



# VLCT LEGISLATIVE ACTION ALERT

SERVING AND STRENGTHENING VERMONT LOCAL GOVERNMENTS

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**Date: May 7, 2015**

**To: Mayors, Selectboards, Managers, Clerks, Treasurers**

**From: Karen Horn, Director, Public Policy and Advocacy**

**Re: H.35, Water Quality Bill - Per Parcel Fees**

On Wednesday, the Senate Finance Committee voted out its amendments to H.35, the water quality legislation. The amendment would establish a statewide water quality fee assessed on all taxable parcels in the state of \$0.50 per acre of forestland enrolled in the Current Use program and \$1.00 per acre for all other land, with a minimum payment of \$15 and a cap of \$10,000. The fee would raise an estimated \$7,800,000 which, when combined with the agencies of Agriculture, Food and Markets and Natural Resources permit fees, would total \$10,131,116 in FY 2016.

As written, the statewide water quality fee would be assessed beginning this July 1 and collected as part of the property tax bill. The fee could be prorated according to the number of payments established by the municipality. The municipal treasurer would need to remit collected statewide water quality fees to the Department of Taxes in one payment on December 1 of each year. The Department of Taxes would issue a procedure for collection of the fee. The Senate Finance language is [here](#).

The Department of Taxes is not interested in collecting a per parcel water quality fee, arguing that it would be excessively expensive to collect such fees on parcels at the Department of Taxes. An alternative proposal to contract with a third party to bill and collect such a fee was rejected. The House passed version of H.35 contained a property transfer tax increase that would be assessed and sent to the Department of Taxes. That fee would raise an estimated \$5,300,000 which, when combined with the agencies of Agriculture, Food and Markets and Natural Resources permit fees, would total \$7,668,556 in FY 2016.

**Call your senators and urge them to oppose the municipal collection of fees to fund a Clean Water Legacy Fund. Emphasize to them that it will be tremendously difficult to bill and collect such a fee starting July 1, 2015.**

<p><b>You may contact your senators by email</b> (their addresses can be found at <a href="http://legislature.vermont.gov/people/search/2016">http://legislature.vermont.gov/people/search/2016</a>) <b>or by calling the Sergeant at Arms (802-828-2228) and leaving a message.</b></p>
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