

## **Title: Hotel Tax Collection and Disbursement Policy**

**Purpose:** To create a formal policy on the handling of monies collected by Chemung County from “Hotel or motel” taxes levied pursuant to Tax Law § 1202-h.

### **Policy:**

#### **I. Recitals:**

- a. Chemung County is empowered to levy, collect and disburse hotel and motel occupancy taxes in accordance with Tax Law § 1202-h, and Local Law 2 for 1988 (Res#: 88-246), and Local Law 5 for 1991 (Res#: 91-282).
- b. Nothing in this policy shall be deemed to supersede Tax Law § 1202-h or Chemung County’s Local Laws concerning Hotel tax. In the event of a conflict between this policy, and Tax Law § 1202-h or Local Laws, this policy shall be deemed superseded.

II. **Collection & Enforcement:** The Chemung County Treasurer shall be responsible for the collection and accounting of all Hotel Tax, including audit, review and correction of errors, and the final determination of the amount of any tax payable under Tax Law § 1202-h. The County Treasurer shall also be responsible for enforcing delinquent tax collection, and may utilize the assistance of the County Attorney when required. Enforcement proceedings may be commenced in Court without further approval of the Legislature.

III. **Settlement of Tax Disputes:** A “tax dispute” is the amount in dispute between the Chemung County Treasurer’s final determination of tax due and owing after audit and/or correction of errors, and a payer’s claim of tax due and owing.

- a. The Chemung County Treasurer is empowered to settle and resolve tax disputes involving less than \$2,000 in dispute by a single payer, without further approval by the Legislature, provided the Treasurer provides prompt notice of the settlement to the County Executive, Budget Director and Legislature.
- b. Tax disputes involving \$2,000 or more in dispute by a single payer shall require legislative approval as a pre-condition to settlement, unless the dispute resolution is pursuant to a Court order.

#### **IV. Appropriation and Disbursement of Collected Taxes:**

- a. Each year, anticipated Hotel Tax revenues collected shall be appropriated by the Legislature, as part of the County’s budget process or subsequent

resolution, including up to five percent retained by the Treasurer to defer the expenses of the County administering such tax.

- b. The remainder of such collections (at least ninety-five percent thereof) shall be allocated to benefit the general tourist economy of the County, its City, Towns and Villages, and the surrounding tourist region.
- c. Appropriations shall be made only to entities which promote regional tourism, tourist activities, conventions, trade shows, special events, tourist attractions and other directly related and supporting activities.
- d. Entities interested in applying for room tax appropriations must complete an application in a form prescribed by the County Executive, demonstrating the entity's role in promoting tourism, and level of financial support requested. Applications are not required of the Chamber of Commerce, or any entity to whom the County has pledged a contractual right to receive room tax.
- e. The Chemung County Chamber of Commerce is designated as the "Agency and Official Tourism Agent for Chemung County". The Chamber is an entity that promotes regional tourism, and shall be a recipient of room tax proceeds. The Chamber may facilitate inquiries from entities about the room tax application and disbursement process, and this policy.
- f. Applications for appropriation of room tax shall be submitted to the County Executive. The County Executive shall recommend appropriations of room tax to specific entities in specified dollar amounts or percentages, to the Legislature. The County Executive may consult with the Chamber, or utilize the services of the Chamber, as part of this process, as he/she deems appropriate.
- g. The County Legislature shall review and fix annual room tax appropriations as part of the annual budget process, or by subsequent resolution.
- h. All disbursements of appropriations are contingent upon the County's receipt of tax collections in a sufficient amount to fund such disbursements. In the event the total amount of appropriations is less than tax collected in any year, disbursements approved to recipients may be reduced. In the event the amount of collections exceeds appropriations, the Treasurer shall hold such funds for future appropriation and disbursement.
- i. The Treasurer shall process and account for all disbursements (including the up to 5% administration fee), and provide a report thereof to the County Executive, Budget Director and Legislature upon request, and annually on or before the first day of April.