

**Authorizing The County Of Ulster To Increase The Allocation Of Sales Tax Distributed To The Towns Pursuant To Section 4 Of The Sales Tax Agreement With The City Of Kingston – Department Of Finance**

Referred to: The Ways and Means Committee (Chairman Gavaris and Legislators Cahill, Fabiano, Ronk, and Walter)

Chairman of the Ways and Means Committee, John Gavaris, and Deputy Chair Kenneth J. Ronk, Jr. 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 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 a 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 the following year to discuss the allocation of the amount in excess of \$128,561,331; and

WHEREAS, during the 2021 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 the \$128,561,331; and

WHEREAS, the agreed upon distribution is subject to the approval of the Ulster County Legislature and the City of Kingston Common Council; now, therefore be it

**Resolution No. 398      July 19, 2022**

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RESOLVED, pursuant to section 4 of the Sales Tax Distribution Agreement between the County of Ulster and the City of Kingston, the Ulster County Legislature hereby approves that, in fiscal year ~~2022~~ **2021**, an additional 1.0% 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

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, 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 ~~on a quarterly basis~~ **collected in fiscal year 2021**; 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 and directed to disperse to the Towns an additional 1.0% gross sales tax collected in Fiscal Year ~~2022-2021~~, in the ~~last quarter of the year~~ **next available quarter of 2022**; and, be it further

RESOLVED, that the 2022 Ulster County Operating Budget is hereby amended as follows:

	<u><b>INCREASE</b></u>	<u><b>AMOUNT</b></u>
AA.1985.1325-4920.4925 (App.#)	Distribution Sales Tax Towns	\$1,500,000.00
	<u><b>DECREASE</b></u>	<u><b>AMOUNT</b></u>
AA.0917.3205	Fund Balance, Unassigned	\$1,500,000.00,

and move its adoption.

ADOPTED AS AMENDED BY THE FOLLOWING VOTE:

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AYES: 23                      NOES: 0

Postponed in Committee: Ways and Means for one week on July 12, 2022

Passed Committee: Ways and Means as amended on July 19, 2022

FINANCIAL IMPACT:

\$1,500,000.00 – COUNTY 2022 SALES TAX REVENUE DECREASE

\$1,500,000.00 – TOWNS 2022 SALES TAX REVENUE INCREASE

Legislator Walter motioned, seconded by Legislator Heppner, to amend the resolution as presented above with specific language stricken and new language inserted as indicated above in bold font.

MOTION ADOPTED BY THE FOLLOWING VOTE:

AYES: 23                      NOES: 0

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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 19<sup>th</sup> Day of July in the year Two Thousand Twenty-Two, 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 22<sup>nd</sup> Day of June in the year Two Thousand Twenty-Two.

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

Submitted to the County Executive this  
22<sup>nd</sup> Day of July 2022.

Approved by the County Executive this  
27<sup>th</sup> Day of July 2022.

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

[s] Patrick K. Ryan  
Patrick K. Ryan, County Executive