

STATE OF NEW YORK

6671

2023-2024 Regular Sessions

IN SENATE

May 4, 2023

Introduced by Sen. BORRELLO -- read twice and ordered printed, and when printed to be committed to the Committee on Investigations and Government Operations

AN ACT to amend the tax law, in relation to authorizing the city of Olean to impose a hotel and motel tax

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-uu to
2 read as follows:

3 § 1202-uu. Hotel or motel taxes in the city of Olean. (1) a. Notwith-
4 standing any other provisions of law to the contrary, the city of Olean,
5 Cattaraugus 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 legisla-
8 ture 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.

14 b. The rates of such tax shall not exceed five percent of the per diem
15 rental rate for each room, provided however, that such tax shall not be
16 applicable to a permanent resident of a hotel or motel. For the purposes
17 of this section the term "permanent resident" shall mean a person occu-
18 pying any room or rooms in a hotel or motel for at least thirty consec-
19 utive days.

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

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

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1 (3) Such local laws may provide that any tax imposed shall be paid by
2 the person liable therefor to the owner of the hotel or motel room occu-
3 pied or to the person entitled to be paid the rent or charge for the
4 hotel or motel room occupied for and on account of the city of Olean
5 imposing the tax and that such owner or person entitled to be paid the
6 rent or charge shall be liable for the collection and payment of the
7 tax; and that such owner or person entitled to be paid the rent or
8 charge shall have the same right in respect to collecting the tax from
9 the person occupying the hotel or motel room, or in respect to nonpay-
10 ment of the tax by the person occupying the hotel or motel room, as if
11 the tax were a part of the rent or charge and payable at the same time
12 as the rent or charge; provided, however, that the chief fiscal officer
13 of the city, specified in such local law, shall be joined as a party in
14 any action or proceeding brought to collect the tax by the owner or by
15 the person entitled to be paid the rent or charge.

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

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

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

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

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

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

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

1 b. At the option of the petitioner such undertaking may be in a sum
2 sufficient to cover the taxes, interests and penalties stated in such
3 determination plus the costs and charges which may accrue against it in
4 the prosecution of the proceeding, in which event the petitioner shall
5 not be required to pay such taxes, interest or penalties as a condition
6 precedent to the application.

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

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

26 (9) All revenues resulting from the imposition of the tax under the
27 local laws shall be paid into the treasury of the city of Olean and
28 shall be credited to and deposited in the general fund of the city. The
29 city shall be authorized to retain the necessary revenue, in an amount
30 not to exceed four percent of the total revenue, to defer the expense of
31 the city in administering such tax and the balance of such revenues
32 shall be allocated to community and economic development, planning and
33 tourism.

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

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

44 § 2. This act shall take effect immediately.