

**SPECIAL MEETING
OF THE
PUTNAM COUNTY LEGISLATURE
CALLED BY THE CLERK AT THE REQUEST OF THE CHAIR
TO BE HELD IN ROOM 318
PUTNAM COUNTY OFFICE BUILDING
CARMEL, NEW YORK 10512**

Wednesday

June 13, 2012

(Immediately following Health & Personnel Committee Mtgs starting @ 6:30 P.M.)

The meeting was called to order at 7:48 P.M. by Chairwoman Conklin who led in the Pledge of Allegiance. Upon roll call, Legislators Tamagna, Oliverio, Othmer, Albano, Gross, LoBue, DiCarlo and Chairwoman Conklin were present. Legislator Birmingham was absent. Also present was Legislative Counsel Van Ross.

Item #3 - Enter County Executive's Veto of Resolution #145 of 2012 into Journal

Chairwoman Conklin stated that this was the hotel/motel tax resolution which was vetoed by the County Executive. It is not a tax on our residents. It is a tax that would be paid by people staying at our hotels or motels.

Legislator Oliverio stated that he liked the idea. It is a hospitality tax that every hotel has that he stayed at when visiting any municipality, city or state. However, he believed the issue needed further discussion to answer questions such as whether or not a portion of the revenues would be returned to the communities. Therefore he would not vote to override the veto.

Legislator DiCarlo stated that in conversations it was his understanding that even if we passed this resolution it was not going to be carried out by the State because they feel this is a tax on the people. Although, he believed it was important to continue the dialogue in the future, not only by this Legislature, but to include the towns. He stated that this was not a tax on the residents. It is a user tax for the people coming to the County and using the facility. This is a tax that every other state has.

Legislator LoBue stated that she argued in favor of this user fee. She stated that tourism is tracked by the "bed tax". She stated that it reminded her of the mortgage tax. The surrounding counties have a mortgage tax that is $\frac{1}{4}$ % higher than Putnam County. She did not believe that people would stop buying homes in Putnam County because of a quarter percent. If we had a "bed tax", she did not believe people would choose not to stay in Putnam County because of it. Everyone is subjected to this user fee in other areas when staying at a hotel or motel. She believed this was a pro-active approach in laying the foundation for when in fact we do have a hotel in Putnam County. She believed that the local municipalities would be hard pressed to establish this on their own as a town. We needed to start this process and have it approved by the State. At that time, we could amend to include the towns. She felt that at this point we were just trying to lay the foundation.

Legislator Albano believed that this would be a tax that would be on the books sometime in the future. He stated that right now it has caused a lot of confusion and people don't understand it. He stated that it is a tax that is common in the industry and believed it was a good idea. However, he did not believe it had any "bite" or was going to go anywhere and there are no hotels. If anything, it would be unique if you say that the hotels coming to the area do not have that tax. That might be a nice thing to do for the first year the hotels are here. He would like to know where the revenue from this tax was going to go. He stated that he is a strong believer that some of it has to go to the town that is hosting these hotels. Right now he did not believe it was going to make a difference either way, therefore he did not have a problem with the veto. He stated that the Legislature would address this again in the future.

Legislator Gross stated that it is a sound initiative and a good idea. It is a standard tax across the nation. There are five states that have no sales tax and no income tax; however, they do have the hotel occupancy tax. He did have conversations with the Town of Southeast Supervisor and some board members where three hotels are in some stage of discussion. They were thinking of having an initiative attached to a bill like this or submitting their own to have some type of revenue sharing. He stated that he supports the idea of revenue sharing. The NYS Legislature has made it clear that they are not going to pass any new taxes. He would like to revisit this initiative in 2013.

Legislator Othmer stated that he believes this tax will be voted on one day in the future. However, he has spoken with the Kent Town Board and they were concerned that there was no clarification on how the revenues were going to be divided up among the municipalities in the County. Although he voted in favor of the tax at the Full Legislative meeting, he stated that he would not vote for it now.

Legislator DiCarlo suggested forming a subcommittee. It would give an opportunity to continue this dialogue with the Town Representatives. So as we approach 2013, we will be prepared when the NYS Legislature is in session.

Legislator Othmer made a motion to override the veto; seconded by Legislator Tamagna.

Legislator DiCarlo questioned if we knew if there was somebody willing to move this forward to the State level. If not, what are we voting on?

Legislator Oliverio stated that Assemblywoman Galef told him that the NYS Legislature was not going to touch our tax exemption request on school supplies and they would not pass a hotel tax.

Legislator Tamagna stated that the Clerk has asked the Legislature to accept and make this a part of our record. If we do nothing else, the resolution would not take effect. It could always be brought back to another Committee at a later date for discussion.

Legislative Counsel Van Ross explained that the resolution is entered into the journal as it is right now and that is all that is required to do tonight. At the first Special or Regular meeting after the Legislature receives a veto it is entered into the journal. At that point, the Legislature has 30 days to override the veto if they want to. There is a motion on the floor to override the veto and it has been seconded. If the Legislature does not want to take any action right now, the motions can be withdrawn and let the 30 days run. There

is always the opportunity to revisit the question whenever you want. If the Legislature moves forward with the motion to override, they must get six votes to override. If not, then the County Executive's veto stands.

Legislator Tamagna stated that instead of forming a special committee, he suggested to continue discussions through the Economic Development Committee.

On the motion to override the veto of Resolution #145 of 2012:

By Roll Call Vote: Two Ayes, Legislators Conklin & LoBue. Six Nays, Legislators Albano, DiCarlo, Gross, Oliverio, Othmer and Tamagna. Legislator Birmingham was absent. Motion Failed.

Item #4 - Approval/ Home Rule Request/ Assembly Bill A10570-A/ Senate Bill S07359-A/ Sales Tax Exemption

Chairwoman Conklin stated that this is for the Sales Tax Free Holiday week in August. It is not exactly what County Executive Odell requested. It is for clothing and footwear only.

Legislator DiCarlo stated that the premise for the sales tax free week was for residents to save money on back to school supplies.

Deputy County Executive, Bruce Walker, stated that it was in the fact that they went through NYSAC and went back up to Albany and met with individuals in the Legislature, both on the Senate and Assembly side, to try to push this through, although, there was not much appetite at all.

County Executive Odell stated that both members of the Senate and Assembly questioned what exactly constituted "school supplies". After discussing some options with the NYS Legislative members, she expounded on the fact she was at the State of the State when Governor Cuomo said that he was now the lobbyist for students and that this was a very pro-student education piece of legislation that they would be promoting. He said that he took all of our thoughts into consideration; however, they received word that they would only be approving the tax exemption for clothing and footwear.

Legislator LoBue felt that it might be difficult for the store owner to implement this tax exemption with respect to changing their computers. She was concerned with the loss of revenue for the County.

Legislator Oliverio stated that he spoke with Assemblywoman Galef. She stated that she is in favor of exempting the sales tax on school supplies; however, she did not have the power to get it through.

Legislator Gross stated that children start school with some new clothes. He felt that a half of loaf was better than no loaf. It shows support for the parents.

Legislator Albano stated that it was a nice concept to make a statement. He did not feel that it would hurt revenues.

County Executive Odell stated that this piece of legislation will be enjoyed every year and will be the third week in August in perpetuity.

Legislator Othmer felt that the sales tax exemption was a good idea. When people are shopping they will buy other items besides clothing and footwear. Those other items will generate sales tax revenue for the County.

RESOLUTION #147

APPROVAL/HOME RULE REQUEST/ ASSEMBLY BILL A10570-A/ SENATE BILL S07359-A/ SALES TAX EXEMPTION

WHEREAS, by Resolution #87 of 2012 the County of Putnam requested our State Legislative representatives to enact legislation permitting a Sales Tax Free Holiday for certain items of clothing and footwear; and

WHEREAS, enabling legislation for this exemption has been introduced before the State Legislature under Assembly Bill A10570-A and Senate Bill S07359-A, now therefore be it

RESOLVED, that the Putnam County Legislature authorizes the County Executive and the Clerk of the Legislature to sign and forward to the State Legislature the attached Home Rule Request for Assembly Bill A10570-A and Senate Bill S07359-A entitled "AN ACT to amend the tax law, in relation to authorizing the county of Putnam to exempt from county sales and compensating use taxes certain taxable goods and services, during the period commencing on August tenth and through August nineteenth, two thousand twelve".

BY POLL VOTE: SEVEN AYES. ONE NAY, LEGISLATOR LOBUE. LEGISLATOR BIRMINGHAM WAS ABSENT. MOTION CARRIES.

There being no further business, at 8:14 P.M., Legislator Oliverio made a motion to adjourn; seconded by Legislator LoBue. All in favor.

Respectfully submitted by Diane Schonfeld, Clerk.