

# Vermont Legislative Joint Fiscal Office

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## FISCAL NOTE

Date: Updated May 8, 2018

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### H.922 – An act relating to making numerous revenue changes Senate Appropriations Committee Draft 1.2

#### 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

<b>H.922 Miscellaneous Tax Bill- Senate Finance, May 7, 2018</b>		<b>FY2019 Revenue Impact</b>		
<b>Sec #</b>	<b>Brief Provision Description</b>	<b>General Fund</b>	<b>SHCRF<sup>a</sup></b>	<b>Other Funds</b>
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			+\$1,240,000 <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>+\$1,033,700</b>
<b>Net revenue impact</b>		<b>+\$1,043,700</b>		

\$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 estimates \$1.24 million in new FY19 revenues. The Tax Department estimates one-time start-up costs of approximately \$300,000. Section 2d directs the department to use one-time funds from the Tax Computer System Modernization Special Fund for these costs. Estimated FY20 revenue are between \$2.48 and \$3.1 million depending on collection compliance. 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:

<b>Expansion of VHFA Downpayment Assistance Program</b>							
		<b>FY2019</b>	<b>FY2020</b>	<b>FY2021</b>	<b>FY2022</b>	<b>FY2023</b>	
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					\$125,000	
	2025 credits					\$125,000	
<b>Expansion of VHFA Downpayment Assistance Program (continued)</b>							
		<b>FY2024</b>	<b>FY2025</b>	<b>FY2026</b>	<b>FY2027</b>	<b>FY2028</b>	<b>FY2029</b>
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.

### **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.

**FY 2019 Appropriations and Legislative Intent for Future Funding**

<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
Provide specialized training to Vermont state law enforcement officers relating to opioid investigation and enforcement.	Criminal Justice Training Council	\$75,000	\$100,000
<b>TOTAL</b>		<b>\$1,015,500</b>	<b>\$1,981,000</b>

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