



TOWN OF BRATTLEBORO

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May 12, 2025

Senate Committee on Government Operations
c/o Gillian D'Acierno, Committee Assistant
Via email to gdacierno@leg.state.vt.us

Subject: Testimony on H.397 and the Local Option Tax Distribution

Dear Chair Collamore and Members of the Senate Government Operations Committee:

Thank you for hearing my testimony last Thursday on H.397. I was very impressed to see you in action working on this important legislation. In this letter, there are responses to your questions and a summary of the policy suggestion regarding the Local Option Tax distribution.

You will recall that the suggestion was to add a provision to your bill that would allow towns who support the state's GA motel program to retain 100% of their Local Option Tax revenues to help offset some of the costs of being a host community. Since we met, I have followed up and learned that 30 towns have motels that take vouchers in the GA program. Of these 30 towns, 12 have approved the Local Option Tax (i.e., Berlin, Brandon, Brattleboro, Colchester, Killington, Ludlow, Manchester, Middlebury, Montpelier, Shelburne, South Burlington, and St. Albans).

Brattleboro has six participating motels in the state's GA program: Black Mountain Inn, Travelodge, Covered Bridge Inn, Colonial Inn, Quality Inn, and Econolodge. Brattleboro Police and Fire/EMS were called to these six motels 1,175 times in 2024 at a cost of \$544,000 (as compared to the four motels not in the program that generated 137 calls at a cost of \$55,000).

When we drilled down into the Police data and looked at past criminal records and driver's license information, we learned that 85% of the people associated with these calls from the six motels in the state GA motel program in Brattleboro were not from Brattleboro. In fact, nearly one-third (30%) were confirmed to be from states other than Vermont.

Brattleboro's Local Option Tax was approved by Brattleboro voters in July 2019 and currently generates \$1.6 million. Unfortunately, despite the costs that state programs like the GA motel program impose on the town, nearly \$0.5 million of the Local Option Tax is extracted from Brattleboro for other state purposes under the current 70-30 split.

If this funding could be kept in Brattleboro, and other towns in the GA program, then it would really help close the gap that property taxpayers have been assuming. Because the state uses a voucher system in this program at private establishments, there is no PILOT funding that assists these towns for this program, and in fact these towns also do not benefit from any Rooms and Meals Tax revenues because the vouchers are exempt from that as well, an additional loss of \$44,000 in Brattleboro.

Thank you for your consideration. I cannot think of a legislative concept currently being discussed that would help towns like ours more than this.

Sincerely,



John Potter
Town Manager

Cc: Senators Wendy Harrison and Nader Hashim
Brattleboro Selectboard
Samantha Sheehan and Josh Hanford at VLCT