 1st-time homebuyers)		\$ 625,000	\$ 625,000	\$ 500,000	\$ 375,000	\$ 250,000	\$ 125,000
*Note: Down Payment Assistance is a commitment for five years	2019 credits						
	2020 credits	\$125,000					
	2021 credits	\$125,000	\$125,000				
	2022 credits	\$125,000	\$125,000	\$125,000			
	2023 credits	\$125,000	\$125,000	\$125,000	\$125,000		
	2024 credits	\$125,000	\$125,000	\$125,000	\$125,000	\$125,000	
	2025 credits		\$125,000	\$125,000	\$125,000	\$125,000	\$125,000

<sup>d</sup> State Health Care Resources Fund. H.922 contains intent language that the revenues from the e-cigarette tax will be used for the General Fund to fund the expansion of the Down Payment Assistance Program and the Downtown and Village Center Tax credit program.

<sup>1</sup> Senate Finance anticipated receiving approximately \$1 million in FY19. After further review of the language, the actual collections in FY19 are smaller because of the quarterly nature of this assessment. This special fund is allowed to anticipate receipts into the fund, therefore FY19 appropriations are permitted to exceed revenues, Revenues are anticipated to cover intended future appropriations.

## Appropriations

H.922 as passed by the House did not contain appropriations. The inclusion of the sections 2a-2d in the bill added appropriations for programs related to opioid education and treatment. The table below outlines these appropriations.

<b>FY 2019 Appropriations and Legislative Intent for Future Funding</b>			
<b>Purpose</b>	<b>Agency / Dept.</b>	<b>FY 2019 Appropriation</b>	<b>legislative Intent for FY 2020</b>
Support and maintain mentoring and afterschool programs for children	Dept. of Children and Families	\$188,000	\$376,000
Support needle exchange programs and the distribution of naloxone	Department of Health	\$215,000	\$430,000
Fund two positions and the operating costs of the Governor's Opioid Coordination Council <sup>1</sup>	Agency of Human Services	\$137,500	\$275,000
Expansion of medication-assisted treatment in correctional facilities	Department of Corrections	\$400,000	\$800,000
<b>TOTAL</b>		<b>\$940,500</b>	<b>\$1,881,000</b>

<sup>1</sup> \$137,500 is for federal matching fund, providing a total of \$275,000 for the Council.