Official Minutes of the Public Hearing of January 16, 2024 for the purpose of receiving comments on the proposed introductory Local Law entitled "City of Poughkeepsie Hotel & Motel Occupancy Tax Law.

THE CITY OF POUGHKEEPSIE
NEW YORK

PUBLIC HEARING

Tuesday, January 16, 2024 6:00 pm **Common Council Chambers**

Welcome to the scheduled Public Hearing in the City of Poughkeepsie. The date is January 16^{th} and the time is 6:05 pm.

This Hearing is for the purpose of receiving comments on the proposed introductory Local Law entitled "City of Poughkeepsie Hotel and Motel Occupancy Tax Law"

Chairman Wilson called the meeting to order at 6:05 pm.

I. WELCOME

II. ROLL CALL: 7 present, 2 absent (Absent: Councilmembers Menist and James**)**

III. PUBLIC PARTICIPATION: Five (5) minutes per person public comment.

1. Laurie Sandow – S.Grand Ave.
2. Daniel Atonna – 116 College Ave / For The Many
3. Ethan Rignanese – 2^{nd} Ward Resident (submitted written comments)

IV. ADJOURNMENT:

Chairman Wilson *closed the Public Hearing at 6:15pm*

Dated: January 17, 2024

I hereby certify that this true and correct copy of the Minutes of the Common Council Public Hearing held on Tuesday, January 16^{th}, 2024.

Respectfully submitted,
Donna M. DeLuca
Deputy City Chamberlain

The proposed tax law is not enough to ensure the impact of short term-rentals on our community is balanced out by a reasonable tax burden. In addition to the proposed tax, properties used as short-term rentals should also be subject to the non-homestead tax rate as outlined in Real Property Tax Law, Article 19, § 1903. This optional tax program according to NYS "..prevents any large shift of the property tax burden to the residential class of property owners after a revaluation." This *should* mean a lower tax rate for residential property (homestead tax), and a higher rate for all other property (non-homestead tax). As the law is written "*One-, two-, and three-family residential units; farm homes; mobile homes* ***that are owner-occupied*** *and separately assessed, and condominiums that were built as condominiums and not converted from some other form, such as rental apartments, qualify as residential property.*".

Crosschecking current Airbnb listings with property tax rolls, it's nearly impossible to find a short-term rental property that is being rightfully being assessed as a non-homestead property. In many cases a property or properties may be owned by an LLC that is based out of the area or even out of state. One such example is Laca Marketing LLC, a NYC based company which owns and operates at least 5 such properties within the city of Poughkeepsie. This clearly shows the short-term rental industry in Poughkeepsie is not simply homeowners renting out spare bedrooms, but essentially clandestine hotel chains designed to dodge the costs and regulations associated with operating a real hotel.

One month ago, the city opted to override the tax cap, citing a budget shortfall and other financial difficulties. On the other hand, the Industrial Development Agency continues to grant significant tax breaks to developers aiming to encourage growth in the city's population and turn tax base. Using the proper non-homestead tax rate for residential properties being run as hotels would boost tax revenue while increasing housing availability by discouraging the accumulation of residential properties by single entities. An increase tax rate would also mitigate unreported taxes when operators opt to conceal revenue by accepting reservations "under the table" or "off the books", which is a common strategy used to circumvent both local hotel taxes and fees associated with booking platforms.

Converting residential housing into short term rentals directly impacts our community by removing housing options, inflating housing prices, and reducing the city's tax base. This impact is not limited to the reported rental periods and neither should the tax implications. If the city cares about a balanced budget, housing availability, and the residential feel of local neighborhoods, they must treat these properties like the commercial operations they are with suitable classifications and tax rates.

Ethan Rignanese, Resident 2nd Ward