

Good morning Josh,

Kathleen asked me if I could respond to your legal questions regarding whether an article for a Local Options Tax (LOT) can contain a sunset provision so that it is only valid for a set number of years.

Unfortunately, notwithstanding a municipal governance charter provision to the contrary, municipalities lack the express authorization to adopt a LOT with a sunset provision. The only mechanism for the rescission of a local options tax is Subsection (g) of Title 24 Section 138 which provides,

"If the legislative body of a municipality by a majority vote recommends or by petition of ten percent of the voters of a municipality recommends, the voters of a municipality may at an annual or special meeting warned for that purpose by a majority vote of those present and voting rescind any or all of the local option taxes assessed under subsection (b) of this section."

Accordingly, if a municipality wants to eliminate its LOT at a later date, it'll need to go through the process of voting to rescind it.

See: <https://legislature.vermont.gov/statutes/section/24/005/00138>

Sorry if this wasn't the response you were looking for, but you should feel free to be in touch with the Department of Taxes to see if they take a different view.

All the best.