

**RESOLUTION NO. \_\_**  
**November 21, 2023**

**A RESOLUTION AUTHORIZING THE MAYOR TO EXECUTE A SALES  
TAX AGREEMENT WITH THE COUNTY OF COLUMBIA**

**WHEREAS**, the City of Hudson (“City”) is desirous of working with the County of Columbia (“County”) to facilitate the orderly distribution of collected revenues from other than real property tax sources; and

**WHEREAS**, the County intends to set aside a certain amount of sales and use tax revenue for County purposes pursuant to Section 1262(a) of the Tax Law of the State of New York; and

**WHEREAS**, the County is willing to distribute to the City, pursuant to Section 1262(c) of the Tax Law of the State of New York, a certain share of the total non-State sales and use taxes collected within Columbia County and not set aside for County or educational purposes as hereinafter set forth; and

**WHEREAS**, the City has elected to receive said allocation in direct payments pursuant to Tax Law Section 1262(c) in lieu of a tax reduction of the county tax levied upon real property in the City of Hudson;

**NOW, THEREFORE, BE IT RESOLVED**, that the Common Council hereby authorizes the Mayor of the City of Hudson to execute the Sales Tax Agreement with the County of Columbia attached hereto as Exhibit “A”, and authorizes the Mayor to take any necessary steps to effectuate said agreement.

Introduced: \_\_\_\_\_

Seconded: \_\_\_\_\_

Approved: \_\_\_\_\_  
Kamal Johnson, Mayor

## SALES TAX AGREEMENT

THIS AGREEMENT, made this \_\_\_\_ day of \_\_\_\_\_, 2023, between

COLUMBIA COUNTY, NEW YORK (hereinafter “the County”), a domestic municipal corporation and political subdivision of the State of New York, having its principal office at 401 State St., Hudson, New York 12534, party of the first part, hereinafter referred to as “County”,

and

THE CITY OF HUDSON, NEW YORK (hereinafter “the City”), a municipal corporation organized pursuant to the laws of the State of New York, having its principal office at Hudson City Hall, 520 Warren St., Hudson, New York 12534, party of the second part, hereinafter referred to as “Hudson”.

WHEREAS, the County and the City are desirous of cooperating with each other without jeopardizing their respective abilities to raise revenue from other than real property tax sources; and

WHEREAS, the County intends to set aside a certain amount of sales and use tax revenue for County purposes pursuant to Section 1262(a) of the Tax Law of the State of New York; and

WHEREAS, the County intends to reserve a certain amount of said sales and use tax revenue as not set aside for County or educational purposes as defined in Section 1262(c) of the Tax Law of the State of New York, and allocate same to Hudson and areas in the County outside Hudson as set forth herein; and

WHEREAS, the City is willing to not exercise its respective right of pre-emption with respect to the sales and use tax as a source of revenue, and the County is willing to distribute to the City, pursuant to Section 1262(c) of the Tax Law of the State of New York, a certain share of the total non-State sales and use taxes collected within Columbia County and not set aside for County or educational purposes as hereinafter set forth; and

WHEREAS, the City has elected to receive said allocation in direct payments pursuant to Tax Law Section 1262(c) in lieu of a tax reduction of the county tax levied upon real property in the City of Hudson;

NOW, THEREFORE, WITNESSETH, that the parties hereto, through their chief executive officers, having first obtained the consent of their respective legislative bodies, do hereby agree as follows:

## DEFINITIONS

**Sales Tax Distributions:** the payments made by New York State to the County of Columbia for the local share of the county-wide sales and use tax. For the purpose of this agreement, the distributions will be defined by the month in which they are transferred to the County; except for EFT adjustments.

**Original Tax:** the three percent (3%) county-wide sales and use tax effective December 1, 1982.

**Additional Tax:** the one-percent (1%) county-wide sales and use tax effective March 1, 1995, and thereafter extended by the NYS legislature.

**Sales Tax Year:** the twelve month period in which the County receives sales tax distributions from New York State, commencing on January 1 and ending subsequent December 31. For the purposes of this agreement, all references to sales tax payments, distributions and/or calculations of same, will be defined as those received and/or paid between January 1<sup>st</sup> of a given year and the subsequent December 31<sup>st</sup>.

**Electronic Funds Transfer (EFT) Adjustments:** adjustments made to reconcile certain sales tax distributions on accelerated schedule. For the purposes of this agreement, EFT distributions will be credited to the month the sales tax distribution would have been received under the prior, non-EFT distribution system.

## ARTICLES OF AGREEMENT

1. In consideration for the above, the County agrees to pay to the City a portion of (a) the sales tax distributions received by the County pursuant to the "Original Tax" and (b) sales tax distributions received by the County pursuant to the "Additional Tax".

2. **The County agrees to pay the City:**

(a) **an amount equal to .0084 of 100% of the Original tax; and**

(b) **a calculated percent equivalent to the proportion of the population of the City of Hudson as compared to population of the County of Columbia, based on the population of the latest decennial census, of the 30 percent of the Original Tax retroactive to January 1, 2023 and ending December 31, 2024.**

(c) **The balance of the Original Tax shall be retained by the County for County purposes and shall be apportioned between the towns in the County based on the population of the latest decennial census.**

**(d) Should the amount that the County elects to distribute of the Original Tax to local municipalities pursuant to paragraph 2(c) be amended upward, the parties agree that Hudson shall receive the sum set forth in paragraph 2(a), plus a percentage of the distribution to local municipalities based on the population of Hudson, based upon the latest decennial census, in proportion to the County of Columbia.**

3. That on the Additional Tax, collected pursuant to County Home Rule approval of the New York State Legislature extending the authority hereunder, the County agrees to pay the City the amount equal to:

**(a) an amount equal to .0084 of 100% of the Additional tax; and**

**(b) a calculated percent equivalent to the proportion of the population of the City of Hudson as compared to population of the County of Columbia, based on the population of the latest decennial census, of the 30 percent of the Original Tax retroactive to January 1, 2023 and ending December 31, 2024.**

**(c) The balance of the Additional Tax shall be retained by the County for County purposes and shall be apportioned between the towns in the County based on the population of the latest decennial census.**

**(d) Should the amount that the County elects to distribute of the Additional Tax to local municipalities be amended upward, the parties agree that Hudson shall receive the sum set forth in paragraph 3(b), plus a percentage of the distribution to local municipalities based on the population of Hudson, based upon the latest decennial census, in proportion to the County of Columbia.**

**4. A model calculation is attached hereto and made part hereof as Addendum "A" as representative of the proposed distributions to be made pursuant to this agreement.**

6. Sales Tax payments to the City from the County shall be made quarterly and shall be made within 10 days of the receipt by the County of sales tax revenue from the State sales tax revenue.

7. The City hereby agrees to not exercise its statutory right to preemption to impose a local sales and use tax pursuant to Article 29 of the Tax Law for the duration of this agreement. Nothing herein shall prohibit Hudson from exercising sales tax pre-emption from periods after the termination of this agreement.

8. The City and the County agree to continue cooperating in the enactment of State legislation enacting the additional 1% and to cooperate in any additional State legislation extending the time period of the additional tax.

9. **Notwithstanding the provisions of any prior sales tax agreement, the term of this agreement shall be automatically renewed unless 6 months prior written notice is delivered by a party of intent not to renew the agreement.**

10. In the event of the expiration or termination of this agreement without renewal, the City reserves its right to exercise pre-emption with respect to the levying and collection of sales and use taxes within Hudson.

11. The County shall make distributions each year to the areas within the County and outside the City of Hudson during the term of this Agreement. Such distributions shall be made in an amount as determined by the County and made from the sales and use tax revenues that would otherwise be allocated for County purposes under this agreement. The City hereby consents to any distributions made by the County to the area outside the City of Hudson pursuant to this paragraph and expressly waives any right the City may have under Section 1262(c) of the Tax Law of the State of New York to object thereto at the time of any such distribution.

12. All sales and use tax monies received by the County not distributed as herein provided shall be retained by the County for county purposes pursuant to Section 1262(a) of the Tax Law of the State of New York.

13. The parties represent that neither municipality has enacted a consumer utility tax and that the terms of this agreement do not cover any future consumer utility tax. The parties agree that they will give the other 90 days notice before enactment of such tax and will enter into negotiations relative to distribution of these funds.

14. This agreement shall become effective upon its execution by the chief executive officers of the respective parties, they having first obtained legislative consent thereto by their respective legislative bodies, and upon the further approval and consent of the Comptroller of the State of New York.

IN WITNESS WHEREOF, the parties have signed this agreement on the day and year first above written and have caused the respective seals of the County of Columbia, and the City of Hudson to be affixed hereto pursuant to authority granted by the Columbia County Board of Supervisors and the Hudson City Common Council.

Approved as to form:

(SEAL)  
COUNTY OF COLUMBIA, NEW YORK

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Robert J. Fitzsimmons, Esq.  
County Attorney

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Hon. Matt Murell  
Chairman, Board of Supervisors

Approved as to form:

(SEAL)  
CITY OF HUDSON, NEW YORK

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Andrew B. Howard, Esq.  
City Attorney

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Hon. Kamal Johnson  
Mayor, City of Hudson

State of New York )  
 )        SS:  
County of Columbia )

On the \_\_\_\_\_ day of \_\_\_\_\_, 2023, before me, the undersigned, a Notary Public in and for said state, personally appeared, Matt Murell, personally known to me or proved to me on the basis of satisfactory evidence to be in the individual whose name is subscribed to the within instrument and acknowledged to me that he executed the same in his capacity, and that by this signature on the instrument, the individual executed the instrument.

\_\_\_\_\_  
Notary Public

State of New York )  
 )        SS:  
County of Columbia )

On the \_\_\_\_\_ day of \_\_\_\_\_, 2023, before me, the undersigned, a Notary Public in and for said state, personally appeared Kamal Johnson, personally known to me or proved to me on the basis of satisfactory evidence to be the individual whose name is subscribed to the within instrument and acknowledged to me that he executed the same in his capacity, and that by his signature on the instrument, the individual executed the instrument.

\_\_\_\_\_  
Notary Public

**ADDENDUM "A"**

**SAMPLE CALCULATION WORKPAPER**

*Total Sales Tax collected:* \$ 10,000.00

County portion	69.16%	\$	6,916.00
City portion	0.84%	\$	84.00
		\$	<u>7,000.00</u>

*Total Sales Tax collected:* \$ 10,000.00

*Less: Total County + City Portion* \$ (7,000.00)

**NET:** \$ 3,000.00

2020 Population	\$	3,000.00	9.50%	City Portion	\$	285.00
			90.50%	Towns & Villages Portion	\$	2,715.00
City Portion					\$	285.00
					\$	84.00
					\$	<u>369.00</u>