

Authorizing The County Of Ulster Pursuant To Section Four Of The Sales Tax Agreement With The City Of Kingston To Increase The Allocation Of Sales Tax Distributed To The Towns – Department Of Finance

Referred to: The Ways and Means Committee (Chairman Gavaris and Legislators Collins, Hansut, Kovacs, Nolan, Roberts, and Uchitelle)

Chairman of the Ways and Means Committee, John Gavaris, and Deputy Chair Kevin Roberts offer the following:

WHEREAS, this resolution has been submitted at the request of the County Executive on behalf of the Department of Finance; and

WHEREAS, Articles 28 and 29 of the Tax Law of the State of New York authorize municipalities to impose certain taxes on retail sales and other similar transactions and compensating use and taxes; and

WHEREAS, there is currently a sales tax agreement pertaining to sales tax distribution between Ulster County and the City of Kingston with an effective date of March 1, 2021, and which expires on February 28, 2026; and

WHEREAS, as part of said agreement, both parties agreed that should the Gross Sales Tax collected by the County of Ulster during a tax year exceed the high water mark of \$128,561,331, the County of Ulster and the City of Kingston would meet no later than May 1 of following year to discuss the allocation of the amount in excess of \$128,561,331; and

WHEREAS, during the 2024 Fiscal Year, the County of Ulster collected in excess of \$128,561,331 in gross sales tax receipts; and

WHEREAS, pursuant to the sales tax distribution agreement, the County of Ulster and the City of Kingston were required to meet to discuss the distribution of the excess; and

WHEREAS, the County of Ulster and the City of Kingston have met and agreed upon a distribution of the amount in excess of \$128,561,331; now, therefore be it

RESOLVED, pursuant to Section Four of the Sales Tax Distribution Agreement between the County of Ulster and the City of Kingston, the Ulster County Legislature hereby agrees that, in fiscal year 2024, an additional 1% of the gross sales tax collected shall be allocated, to the area of the County outside of the City, to be distributed among the Towns therein, based upon full valuation; and, be it further

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RESOLVED, that the City of Kingston shall continue to receive 11.5% of such gross sales tax collections as provided for in the Sales Tax Distribution Agreement; and, be it further

RESOLVED, that in accordance with Section 1262 (c) of New York State Tax Law, the Ulster County Commissioner of Finance shall allocate and disburse to the towns within Ulster County their proportionate share of sales tax collected in fiscal year 2024; and, be it further

RESOLVED, that after approval of the City of Kingston Common Council of said increase to the Towns, the Ulster County Commissioner of Finance is hereby authorized to disperse to the Towns an additional 1% gross sales tax collected in Fiscal Year 2024, in the next available quarter of 2025, and, be it further

RESOLVED, that the 2025 Ulster County Operating Budget is hereby amended as follows:

	<u>INCREASE</u>	<u>AMOUNT</u>
AA.1985.1325-4920.4925 Distribution Sales Tax Towns (App.#)		\$1,765,077.00
AA.9900.9900-3700.9993 Appropriated Fund Balance (Rev.#),		\$1,765,077.00

and moves its adoption.

ADOPTED BY THE FOLLOWING VOTE:

AYES: 23 NOES: 0

Passed Committee: Ways and Means on July 10, 2025

FINANCIAL IMPACT:

\$1,765,077.00 - COUNTY 2025 SALES TAX REVENUE DECREASE

\$1,765,077.00 - TOWNS 2025 SALES TAX REVENUE INCREASE

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STATE OF NEW YORK

ss:

COUNTY OF ULSTER

I, the undersigned Clerk of the Legislature of the County of Ulster, hereby certify that the foregoing resolution is the original resolution adopted by the Ulster County Legislature on the 15th Day of July in the year Two Thousand Twenty-Five, and said resolution shall remain on file in the office of said clerk.

IN WITNESS WHEREOF, I have hereunto set my hand and seal of the County of Ulster this 16th Day of July in the year Two Thousand Twenty-Five.

[s] Victoria A. Fabella
Victoria A. Fabella, Clerk
Ulster County Legislature

Submitted to the County Executive this
16th Day of July 2025.

Approved by the County Executive this
25th Day of July 2025.

[s] Victoria A. Fabella
Victoria A. Fabella, Clerk
Ulster County Legislature

[s] Jen Metzger
Jen Metzger, County Executive