

# STATE OF NEW YORK

10014

## IN ASSEMBLY

May 1, 2024

Introduced by M. of A. KELLES -- read once and referred to the Committee on Ways and Means

AN ACT to amend the tax law, in relation to authorizing the city of Cortland to establish hotel and motel taxes

The People of the State of New York, represented in Senate and Assembly, do enact as follows:

1 Section 1. The tax law is amended by adding a new section 1202-jj to  
2 read as follows:

3 § 1202-jj. Hotel or motel taxes in the city of Cortland. (1) Notwith-  
4 standing any other provision of law to the contrary, the city of Cort-  
5 land, Cortland county, is hereby authorized and empowered to adopt and  
6 amend local laws imposing in such city a tax, in addition to any other  
7 tax authorized and imposed pursuant to this article, such as the legis-  
8 lature has or would have the power and authority to impose upon persons  
9 occupying hotel or motel rooms in such city. For the purposes of this  
10 section, the term "hotel" or "motel" shall mean and include any facility  
11 providing lodging on an overnight basis and shall include those facili-  
12 ties designated and commonly known as "bed and breakfast" and "tourist"  
13 facilities. The rates of such tax shall not exceed three percent of the  
14 per diem rental rate for each room, provided however, that such tax  
15 shall not be applicable to a permanent resident of a hotel or motel. For  
16 the purposes of this section, the term "permanent resident" shall mean a  
17 person occupying any room or rooms in a hotel or motel for at least  
18 thirty consecutive days.

19 (2) Such tax may be collected and administered by the chief fiscal  
20 officer of the city of Cortland by such means and in such manner as  
21 other taxes, which are now collected and administered by such officer,  
22 or as otherwise may be provided by such local law.

23 (3) Such local laws may provide that any tax imposed shall be paid by  
24 the person liable therefor to the owner of the hotel or motel room occu-  
25 pied or to the person entitled to be paid the rent or charge for the  
26 hotel or motel room occupied for and on account of the city of Cortland  
27 imposing the tax and that such owner or person entitled to be paid the  
28 rent or charge shall be liable for the collection and payment of the

EXPLANATION--Matter in italics (underscored) is new; matter in brackets  
[-] is old law to be omitted.

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1 tax; and that such owner or person entitled to be paid the rent or  
2 charge shall have the same right in respect to collecting the tax from  
3 the person occupying the hotel or motel room, or in respect to nonpay-  
4 ment of the tax by the person occupying the hotel or motel room, as if  
5 the tax were a part of the rent or charge and payable at the same time  
6 as the rent or charge; provided, however, that the chief fiscal officer  
7 of the city, specified in such local law, shall be joined as a party in  
8 any action or proceeding brought to collect the tax by the owner or by  
9 the person entitled to be paid the rent or charge.

10 (4) Such local laws may provide for the filing of returns and the  
11 payment of the tax on a monthly basis or on the basis of any longer or  
12 shorter period of time.

13 (5) This section shall not authorize the imposition of such tax upon  
14 any transaction, by or with any of the following in accordance with  
15 section twelve hundred thirty of this article:

16 a. The state of New York, or any public corporation (including a  
17 public corporation created pursuant to agreement or compact with another  
18 state or the Dominion of Canada), improvement district or other poli-  
19 tical subdivision of the state;

20 b. The United States of America, insofar as it is immune from taxa-  
21 tion;

22 c. Any corporation or association, or trust, or community chest, fund  
23 or foundation organized and operated exclusively for religious, charita-  
24 ble, or educational purposes, or for the prevention of cruelty to chil-  
25 dren or animals, and no part of the net earnings of which inures to the  
26 benefit of any private shareholders or individual and no substantial  
27 part of the activities of which is carrying on propaganda, or otherwise  
28 attempting to influence the legislation; provided, however, that nothing  
29 in this paragraph shall include an organization operated for the primary  
30 purpose of carrying on a trade or business for profit, whether or not  
31 all of its profits are payable to one or more organizations described in  
32 this paragraph.

33 (6) Any final determination of the amount of any tax payable pursuant  
34 to this section shall be reviewable for error, illegality or unconstitu-  
35 tionality or any other reason whatsoever by a proceeding under article  
36 seventy-eight of the civil practice law and rules if application there-  
37 for is made to the supreme court within thirty days after the giving of  
38 the notice of such final determination, provided, however, that any such  
39 proceeding under article seventy-eight of the civil practice law and  
40 rules shall not be instituted unless:

41 a. The amount of any tax sought to be reviewed, with such interest and  
42 penalties thereon as may be provided for by local law or regulation  
43 shall be first deposited and there is filed an undertaking, issued by a  
44 surety company authorized to transact business in this state and  
45 approved by the superintendent of financial services of this state as to  
46 solvency and responsibility, in such amount as a justice of the supreme  
47 court shall approve to the effect that if such proceeding be dismissed  
48 or the tax confirmed the petitioner will pay all costs and charges which  
49 may accrue in the prosecution of such proceeding; or

50 b. At the option of the petitioner such undertaking may be in a sum  
51 sufficient to cover the taxes, interests and penalties stated in such  
52 determination plus the costs and charges which may accrue against it in  
53 the prosecution of the proceeding, in which event the petitioner shall  
54 not be required to pay such taxes, interest or penalties as a condition  
55 precedent to the application.

1 (7) Where any tax imposed pursuant to this section shall have been  
2 erroneously, illegally or unconstitutionally collected and application  
3 for the refund thereof duly made to the proper fiscal officer or offi-  
4 cers, and such officer or officers shall have made a determination deny-  
5 ing such refund, such determination shall be reviewable by a proceeding  
6 under article seventy-eight of the civil practice law and rules,  
7 provided, however, that such proceeding is instituted within thirty days  
8 after the giving of the notice of such denial, that a final determi-  
9 nation of tax due was not previously made, and that an undertaking is  
10 filed with the proper fiscal officer or officers in such amount and with  
11 such sureties as a justice of the supreme court shall approve to the  
12 effect that if such proceeding be dismissed or the tax confirmed, the  
13 petitioner will pay all costs and charges which may accrue in the prose-  
14 cution of such proceeding.

15 (8) Except in the case of a willfully false or fraudulent return with  
16 intent to evade the tax, no assessment of additional tax shall be made  
17 after the expiration of more than three years from the date of the  
18 filing of a return, provided, however, that where no return has been  
19 filed as provided by law the tax may be assessed at any time.

20 (9) All revenues resulting from the imposition of the tax under the  
21 local laws shall be paid into the treasury of the city of Cortland and  
22 shall be credited to and deposited in the general fund of the city. The  
23 city shall be authorized to retain the necessary revenue, in an amount  
24 not to exceed four percent of the total revenue, to defer the expense of  
25 the city in administering such tax and the balance of such revenues  
26 shall be allocated to the promotion of tourism, cultural programs, parks  
27 and recreation, and the critical infrastructure and capital improvements  
28 necessary to support those activities, including all financial costs and  
29 obligations incurred by the city related to the creation of such events  
30 and activities as so determined by the city of Cortland Common Council.

31 (10) If any provision of this section or the application thereof to  
32 any person or circumstance shall be held invalid, the remainder of this  
33 section and the application of such provision to other persons or  
34 circumstances shall not be affected thereby.

35 (11) Each enactment of such local law may provide for the imposition  
36 of a hotel or motel tax for a period of time no longer than three years  
37 from the effective date of its enactment. Nothing in this section shall  
38 prohibit the adoption and enactment of local laws, pursuant to the  
39 provisions of this section, upon the expiration of any other local law  
40 adopted pursuant to this section.

41 § 2. This act shall take effect immediately.