

STATE OF NEW YORK

9376

IN SENATE

March 6, 2026

Introduced by Sen. GALLIVAN -- 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 an occupancy tax in the town of Lancaster; and providing for the repeal of such provisions upon 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-rr to
2 read as follows:

3 § 1202-rr. Occupancy tax in the town of Lancaster. (1) Notwithstanding
4 any other provision of law to the contrary, the town of Lancaster, in
5 the county of Erie, is hereby authorized and empowered to adopt and
6 amend local laws imposing in such town 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 town.

10 For the purposes of this section, the term "hotel" or "motel" shall
11 mean and include any facility consisting of rentable units and provides
12 lodging on an overnight basis and shall include those facilities desig-
13 nated and commonly known as "bed and breakfast" and "tourist" facili-
14 ties.

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

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

25 (3) Such local laws may provide that any taxes imposed shall be paid
26 by the person liable therefor to the owner of the hotel or motel room

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

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

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

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

20 a. The state of New York, or any public corporation (including a
21 public corporation created pursuant to agreement or compact with another
22 state or dominion of Canada), improvement district or other political
23 subdivision of the state;

24 b. The United States of America, insofar as it is immune from taxa-
25 tion; or

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

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

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

54 b. At the option of the petitioner, such undertaking may be in a sum
55 sufficient to cover the taxes, interest and penalties stated in such
56 determination plus the costs and charges which may accrue against it in

1 the prosecution of the proceeding, in which event the petitioner shall
2 not be required to pay such taxes, interest or penalties as a condition
3 precedent to the application.

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

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

23 (9) All revenues resulting from the imposition of the tax under the
24 local laws shall be paid into the treasury of the town of Lancaster and
25 shall be credited to and deposited in the general fund of the town. Such
26 revenues may be used for any lawful purpose.

27 (10) Each enactment of such a local law may provide for the imposition
28 of a hotel or motel tax for a period of time no longer than three years
29 from the date of its enactment. Nothing in this section shall prohibit
30 the adoption and enactment of local laws, pursuant to the provisions of
31 this section, upon the expiration of any other local law adopted pursu-
32 ant to this section.

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

37 § 2. This act shall take effect immediately and shall expire December
38 31, 2028, when upon such date the provisions of this act shall be deemed
39 repealed.