

THIS AGREEMENT made the ____ day of _____, 2016, between the **COUNTY OF ULSTER**, a municipal corporation, having its principal place of business at 244 Fair Street, Kingston, New York 12401, hereinafter referred to as the “**County**,” and the **CITY OF KINGSTON**, a municipal corporation having its main office and principal place of business at 420 Broadway, Kingston, New York 12401, hereinafter referred to as the “**City**” (each, a “Party,” together, the “Parties”).

WITNESSETH:

WHEREAS, the County has imposed a Sales and Compensating Use Tax pursuant to the laws of the State of New York; and

WHEREAS, Articles 28 and 29 of the Tax Law of the State of New York authorize municipalities to impose certain taxes on retail sales and other similar transactions and compensating use taxes as herein specified, to be administered by the State Tax Commission, and provide certain priorities and pre-emptive rights for each of the parties; and

WHEREAS, pursuant to Sections 1210(i)(7) and 1224(o) of Article 29 of Tax Law of the State of New York, the County receives an additional one percent (1%) on taxable sales; and

WHEREAS, there most recently existed an Agreement, dated October 29, 2010, between the County and the City which expired by its terms on February 29, 2016; and

WHEREAS, the representatives of the County and the City have entered into extensive discussions and negotiations regarding this Agreement; and

WHEREAS, the parties hereto acknowledge that for due and sufficient consideration acknowledged by them they wish to enter into and execute this Agreement and be bound by the terms, hereof; and

WHEREAS, by resolutions duly adopted by the governing bodies of the County and the City, these municipalities have agreed upon a plan of distribution of a portion of the Sales and Compensating Use Tax imposed by the County providing a portion to the Towns and Villages of Ulster County; and

WHEREAS, for purposes of this Agreement, the term “Towns” shall mean the Towns situated within the County of Ulster as a unit.

NOW, THEREFORE, in consideration of the mutual covenants herein contained, the Parties hereto mutually covenant and agree as follows:

1. The County shall, effective March 1, 2016, impose all taxes described in Article 28 of the Tax Law of the State of New York, pursuant to the provisions of Section 1210 of said law, at a rate of four percent (4%) or any other rate(s) as may be authorized by the New York State Legislature during the term of this Agreement.

2. This Agreement shall take effect on March 1, 2016 and shall continue in effect for a period of five (5) years expiring on February 28, 2021.
3. During the term of this Agreement the City shall not impose any of the taxes authorized by Section 1210 of Tax Law of the State of New York or as specified in Paragraph Four (4) below.
4. The County hereby imposes all of the taxes it is authorized and empowered to impose for such purpose pursuant to Section 1210 of New York State Tax Law at the rate of three percent (3%); and such three percent (3%) rate shall be allocated and disbursed as set forth herein and below. Pursuant to Section 1224(o) of New York State Tax Law, the County hereby exercises its sole right to impose an additional one percent (1%) rate of tax which it is authorized to impose pursuant to Section 1210(i)(7) of New York State Tax Law; and such additional one percent (1%) tax imposed by the County shall be allocated and disbursed as set forth herein and below.
5. Accordingly:
 - A. For the sales tax period March 1, 2016 through February 28, 2017, the City shall receive eleven and one-half percent (11.5%) of the total net collections and the Towns shall receive three percent (3%) of the total net collections. Of these total net collections, forty percent (40%) of the total net collections will be allocated and disbursed to the City and the Towns from the additional one percent (1%) of the total net collections and the remaining sixty percent (60%) shall be allocated from the three percent (3%) total net collections with the County retaining the balance for County purposes.
 - B. For the sales tax period March 1, 2017 through February 28, 2018, the City shall receive eleven and one-half percent (11.5%) of the total net collections and the Towns shall receive three percent (3%) of the total net collections. Of these total net collections, forty percent (40%) of the total net collections will be allocated and disbursed to the City and the Towns from the additional one percent (1%) of the total net collections and the remaining sixty percent (60%) shall be allocated from the three percent (3%) total net collections with the County retaining the balance for County purposes.
 - C. For the sales tax period March 1, 2018 through February 28, 2019, the City shall receive eleven and one-half percent (11.5%) of the total net collections collected by the County during this tax period or eleven and one-half percent (11.5%) of the total net collections collected in the previous sales tax period,

whichever is less. In the event the total net collections in the sales tax period for March 1, 2018 through February 28, 2019 shall increase by greater than one and one-half percent (1.5%) over the total net collections received for the immediately preceding sales tax period, the City shall also receive an additional amount equal to eleven and one half percent (11.5%) of the amount of such year to year increase in total net collections in excess of one and one-half percent (1.5%) of the amount of such year to year increase. The Towns shall receive three percent (3%) of the total net collections for this sales tax period. Of these total net collections, forty percent (40%) of the total net collections will be allocated and disbursed to the City and the Towns from the additional one percent (1%) of the total net collections and the remaining sixty percent (60%) shall be allocated to the City and the Towns from the three percent (3%) total net collections with the County retaining the balance for County purposes.

- D. For the sales tax period March 1, 2019 through February 29, 2020, the City shall receive 11.5% of the total net collections collected by the County during this tax period or the total net collections distributed to the City for the tax period March 1, 2018 through February 28, 2019, whichever is less. The Towns shall receive three percent (3%) of the total net collections for this sales tax period. Of these total net collections, forty percent (40%) of the total net collections will be allocated and disbursed to the City and the Towns from the additional one percent (1%) of the total net collections and the remaining sixty percent (60%) shall be allocated to the City and the Towns from the three percent (3%) total net collections with the County retaining the balance for County purposes.
- E. For the sales tax period March 1, 2020 through February 28, 2021, the City shall receive eleven and one-half percent (11.5%) of the total net collections collected by the County during this tax period or eleven and one-half percent (11.5%) of the total net collections collected in the previous sales tax period, whichever is less. In the event the total net collections in the sales tax period March 1, 2020 through February 28, 2021 shall increase by greater than one and one-half percent (1.5%) over the total net collections received for the immediately preceding sales tax period, the City shall also receive an additional amount equal to eleven and one half percent (11.5%) of the amount of such year to year increase in total net collections in excess of one and one-half percent (1.5%) of the amount of such year to year increase. The Towns shall receive three percent (3%) of the total net collections for this sales tax period. Of these total net collections, forty percent (40%) of the total net

collections will be allocated and disbursed to the City and the Towns from the additional one percent (1%) of the total net collections and the remaining sixty percent (60%) shall be allocated to the City and the Towns from the three percent (3%) total net collections with the County retaining the balance for County purposes.

6. Each Town shall receive a proportionate share of the total net collections set forth herein based upon its full valuation of taxable real property as adopted annually by the County for tax apportionment purposes.
7. The County agrees that during the term of this Agreement it shall enact the appropriate legislation to request authorization for the additional sales tax of one per cent (1%) as is referenced herein, whether such legislation be a memorializing resolution or a home rule resolution, as required by the State. During the term of this Agreement, should the State of New York fail to enact the additional one percent (1%) sales tax extensions, and the total net collections to the County is reduced, then the City and the Towns shall receive sixty percent (60%) of the total net collections that they would have received as set forth in the formulas in Paragraph Five (5) herein had the rate remained at four percent (4%) for a period commencing on the date as of which the County ceases imposing the additional one percent (1%) sales tax and ending on the date as of which the County resumes imposing such an additional one percent (1%) sales tax or the date on which this Agreement expires, whichever comes first.
8. In the event that the additional one percent (1%) sales tax extensions are eliminated on a state wide basis for all municipalities during the term of this Agreement, then sales tax shall be allocated and disbursed to the City and the Towns fully from the three percent (3%) total net collections pursuant to the distribution formulas set forth in Paragraph Five (5) herein, specifically: of the total net collections, eleven and one half percent (11.5%) of the total net collections will be allocated and disbursed to the City, three percent (3%) of the total net collections will be allocated and disbursed to the Towns, with the County retaining the balance for County purposes.
9. A. Intermunicipal Cooperation

The County and the City acknowledge that intergovernmental cooperation and reform are essential for leaner, more efficient government and accordingly the County and City having embarked upon intermunicipal cooperative agreements in the past, including an agreement for the sharing of tourism services. Thus, the parties agree that without reaching this sales tax agreement, it would be impossible to implement and continue

other progressive cost saving measures that would benefit the County and the City and its respective residents and taxpayers.

B. Single Bus Transit System

Further, the County and the City, in principle and in the spirit of cooperation fostered by this Agreement, agree that they shall seek, within the next twenty-four months, to facilitate a single bus transit system within the County, and operated by the County, so long as such system does not result in any additional cost to the County and so long as such single bus transit system is in compliance with all federal and state grants that the County and City have received or expect to receive for bus transit services.

C. Linear Park Rail Trail

The County and City agree that the City shall remain permanently responsible for the maintenance of the Linear Park Rail Trail to be established within the City of Kingston, beginning at Washington Avenue and running eastward up to and including the area of the City where it shall end. Maintenance shall include mowing, plowing and keeping the Linear Park Rail Trail free of garbage, trash and debris. Maintenance shall not include capital improvements which shall be the responsibility of the County. This paragraph shall survive this Agreement.

D. Vehicle and Equipment Impound Lot

The County and City agree that in the spirit of cooperation fostered by this Agreement, that they will enter into an agreement that will permit the County of Ulster to re-locate its Vehicle and Equipment Impound Lot, currently situated at premises owned by the County on or near 61 Golden Hill Drive, Kingston, New York (formerly known as the Ulster County Jail) upon real property owned by the City of Kingston, at or near its transfer station and adjacent to real property currently owned by the County at 380 Boulevard, Kingston, New York (known as the Ulster County Law Enforcement Center). There shall be no consideration, rent or cost to the County.

10. This Agreement, except for Paragraph Nine (9) which is entitled "Intermunicipal Cooperation", is subject to the approval of the State Comptroller of the State of New York.

****Signature Page Follows****

