

**Overview of Proposed Amendments to DFR Fees
House Ways & Means
January 31, 2019**

Securities

I. Broker Dealer Agent Fee:

- **Proposal:** Increase from \$90 to \$120 equaling approx. \$3,270,000 in new FY20 revenue
- **Looking Ahead:** New revenue will also be recognized in FY21
- **Impact:** 109,000 BD agents, approx. 777 (.712 %) are Vermont residents
- **State Comparison:** VT currently 11th highest for fee type, move to 9th
- **History:** In 2016 BD agent fee increased from \$60 to \$90

Insurance

I. Insurance Adjuster/Appraiser Fee:

- **Proposal:** Increase from \$60 to \$90 equaling approx. \$1,000,000 in new FY20 revenue
- **Looking Ahead:** Bi-annual fee with renewals in even years – no revenue in FY21
- **Impact:** 65,000 adjustors & appraisers, approx. 399 (.613%) are Vermont residents.
- **Retaliatory Fees:** Subject to retaliatory regime
- **State Comparison:** Adjustors: 21 jurisdictions more than \$60, 14 more than \$90
Appraisers: 10 jurisdictions more than \$60, 9 more than \$90
- **History:** Fee has not increased in recent history – more than two decades ago

II. Appointment Fee:

- **Proposal:** Increase from \$60 to \$90 equaling approx. \$1,500,000 in new FY20 revenue
- **Looking Ahead:** Bi-annual fee with renewals in odd years - \$12.6 million in FY21
- **Impact:** 50,000 initial appointments in FY20; 420,000 renewal appointments in FY21
- **Retaliatory Fees:** Not subject to retaliatory regime
- **State Comparison:** Approx. 32 other states have appointment fees
- **History:** Fee has not increased in recent history – more than two decades ago



Overview of Proposed Amendments to DFR Fees

Banking

Statutory requirement to be self-funded and revenue neutral

The proposed fee amendments are intended to be revenue neutral for FY20

- I. Current Fees (increase in FY20 revenue of \$46,000):
 - a. Litigation Funding (application)
 - i. \$200 to \$500
 - b. Money Transmitter (application / renewal)
 - i. \$500 to \$1,000
 - c. Debt Adjustor (application)
 - i. \$250 to \$500

- II. New Fee (decrease in FY20 revenue of \$48,100):
 - a. Combination Mortgage

Overview of Proposed Amendments to DFR Fees

Banking

Statutory requirement to be self-funded and revenue neutral

The proposed fee amendments are intended to be revenue neutral for FY20

- I. Current Fees (increase in FY20 revenue of \$46,000):
 - a. Litigation Funding (application)
 - i. \$200 to \$500
 - b. Money Transmitter (application / renewal)
 - i. \$500 to \$1,000
 - c. Debt Adjustor (application)
 - i. \$250 to \$500
- II. New Fee (decrease in FY20 revenue of \$48,100):
 - a. Combination Mortgage

