

STATE OF NEW YORK

6671--A

Cal. No. 969

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 -- reported favorably from said committee, ordered to first report, amended on first report, ordered to a second report and ordered reprinted, retaining its place in the order of second report

AN ACT to amend the tax law, in relation to authorizing the city of Olean to impose a hotel and motel tax; and providing for the repeal of such provisions upon the expiration thereof

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

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

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1 taxes which are now collected and administered by such officer or as
2 otherwise may be provided by such local law.

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

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

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

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

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

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

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

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

1 or the tax confirmed the petitioner will pay all costs and charges which
2 may accrue in the prosecution of such proceeding; or

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

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

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

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

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

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

46 § 2. This act shall take effect immediately and shall expire September
47 1, 2025, when upon such date the provisions of this act shall be deemed
48 repealed therewith.