

Investing in Bristol

A Strategic Proposal for the Local Option Tax (LOT)

March 2026 Town Meeting

What is the Local Option Tax?

What does LOT mean?

The Local Option Tax (LOT) is a 1% levy on sales, meals, alcohol, and lodging, expected to raise approximately \$250,000 each year for the Town of Bristol. Most of this revenue will come from visitors and tourists, as well as Bristol residents, who pay only on taxable purchases, with essentials such as groceries, prescriptions, and clothing exempt.

Over 30 Vermont towns use LOTs to fund infrastructure, climate resilience, emergency preparedness, and economic development. By strategically deploying these funds, Bristol can invest in its future—from roads and bridges to stormwater management and downtown initiatives—while maintaining fiscal responsibility to its residents.



Who Contributes to the LOT?



Visitors

Tourists visiting for hiking, outdoor recreation, and scenic exploration.



Event Attendees

Attendees at cultural events like Fourth of July, Pocock Rocks, and the Harvest Festival.



Patrons, Diners, & Guests

Shoppers in Bristol stores and businesses and diners at Bristol restaurants.

Revenue Projections

\$250k

PROJECTED ANNUAL REVENUE

Fiscal Empowerment

Based on 2024 data, this proposal offers a consistent and sustainable revenue stream without burdening property taxpayers. Funds are controlled by Bristol, not the state.



Strategic Revenue Allocation

Where Will the Money Go?

The Local Option Tax revenue will be allocated across three strategic priorities with minimum thresholds that ensure meaningful investment in each area while maintaining flexibility to respond to changing community needs:

- **Capital Infrastructure:** minimum 40%
- **Climate Resilience & Emergency Preparedness:** minimum 20%
- **Economic Development:** minimum 20%
- **Remainder/Flexible (20%)**



Priority 1: Capital Infrastructure



Essential Project Funding

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.

Minimum 40% Allocation:

- Road resurfacing & Bridges
- Water/Sewer systems
- Municipal facility repairs
- Heavy equipment replacement

Priority 2: Climate Resilience & Emergency Preparedness

Resilience & Preparedness

Bristol's multiple FEMA disaster declarations highlight rising climate impacts. LOT revenue funds flood mitigation, stormwater improvements, damage prevention, and local match for disaster aid.

Minimum 20% Allocation:

- Flood mitigation projects and culverts
- Stormwater drainage improvements
- Local matches for federal assistance
- Proactive storm damage prevention



Priority 3: Economic Development



Growth through Investment

A dedicated fund supports downtown revitalization, business infrastructure, and projects that strengthen Bristol's economy. These investments expand the tax base and boost visitor spending, creating a cycle where growth funds further community investments.

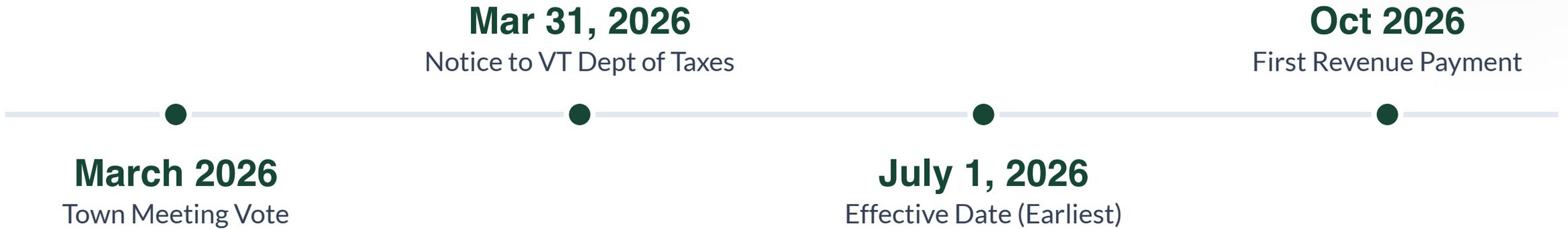
Minimum 20% Allocation: Strategic investments expand the tax base and increase visitor spending, creating a sustainable cycle of growth.

Transparent Tax Rates & Exemptions

Category	Current Rate	Rate with LOT	Status
Sales Tax	6%	7%	Taxable
Meals & Rooms	9%	10%	Taxable
Alcoholic Beverages	10%	11%	Taxable
Groceries & Medicine	0%	0%	EXEMPT
Clothing & Residential Heating Fuels	0%	0%	EXEMPT

**Middlebury (9 miles away) has had LOT since 2008; Bristol already competes with this rate.*

Roadmap to Implementation



Governance: Voters can repeal the LOT at any annual or special Town Meeting by majority vote.

Questions?

Strengthening Bristol without burdening residents.

Sound Fiscal Stewardship: Visitor funds bolster Bristol's infrastructure and health, reducing property tax reliance.

Transparency: Bristol controls the revenue directly, with strategic minimums for accountability.

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