

Local Option Tax Revenue Allocation Narrative (draft 2025-11-07)

Strategic Use of Estimated \$250,000 Annual Revenue

Bristol faces mounting infrastructure needs driven by aging facilities, climate-related challenges, and growth pressures. Simultaneously, property taxpayers struggle with rising costs across all sectors. The Local Option Tax, generating approximately \$250,000 annually from visitors and out-of-town consumers, offers a solution: dedicated funding that addresses critical needs without increasing residential tax burden.

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"Sustainable Fiscal Strategy for Long-Term Stability"

Capital Infrastructure Projects: Essential infrastructure projects often require bonding, creating long-term debt service obligations that increase property taxes. Rather than increasing annual draws from capital reserve funds or borrowing for essential projects, LOT revenue will provide dedicated infrastructure funding. This reduces pressure on reserve funds, allowing them to be preserved for equipment replacement and emergency needs while maintaining the facilities our community depends on.

Climate Resilience & Emergency Preparedness: Bristol's experience with multiple FEMA disaster declarations demonstrates the increasing frequency and severity of climate-related impacts. LOT revenue will fund flood mitigation projects, stormwater management improvements, storm damage prevention, and local matching requirements for federal and state disaster assistance programs. Rather than scrambling to find emergency funding after each weather event, this dedicated revenue stream allows proactive investments that protect property, reduce recovery costs, and build long-term resilience.

Economic Development Fund: A dedicated fund supporting downtown revitalization, business infrastructure improvements, and projects that strengthen Bristol's economy. These strategic investments expand the tax base and increase visitor spending—creating a sustainable cycle where economic growth generates the revenue that funds further community investment.

This fund supports the infrastructure that enables economic growth—whether that's improvements to business districts, tourism amenities, housing-enabling infrastructure, or projects that attract investment. By strengthening Bristol's economy, we expand the tax base and increase the visitor activity that generates LOT revenue, creating a sustainable cycle of growth and community investment.

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This strategic revenue deployment demonstrates sound fiscal stewardship, protecting Bristol's residential taxpayers while securing the town's future. By allocating Local Option Tax revenue to infrastructure, climate resilience, and economic development, Bristol establishes a self-sustaining cycle: visitor-generated funds bolster the town's infrastructure and economic health, which in turn attracts more visitors, thereby reducing the need for property tax increases to fund essential projects.

Town Warning Article Example

Article XX: *"Should the voters approve a local option tax, in alignment with the State of Vermont, on sales, meals, rooms, and alcohol, as specified in 24 V.S.A. § 138(b), with the proceeds designated for Capital Infrastructure Projects, Climate Resilience & Emergency Preparedness, and Economic Development?"*