



VERMONT LEGISLATIVE
Joint Fiscal Office

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Fiscal Note

May 26, 2026

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H.954 – An act relating to approval of an amendment to the charter of the Town of Stowe

As passed by the House of Representatives¹ⁱ

Bill Summary

The bill would allow the Town of Stowe to impose a two percent local option tax on sales, rooms, meals and alcoholic beverages. The Town currently has a one percent local option tax on those tax types. As passed by the House, 50% of the revenue from the additional 1% would be allocated to the Town of Stowe and 50% would be allocated to the Local Option Municipal Transportation Special Fund, which would be created in H.951 – the Fiscal Year 2027 Annual Appropriations Act as passed by the Senate. The Fund would provide additional aid to towns for transportation-related purposes through existing grant programs managed by the Agency of Transportation.

Fiscal Impact

The additional 1% local option tax in Stowe would generate an estimated \$3.2 million in fiscal year 2027 reflecting an October 1, 2026 effective date and an estimated \$4.9 million in fiscal year 2028. The amount allocated to the Local Option Municipal Transportation Special Fund would be approximately \$1.6 million in fiscal year 2027 and \$2.4 million in fiscal year 2028. Revenues raised each successive year would depend on various economic factors, including trends in consumer spending, tourism, and inflation.

The Local Option Municipal Transportation Special Fund is proposed to be created in H.951. This Fund would provide additional transportation funding to towns through the annual appropriations process. As outlined in H.951, the Fund would be used to pay for additional formula-based town highway aid, as well as for grants to towns for town highway structures and class 2 roadways. Payments made from the Fund would be additive to the base appropriations made from the Transportation Program for these grant programs, and would not be factored into the base upon which future statutory inflation calculations are made.

ⁱ The full fiscal note history is available on the fiscal tab of the bill page on the General Assembly website and can be pulled up through a bill number search on the JFO page.

¹ The Joint Fiscal Office (JFO) is a nonpartisan legislative office dedicated to producing unbiased fiscal analysis – this fiscal note is meant to provide information for legislative consideration, not to provide policy recommendations.