



Reconsideration Vote - Informational Handout

Background

Act 164 established the framework for a legal cannabis market in Vermont. Vermont law specifies that until a town votes to opt-in, retail operations cannot be licensed in that town. Licensed cannabis retailers may only operate in towns that have voted in favor of retail sales.

1. When, where, and how do I cast my vote?

When: Tuesday, December 10th, 2024, from 7 AM – 7 PM.

Where: Sharon Town offices

How: Australian Ballot

2. I want to vote, but I can't make it on December 10th, 2024. What do I do?

You can still vote even if you cannot make it to the polls on December 10th. Please contact the Sharon Town Clerk at 802-863-8268 ext.1, or clerk@sharonvt.net to request an absentee ballot.

The deadline to vote on this question is 7:00 PM on Tuesday, December 10th, 2024.

3. Why are we using the Australian Ballot format?

Vermont State law requires Australian Ballot format, which is defined as:

“Australian ballot system” means the technique of having the polls open for voting on specified and warned matters during a warned, extended period, which may be during or after a municipal meeting, or both. An “Australian ballot” means a uniformly printed ballot, typically confined to the secret vote election of specified offices as previously warned to be voted upon by the Australian ballot system. The term “Australian ballot” includes any ballots counted by a vote tabulator approved for use in any election conducted in the State. **17 V.S.A. § 2103(4)**

4. What question are we voting on?

Article 1: Shall the Town of Sharon authorize the operation of cannabis retailers that are licensed by the State of Vermont pursuant to 7 V.S.A. § 863, such sales also being subject to any local ordinances or regulations that the Town may lawfully adopt?

5. That looks familiar. I thought our Town already voted on this question.

We did. We voted on this question for the first time on October 15th, 2024. Of the 272 voters, 135 were in favor of cannabis retail sales in Town and 137 were opposed. This means the Town of Sharon did not opt-in and therefore does not permit cannabis retail sales in the Town.



6. If we already voted about this in October, why are we voting again?

Vermont law allows for a reconsideration vote per 17 VSA §2661(b).

7. What is a reconsideration vote?

A reconsideration vote allows voters to revisit and potentially change a decision made at a previous annual or special meeting. The Town of Sharon received a voter petition on October 21st, 2024, calling for a reconsideration vote of the October 15th Cannabis Retail Opt-In question. By law, the Town is required to hold the reconsideration vote within sixty days of the petition date.

In Sharon, a majority vote for reconsideration must exceed two-thirds of the original vote count.

8. Can petitioners seek reconsideration or rescission after the December vote?

State law is clear that under 17 VSA §2661(c) “[a] question voted on shall not be presented for reconsideration or rescission at more than one subsequent meeting within a one-year period, except with the approval of the legislative body.”

This means within the one-year period, voters cannot petition on this question. However, if the Selectboard votes as a board to allow reconsideration of the question, and then warns a special or annual meeting for the electorate to vote on the question, the question could once again come before voters even within the one-year period.

9. Is there a way to control the number of cannabis retailers licensed in our Town?

Not currently. The State Cannabis Control Board is working to establish more clearly defined regulations regarding the geographical distribution of retailers in the State. This is a very recent development. We do not know how the State Cannabis Control Board will decide to move forward, nor do we know what it means for our Town.

10. Does the Town of Sharon have a Local Cannabis Control Commission?

No, the Town of Sharon does not have a local cannabis control commission currently.

11. Would cannabis retail sales generate any tax revenue for our Town?

Not currently. The Town of Sharon voters have not approved a 1% local option tax on sales.

12. What is a local option tax?

A local option tax (LOT) is a way for municipalities in Vermont to raise revenue. There are three different LOTs:

1. 1% local option tax on sales, in addition to the State’s 6% sales tax rate
2. 1% local option tax on meals and alcoholic beverages, in addition to the State’s 9% meals tax and 10% alcoholic beverage tax rates
3. 1% local option tax on rooms in addition to the State’s 9% rooms tax rate

A Local Option Tax (LOT) is also a destination-based tax, meaning it is based on the location where the purchaser takes possession.



Businesses must charge the LOT:

1. on taxable purchases completed within the municipality where a LOT is in effect
- or**
2. when a taxable item is delivered to a customer within a municipality with a LOT in effect, from an online or out-of-state retailer, for example.

13. If allowed by statute and approved by voters, would a 1% local option tax on sales apply to retail cannabis sales in our Town?

Yes, if a local option tax on sales were to be implemented in our Town, the tax would apply to all retail sales subject to the 6% Vermont sales tax, including cannabis retail sales.

14. I am curious about local option taxes. Can you tell me more?

- We do not yet know if our Town would be eligible to enact a local option tax as the eligibility is tied to education funding formulas from 1997. We are looking into this.
- Vendors collect local options taxes levied by municipalities and remit to the State Department of Taxes. The Vermont Department of Taxes is responsible for administering local option taxes on behalf of participating municipalities.
- The Department charges an administrative fee (\$5.96 per return) for processing municipal local option taxes levied. These fees are deducted from the local option tax revenue before it is returned to municipalities.
- In accordance with state law, 70% of the local option tax revenue, minus administrative fees, is distributed to municipalities on a quarterly basis.
- The remainder of the revenue is deposited into the state Payment in Lieu of Taxes (PILOT) Special Fund. (In FY24, Sharon received \$27,628 from the PILOT program.)
- State law mandates that local option tax revenues must be used for municipal services only and cannot be applied to education expenses.
- The Commissioner of Taxes has legal authority over the certification process which could affect the implementation date of a local options tax even if the Town has voted in favor of adopting such a tax locally.

15. Can you give me an example of what a 1% local option tax could generate in tax revenue for our Town?

Let's start with \$2,000,000 in annual retail sales, all of which is subject to the 1% local option tax on sales. A 1% local option tax would generate \$20,000 of local option tax revenue that year.

Of the \$20,000 in local option tax revenue, the Town would be eligible to receive up to \$14,000 minus administrative fees of \$5.96 per return.

The Town would receive quarterly payments of \$3,500 per quarter minus administrative fees. The balance of the revenue, or about \$6,000, would be deposited into the state PILOT Special Fund.

