TOWN OF ONEONTA
Office of the Town Supervisor

To: Members of the Otsego County Administration Committee
From: William Rivera Jr., Town Supervisor
Date: August 21, 2026
Re: Follow-Up: Request for Countywide Sales-Tax Sharing Review

Thank you again for the discussion regarding the Town's request for a review of County sales-tax sharing.

Following our meeting, I followed up on several of the questions raised during our discussion. That review raised additional questions that I believe are worth looking at Countywide.

What the record shows

- A 2025 municipal securities disclosure describes the current sharing arrangement as growing out of negotiations in 1991 after a preemption action. State Comptroller records separately confirm that Otsego County increased its sales-tax rate from 2% to 3% effective December 1, 1991.
- State records also confirm that the County increased its rate from 3% to 4% effective December 1, 2003. The same 2025 disclosure states that the additional rate was made subject to the existing sharing agreement.
- The records reviewed to date do not include the executed sharing agreement, the original State Comptroller approval, or the documents showing how the 2003 increase was incorporated into the arrangement and whether later amendments, renewals or approvals occurred.

Tax Law §1262(c) provides that an alternative allocation may be established by agreement of the County and each city, with State Comptroller approval. The exact process for changing Otsego's current arrangement depends on the governing agreement and related records.

Before reaching conclusions about what can or cannot be changed today, I believe we should first establish exactly what governs the current arrangement and how it has been handled over time.

A recent New York example

Ulster County recently went through this type of review. Its Comptroller published a report examining the existing distribution, how much towns rely on shared sales-tax revenue, neighboring counties, and different allocation methods used elsewhere before the agreement was renegotiated in 2026.

The resulting five-year agreement reduced the County's share from 85.5% to 85%, increased the towns' share from 3% to 3.5%, and left Kingston's 11.5% share unchanged.

What is useful here is the process: establish the facts, understand the impacts across municipalities, and then determine whether a change is warranted.

Questions coming out of our discussion

- What agreement, County action and State Comptroller approval currently govern the sharing structure, and what later amendments or approvals exist, including those related to the 2003 increase?

- When was the distribution structure last substantively reviewed, and what established the current method for allocating the towns-and-villages portion?
- What does the current structure mean for each municipality and County government, including revenues, local services, infrastructure and property-tax pressure?
- If reasonable alternatives are considered, what would their Countywide fiscal effects be and what approvals would be required?

The request remains the same

The Town continues to ask for a Countywide review that establishes the governing record, looks at the current impacts, and identifies what options, if any, are available for change.

If the current structure remains the best approach, the review should show that. If not, we should understand the alternatives.

The Town is prepared to provide its information and participate in that work.

William Rivera Jr.
Town Supervisor

Sources: N.Y. Tax Law §1262(c); City of Oneonta, Preliminary Official Statement (Oct. 23, 2025), Sales Tax, p. 16; New York State Office of the State Comptroller, Local Government Sales Taxes: 2010 Update, pp. 25, 43; Ulster County Comptroller, 2024 Sales Tax Sharing Report (Aug. 25, 2025); Ulster County Legislature, Legislature Approves Sales Tax Sharing Agreement with City of Kingston (Feb. 17, 2026).