

**AGREEMENT  
SALES TAX ALLOCATION  
COUNTY OF STEUBEN, CITY OF CORNING, and CITY OF HORNELL**

**THIS AGREEMENT** made this 11<sup>th</sup> day of April 2019 by and between the COUNTY OF STEUBEN, with offices at the 3 East Pulteney Square, Bath, NY 14810, the CITY OF CORNING, with offices at 500 Nasser Civic Center Plaza, Corning, NY 14830, and the CITY OF HORNELL, with offices at 82 Main Street, Hornell, NY 14843.

**WITNESSETH:**

**WHEREAS**, Steuben County, the City of Corning, and the City of Hornell have hereto reached an agreement in principal regarding the allocation and distribution of sales and compensating use tax revenue in Steuben County; and

**WHEREAS**, Steuben County, the City of Corning, and the City of Hornell recognize that the interests of residents in each municipality would be best served if the revenue derived from sales taxes were to be stabilized and distributed in an equitable manner; and

**WHEREAS**, the parties hereto wish to enter into an Agreement pursuant to Subdivision (c) of Section 1262 of the Tax Law of the State of New York.

**NOW, THEREFORE, IT IS AGREED TO AS FOLLOWS:**

**FIRST:** Steuben County shall, during the term of this Agreement, impose all of the sales and use taxes authorized by section 1210(i) of the Tax Law of the State of New York, at the rate of three percent (3%) and shall set aside, pay and allocate net collections from such taxes during such term as provided in this Agreement.

**SECOND:** This agreement shall not apply to Steuben County's additional one percent (1%) rate of sales and use taxes and Steuben County will continue to be apply net collections from such additional rate as required by Section 1262-H of the Tax Law of the State of New York, as amended.

**THIRD:** The City of Corning and the City of Hornell shall each repeal their sales and use taxes authorized by section 1210 of the Tax Law, effective March 1<sup>st</sup>, 2020, and they shall not reimpose any such taxes to take effect earlier than March 1, 2025.

**FOURTH:** Steuben County shall set aside or allocate and distribute net collections from its three percent (3%) rate of sales and use taxes as follows:

A. In each year of this agreement, Steuben County shall allocate and distribute the following amounts: to the City of Corning, \$2,200,000; to the City of Hornell, \$2,150,000; and to the Towns and Villages within the County, \$11,100,000.

B. If the County's net collections in any year are insufficient to cover the allocations described in paragraph A of this section, the allocations shall each be reduced on a pro rata basis.

C. If the County's net collections in a year exceed the allocations described in paragraph A of this section, the County shall set aside for County purposes forty nine percent (49%) of such excess; and

the County shall allocate eight percent (8%) of such excess to the City of Corning, seven percent (7%) to the City of Hornell, and thirty six percent (36%) to the Towns and Villages in the County.

D. A Town or Village's share of the amounts that paragraph C of this section requires the County to allocate to the Towns and Villages in the County shall be determined on the basis of the ratio which the full valuation of real property in the Town or Village bears to the aggregate full valuation of real property in all of the Towns and Villages in the County.

E. For purposes of this section, the term "year" shall mean a twelve month period commencing March first and ending the last day of the following February.

FIFTH: The term of this Agreement shall be five years commencing March 1<sup>st</sup>, 2020, and ending February 28, 2025.

SIXTH: That on or before the first day of 2024, the Steuben County Manager, the Corning City Manager, and the Hornell City Mayor and/or their representatives will meet to develop recommendations for the Steuben County Legislature and each City Council whether or not to amend, modify, or extend this Agreement for an additional term.

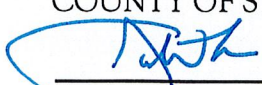
The County Legislature and each City Council thereafter, and prior to June 1<sup>st</sup>, 2024, shall, by resolution, notify the other bodies that it intends, at the end of the term or any extension, thereof, to terminate, amend or modify this Agreement.

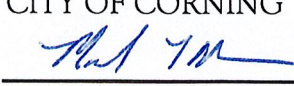
SEVENTH: Within the time frames set forth herein and the statutory notice requirements in Article 29 of the Tax Law, this Agreement may be modified, terminated, or otherwise amended in the event that both City Councils and the County Legislature, by formal resolution, mutually agree to do so. Neither party may do so unilaterally. Any such modification, termination, or amendment must be reduced to writing, executed by such officers of each body as they shall respectively designate and be approved by the Office of the State Comptroller as set forth above.

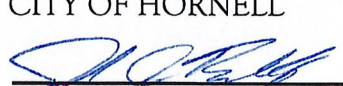
EIGHTH: Notwithstanding any contrary provision of this Agreement, if the County and Cities cannot agree by May 15, 2024, and receive approval of such agreement from the State Comptroller by such date, on terms either to extend this Agreement effective March 1, 2025, or to enter into a new agreement to take effect March 1, 2025, and if either City elects, or both Cities elect, to impose sales and use taxes authorized by section 1210 of the Tax Law to take effect March 1, 2025, the Steuben County Legislature hereby agrees to waive, and does waive, pursuant to Tax Law section 1223(b), the requirements of either City to provide notice to the County of the City's imposition of taxes on transactions taxed by the County and of the postponement of the effective date of such taxes imposed by the City, so that such City's taxes, can take effect March 1, 2025.

NINTH: This Agreement is subject to the approval of the State Comptroller of the State of New York as set forth in section 1262(c) of the Tax Law.

IN WITNESS WHEREOF, the undersigned have set their hands this day of APRIL 11<sup>TH</sup> 2019

COUNTY OF STEUBEN  
  
Title: County Manager

CITY OF CORNING  
  
Title: CITY MANAGER

CITY OF HORNELL  
  
Title: Mayor

Approved to Form: 