

Dear Senate Judiciary Committee Members,

During last week's testimony on S. 39, an act relating to the Judicial Branch fee report and electronic filing fees, a question was raised on whether there are any other examples of fees that go directly to a vendor. While this list is not exhaustive, I have found the following examples of Executive Branch fees that are paid in full or in part to a vendor. Some of these fees are included in the Executive Branch fee report and some are not, as indicated below:

Fees included in the Executive Branch fee report where a portion of the fee goes directly to a vendor or the fee has been negotiated in an agreement:

- 10 V.S.A. 4254 (Fishing and Hunting Licenses): Subdivision (e)(9) allows for a licensing agent selling a license to retain a portion of the fee and the remainder goes to the State.
- 10 V.S.A. 4277 (Migratory Waterfowl Stamp Program): subsection (c) allows for an issuing agent of a State stamp to retain a fee of \$1.00 for each stamp and shall remit \$6.50 of each fee to the Department of Fish and Wildlife.
- 10 V.S.A. 2609 (Forest Parks Revolving Fund): Allows for the Commissioner of Forests, Parks and Recreation to set fees in leases to ski areas that use a portion of State forest or State park land, but the leases have to be authorized by the General Assembly pursuant to 10 V.S.A. 2606

Fee not included in the Executive Branch fee report where the fee goes directly to a vendor pursuant to an agreement:

- A DMV inspection station tablet software \$2.21/inspection fee that is directly paid by the inspection station to the software vendor

Fees paid to the Vermont Information Consortium (VIC) (some included in the Executive Branch fee report and some are not):

- The State contracts with VIC to manage the State of Vermont's main website and a variety of websites and online-based services accessible through that portal. I could find reference to approximately 37 examples of these arrangements around the State, and have provided two DMV examples below:
  - A fee for an online license reinstatement (\$2; total reinstatement payment of \$82, which is \$2 over the \$80 statutory amount in 23 V.S.A. § 675(a)); and
  - A fee for a 72 hour commercial vehicle trip permit (possibly \$5 fee).

Pursuant to 22 V.S.A. 953, the Vermont Web Portal Board creates or changes these fees pursuant to the following approval process:

“(1) All such charges shall be submitted to the Governor who shall send a copy of the approval or rejection to the Joint Fiscal Committee through the Joint Fiscal Office together with the following information with respect to those items:

- (A) the costs, direct and indirect, for the present and future years related to the charge;
- (B) the department or program that will utilize the charge;
- (C) a brief statement of purpose; and
- (D) the impact on existing programs if the charge is not accepted.

(2) The Governor's approval shall be final unless within 30 days of receipt of the information a member of the Joint Fiscal Committee requests the charge be placed on the agenda of the Joint Fiscal Committee or, when the General Assembly is in session, be held for legislative approval. In the event of

such request, the charge shall not be accepted until approved by the Joint Fiscal Committee or the Legislature. During the legislative session, the Joint Fiscal Committee shall file a notice with the House Clerk and Senate Secretary for publication in the respective calendars of any charge approval requests that are submitted by the Administration. Beginning on July 1, 2012, and every three years thereafter, all web portal fees shall be included in the annual consolidated Executive Branch fee report pursuant to 32 V.S.A. § 605”

Despite this requirement, some of the fees that go to VIC for the self-funded web portal are not approved by the Legislature. The Auditor discussed this issue in a [2016 Report](#).