



STATE OF VERMONT
JOINT FISCAL OFFICE

MEMORANDUM

To: Joint Fiscal Committee Members
From: Nathan Lavery, Fiscal Analyst
Date: January 7, 2013
Subject: JFO #2662, #2663

In accordance with a standing request by members of the Joint Fiscal Committee, the following items will be held for legislative review:

JFO #2662 – Request to establish a **3% fee** for credit card payment of tax bills to the Vermont Department of Taxes. This fee is proposed to sunset in two years. This request applies to credit card payments only. Taxpayers retain the ability to pay tax bills without additional fees by paying with cash, check, or electronic check (ACH). The proposed 3% fee will replace the existing fee structure (no fee for payments below \$200, 2% for payments of at least \$200) which is administratively burdensome and has results in taxpayers using a loophole to avoid payment of the fee (by submitting multiple payments of \$199).
[JFO received 01/06/14]

JFO #2663 – Request to establish a **3% fee** for over-the-counter credit card payment of DMV fees at DMV branch offices. This fee will replace the 2.5% fee currently applied to this type of payment. This request applies to credit card payments only. Customers retain the ability to pay bills without additional fees by paying with cash or check. The existing 2.5% fee was adopted in 2009 with the expectation that it could be increased after an initial period of evaluation.
[JFO received 01/06/14]

In accordance with 22 V.S.A. § 953 (c)(2), JFO #2662 and #2663 are not accepted unless and until approved by the General Assembly.

Questions and requests for materials associated with these items can be directed to the Joint Fiscal Office (Nathan Lavery at (802) 828-1488; nlavery@leg.state.vt.us).



STATE OF VERMONT
JOINT FISCAL OFFICE

MEMORANDUM

To: Joint Fiscal Committee Members
From: Nathan Lavery, Fiscal Analyst
Date: January 7, 2014
Subject: Position Request

Enclosed please find three (3) items that the Joint Fiscal Office has received from the administration. One limited service position is associated with these items.

JFO #2661 – Request to establish **one (1) limited service positions** in the Department of Fish and Wildlife. This position will support the Vermont Hunter Education Program, a hunter education, hunter development, and firearm and archery safety effort. Job duties will include management of day-to-day operations of Department-owned shooting ranges and coordination of the Department's shooting range safety team. The Department receives \$80,000 of authorized funding annually from the US Fish and Wildlife Service for hunter education enhancement. In the past, this funding was passed through to shooting range clubs for shooting range improvements. Due to the increased volume of anticipated Department shooting range projects and maintenance in the near future, the Department will shift the federal funds from sub-grant work to a limited service position.

[JFO received 01/02/14]

JFO #2662 – Request to establish a **3% fee** for credit card payment of tax bills to the Vermont Department of Taxes. This fee is proposed to sunset in two years. This request applies to credit card payments only. Taxpayers retain the ability to pay tax bills without additional fees by paying with cash, check, or electronic check (ACH). The proposed 3% fee will replace the existing fee structure (no fee for payments below \$200, 2% for payments of at least \$200) which is administratively burdensome and has results in taxpayers using a loophole to avoid payment of the fee (by submitting multiple payments of \$199).

[JFO received 01/06/14]

JFO #2663 – Request to establish a **3% fee** for over-the-counter credit card payment of DMV fees at DMV branch offices. This fee will replace the 2.5% fee currently applied to this type of payment. This request applies to credit card payments only. Customers retain the ability to pay bills without additional fees by paying with cash or check. The existing 2.5% fee was adopted in 2009 with the expectation that it could be increased after an initial period of evaluation.

[JFO received 01/06/14]

Please review the enclosed materials and notify the Joint Fiscal Office (Nathan Lavery at (802) 828-1488; nlavery@leg.state.vt.us) if you have questions or would like an item held for legislative review. Unless we hear from you to the contrary by January 21 we will assume that you agree to consider as final the Governor's acceptance of these requests.



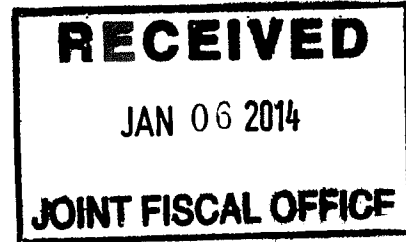
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Jeb Spaulding, Secretary

December 17, 2013



The Honorable Governor Peter Shumlin
Pavilion Building
Montpelier, Vermont 05602

Dear Governor Shumlin:

In 2013, the Department of Information and Innovation (DII) entered into a contract with Vermont Information Consortium (VIC), which provides development and hosting services for the Vermont.gov web portal. The web portal includes sites that are informational, promotional and transactional in nature that are developed with no direct cost to the state. All sites are financed through an assessment of per-transaction fees on a small number of sites that offer fee based eGovernment services. An example of a transaction based site that includes such fees is the Department of Motor Vehicles vehicle registration site.

A two-step process was put in place by statute for approval of sites that include such fees. The Web Portal Board, made up of a number of agency and department officials and two members of the Legislature, meet to consider proposals that are first vetted by DII. If the Web Portal Board approves the fee structure, the next step is for the Governor's office to present the board's action to the Joint Fiscal Committee with a request for approval. The Joint Fiscal Committee then acts to review and approve or reject the actions of the board.

In 2009 VIC implemented a secure over-the-counter credit card payment option for DMV branch offices in order to make it easier for citizens to do business with the state. The parties agreed at that time to an initial fee of 2.5% to allow for evaluation of the service with the expectation that the fee would, at some point be increased, most probably to 3% once the system was fully vetted. That year the Joint Fiscal Committee approved a transaction fee of 2.5% to allow for the implementation of this service.

The service has now been fully in place for three years and the evaluation of the service is complete. The Web Portal Board met December 16, 2013 and approved a new proposed fee of 3% for this system. During the 2010 session the Legislature created a new process for gaining the Joint Fiscal Committee's approval of fees. Therefore, this letter is submitted in accordance with this new process. The new process is as follows:

(1) All such charges (following approval by the Web Portal Board) 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 which will utilize the charge;
- (C) a brief statement of purpose;



(D) the impact on existing programs if the charge is not accepted.

For this project these are:

(A) With regard to this adjusted fee we submit the following for your consideration:

The additional funding for ongoing use of the service will be payable to VIC by the DMV customers through a 3% fee on the transaction amount. Of this fee approximately two thirds, or 2% of the total payment, will be paid to the credit card company for processing. The remaining third, or 1% of the total, will go to VIC for the continued support of the Web Portal Project which would then include hosting, support and maintenance for this service. This is an optional fee as DMV customers have the option of paying by cash or check without incurring the 3% charge.

(B) This service was created for the Department of Motor Vehicles.

(C) The purpose of the change in this fee is to fully fund the service and contribute a small amount to the overall support of the Web Portal Project. The original 2.5% fee was recognized as likely to be insufficient and was implemented for a trial period. Now that the trial is complete both DMV and VIC have agreed to this adjusted fee.

Current Process:

This approval will not change the underlying process which allows DMV customers to pay by credit card.

Future Online Process:

When implemented this service provided a vast improvement in customer service and brought DMV into the 21st century by allowing customers to use their credit cards to pay for any and all over the counter transactions. This change will not directly impact the service.

(D) If this fee adjustment is rejected it will result in delays in staffing increases at VIC which will impact the rate at which new services, including several DMV is hoping to launch, can be deployed.

Based on the above description of the need for the system and on knowledge and belief that the fees associated with the system are both necessary and reasonable, I recommend that you approve the fee structure as proposed and forward this letter, along with your approval, to the Joint Fiscal Office, so they may take the next steps to help us continue to create a modern eGovernment system for the State of Vermont.

Respectfully Submitted,



Michael Clasen, Chairperson of the Web Portal Board

Approved



Peter Shumlin, Governor of the State of Vermont

Attached is a request for Joint Fiscal Committee and Legislative approval of the Department of Motor Vehicles proposed fee structure for accepting credit card payments at the Department of Motor Vehicles.

In 2009 VIC implemented a secure over-the-counter credit card payment option for DMV branch offices in order to make it easier for citizens to do business with the state. The parties agreed at that time to an initial fee of 2.5% to allow for evaluation of the service with the expectation that the fee would, at some point be increased, most probably to 3% once the system was fully vetted. That year the Joint Fiscal Committee approved a transaction fee of 2.5% to allow for the implementation of this service.

The service has now been fully in place for three years and the evaluation of the service is complete. The Web Portal Board met December 16, 2013 and approved a new proposed fee of 3% for this system.

The additional funding for ongoing use of the service will be payable to VIC by the DMV customers through a 3% fee on the transaction amount. Of this fee approximately two thirds, or 2% of the total payment, will be paid to the credit card company for processing. The remaining third, or 1% of the total, will go to VIC for the continued support of the Web Portal Project which would then include hosting, support and maintenance for this service. This is an optional fee as DMV customers have the option of paying by cash or check without incurring the 3% charge.

If this fee adjustment is rejected it will result in delays in staffing increases at VIC which will impact the rate at which new services, including several DMV is hoping to launch, can be deployed.

The Web Portal Board and the Governor have approved this fee.

In accordance with 22 V.S.A. § 953 (c)(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.

Thank you for your consideration.

Cc: Steve Klein, Chief Fiscal Officer, Joint Fiscal Office