



**TOWN CHARTER COMMITTEE MEETING MINUTES
OF APRIL 22, 2024**

Members: Judy Bickford, Don McDowell, Laura Streets, Richard Craig, Brian Yeaton, George Cormier

Absent: Chris Palermo, Christopher Moks, Craig Santenello, Sara Haskins

Guests: Tom Cloutier, Richard Lowe, Kristin Marriott, Jeff Carr*

**participating via Zoom*

4:30PM - CALL TO ORDER

Don McDowell called the Town of Morristown Charter Committee Meeting to order at 4:30 PM at the Tegu Building.

4:31PM - AGENDA CHANGES/ADDITIONS

None

4:32PM - APPROVE MINUTES

1. Approve minutes 3-18-24

Motion made by Richard Craig to approve the minutes of 3/18/2024. Motion seconded by Judy Bickford. Motion carried. (3/0/2) Don McDowell and George Cormier abstained.

Brian Yeaton joined the meeting after minutes were approved.

4:35PM - NEW BUSINESS

1. Jeff Carr, Economist presentation

Mr. Carr introduced himself to the committee and presented a comprehensive report regarding the Charter Committee's one percent local option, Sales & Use Tax, and a one percent option, Meals, Rooms, and Alcohol Tax. He went over the main points of the report:

- Jeff Carr, an economist, presented on the topic of local option taxes.
- Discussed his experience with implementing local action taxes in St. Albans and his own community.
- Outlined the benefits of local action taxes for communities with significant non-resident visitors using public services.
- Explained the types of taxes that can be implemented: local option sales tax, rooms tax, meals tax, and alcohol tax.

Mr. Carr clarified that these taxes would only apply to transactions within the community and provided details on what is covered under each tax category. Several points were emphasized, including the following. Mr. Carr stated that a local option tax allows our community to benefit from people outside the town who use local resources, especially as Morristown's location between two ski areas supports traffic traveling through the town. Discussion on the impact of a 1% positional assessment on local businesses and consumer behavior. Evidence suggests that such a tax does not materially alter consumer behavior or drive customers away. Local room rent providers initially opposed, but were reassured by comparisons with neighboring communities. Difficulty in assessing who bears the cost of the tax. Challenges in collecting data from e-commerce providers like Airbnb, Expedia, and HomeAway as the tax department does not collect this data until assessment begins. It was discussed that a 1% tax does not change the retail environment as many other towns already have local option taxes. The perception that rental and AirBnB business would be lessened was shown to be false. The tax is applied to the location where the goods are received. Therefore, Amazon deliveries will be subject to the local option tax. He also presented the financial estimates for implementing local option taxation. There is the expectation of substantial income from implementing local option taxes. It was repeated that the language of the charter must be as expected by the legislature.

Jeff provided a presentation based on real data from the Vermont Department of Taxes, covering tax figures from 2018 to 2022. The data used are 180-day data to avoid preliminary inaccuracies, with projections made up to 2025-2026 using state average growth rates. Jeff presented a revenue estimate for the Local Option Tax (LOT), projecting \$756,275 in the first year, increasing to \$1,033,044 in the following year. He emphasized the significance of this revenue for the community. Mr. Carr was thanked by the committee for his involvement. The Committee started a discussion on the use of additional revenues. Reduced tax burden on residents, infrastructure funds for paving and sidewalks, along with new building for public works as a whole. More discuss needs to be had but the time for the meeting was coming to an end.

2. Communication schedule

Carrie Johnson briefly touched on the next phase of the committee meeting is to determine the scheduling of public information meetings. These meetings are intended to be focused, single-topic sessions for public engagement. Organize and schedule public information meetings to discuss the charter and local option tax.

5:00PM - OLD BUSINESS

1. Draft Charter to be presented to the Selectboard

The committee finalized the draft charter in the March meeting and will have this document presented to the Selectboard at their next meeting, which succeeds this meeting.

5:12PM - OTHER BUSINESS

None

5:15PM - ADJOURN

Motion made by Richard Craig to adjourn. Motion seconded by Laura Streets. Motion carried. (5/0)

Meeting adjourned at 5:30 pm

Submitted and filed this 4/22/24.

Bonnie McDermott, Scribe

Please note all minutes are in Draft form and are subject to approval at the next Town Charter Committee meeting.