

# Occupancy (OUCH) Tax Was 16 Big MYTH-takes!

**Myth #1:** *The OUCH tax was openly enacted, “in the sunshine.”*

**Fact:** Hundreds of private property owners who would be subjected to this tax received no prior notice, had no opportunity to give input or speak out in a public forum. It was enacted behind their backs.

**Myth #2:** *The OUCH tax is approved by NYS.*

**Fact:** NYS permitted Yates County to levy an occupancy tax on occupants of Hotels and Motels, but did not require it. Yates County redefined private homes and cottages as “Hotels and Motels.”

**Myth #3:** *The OUCH tax is crucial for Yates County’s revenue.*

**Fact:** The anticipated \$125,000 in occupancy tax for this year is only a 0.003 part of the \$38 million County budget.

**Myth #4:** *The OUCH tax will keep property taxes down.*

**Fact:** See Myth #3 above regarding minimal if any impact on County revenues. In addition, members of the legislature know, AND say, that it is the towns, not the County, which determine property tax assessments.

**Myth #5:** *Tourism will flourish since occupancy tax dollars will be used to promote it.*

**Fact:** It is believed that about half the monies raised would go into the County’s “General” slush fund, likely never to be seen again, the rest to an unknown “Yates County Tourism,” believed principally to be to or thorough the Chamber of Commerce, (to subsidize the Chamber’s budget?) Under this scenario, individual property owners would likely not reap “tourism benefit” from the occupancy tax dollars on their home rentals.

**Myth #6:** *The Chamber of Commerce knows what is good for the tourism business in Yates County and responsibly represents those businesses.*

**Fact:** Tourism is the biggest “industry” in Yates County which is why the Legislature and Chamber should be careful about tampering with it. Most of Yates “lodging industry” and rental agencies repeatedly told the Chamber of Commerce, over several years, that an occupancy tax would be disastrous for Yates County. If the Chamber doesn’t pay attention to its own business members’ professional expertise and knowledge of the market, what hope does an individual homeowner have to be heard or to influence spending decisions?

**Myth #7:** *The OUCH tax won’t cost property owners anything, since all the bucks come from tourists.*

**Fact:** Tourists may expect an occupancy tax in a hotel, but not in an individual home. Some potential and even repeat renters from prior years, on Canandaigua Lake especially, have already said so.

They say they will just rent in nearby Ontario County where there is no tax on cottage rentals (for 3 or fewer units.) When this unfair tax becomes even wider known, the impact will likely be Yates County-wide. The impact on cottage owners will be lost rental income. Furthermore, due to threatened criminal penalties, many owners will have to hire an accountant at about \$1000 per year to prepare and file the mandatory quarterly reports. No impact?

**Myth #8:** *The OUCHtax won’t hurt merchants, restaurants, or local tourism-based businesses.*

**Fact:** Fewer tourists, less business. Simple math. On a \$2000 rental, the County may lose the \$80 tax, the property owner loses the \$2000 rental, and local business loses the spending for everything from groceries, to restaurant meals, to entertainment. Said another way, every lost rental is a 4% of revenue loss to the County; a 96% loss to the owner. Less business means fewer people hired and fewer seasonal jobs. Tourists may choose to go elsewhere, or property owners who can afford to do so (or who get scared off) may simply not rent. People who leave won’t come back. Who is really hurt by the OUCH tax?

**Myth #9:** *Only lakefront properties are subject to the occupancy tax.*

**Fact:** The County Legislature has unfairly gone after the lake property owners first, but all Yates property owners are subject to the OUCHtax law, and are in danger of the penalties if they rent for any “consideration” at all and don’t register or pay the tax. Property owners who ever have guests should understand how easy it is to receive a “consideration,” like a hostess gift, dinners, or time spent at your guest’s own home. To not register in advance is tantamount to swearing you don’t receive any consideration or rent. No one can be considered free from the risks of this legislation, or the twisted interpretation it might receive by government-gone-wild. You may already be a victim, but just not know it.

**Myth #10:** *Those “rich people” with lakefront property can afford to pay this tax.*

**Fact:** It is the tenants who have to pay, not the owners, rich or poor. If there are no tenants, there is no occupancy tax. The owners of McMansions aren’t renting their places; they don’t need to. Many of those who do rent are trying desperately to hang onto their homes, and they are losing the battle. Modest cottages where three generations of families used to vacation now have property taxes beyond most folks’ ability to pay. Some people have retired on fixed incomes and can’t stay; for others it is trying to hold on for the children, who will probably never be able to pay the taxes.

**Myth #11:** *Cottage rentals can be \$1000, \$2000 or even \$3000 per week. Owners shouldn't complain about taxes when they get this much money!*

**Fact:** Most people who rent do lose money. Those who view the high weekly rental price with green-eyed envy don't look so enviously at the property taxes of \$10,000-\$20,000 per year charged on these cottages. Most owners can't fill up all rental weeks for the summer (a very short season), no matter how much they try. Renting helps, but rarely pays even the property taxes, let alone the expenses of renting.

**Myth #12:** *Lake property is getting more valuable (or at least the assessed valuation keeps going up) so those people should be able to afford the increased property taxes*

**Fact:** "Appreciation" of property (increased assessed valuation) has NOTHING to do with cash flow. Just because a home might be worth more than a few years ago, doesn't mean it generates cash today to pay property tax bills. Increasing property tax is actually a poor and unfair way to generate revenues, hitting retirees and the unemployed the hardest.

**Myth #13:** *The occupancy tax is a reasonable and just burden on private property owners.*

**Fact:** Some people think it is only about the dollars, but the mandatory administrative process is onerous too. Forms are very unclear. It would be very easy for someone to make a mistake, such as filing late because they were in the hospital, or not having their reports in a form the County wants filed, or not having the data handy if the County shows up in the middle of the night to look at their records (allowed under the law). Threatening \$1000 fine AND/or a year in jail is unreasonably harsh for what might be a few hundred dollars of occupancy tax or less. Property owners have been given a non-paying job to do for the County: "collect money for us or risk going to jail."

**Myth #14:** *Some lakefront homeowners, who don't rent, do support an occupancy tax because they think it will reduce rentals and tourism, noise and pollution.*

**Fact:** Tourism is what Yates County is about. It is true that the OUCHtax will reduce tourism, and drive people to other counties with no occupancy tax on homes. However, this is a very shortsighted way to manage lakeshore growth and development. Those who need to rent will still have to find a way to do so, and drop reference checks, decrease prices, rent for more weeks during the season, have more turnover (half-week rentals, for example), and attract larger groups (or younger age groups) to the same space, to obtain some income, even if less than previously. They will attract renters with less discretionary income to go out for dinner or visit local attractions, or who try to sublease to others to squeeze every drop of value out of each rental period, meaning more cars, more noise, more damage.

Properties will deteriorate for lack of maintenance and needed repair, when every penny goes into property tax. Decreased tourism AND increased rental problems are both more likely to occur due to the OUCHtax.

**Myth #15:** *If everybody would just be quiet and pay the occupancy tax, everything would be okay.*

**Fact:** A government which is abusive of power isn't going to stop at a little 4% surcharge or a registration form. They haven't stopped for a one year hiatus requested in good faith. They haven't stopped for about 700 citizen petitioners. They haven't stopped for a lawsuit alleging unconstitutionality which could potentially make them individually personally liable. Responsible citizens' being quiet means becoming more harassed by an ever-more intrusive government. We have already seen use of secrecy, closed meetings, threatened "criminal penalties," pressure tactic mailings, lack of respect for savvy business people's opinions, a government which can't control its own spending, persistent enforcement in the face of all reasonable argument, use of interconnecting liaisons with influential people to suppress protest, and outright ignoring citizens' justified outrage. What could bode more ill for any expectation of restraint, or for the future of Yates County?

**Myth #16:** *The government cares about property owners and is trying to keep taxes manageable for them.*

**Fact:** The faster the government can force people off the lakes, the faster the next wave of buyers will come in, tear down the cottages and put up McMansions and pay higher taxes still. Then the government can spend more. Successive waves of exodus from the lakes, perpetual re-construction on the sites, higher assessments and higher taxes will lead to even the McMansion owners feeling the pinch. They too will eventually sell, and those homes will be torn down for more dense development. This government approach to planning assures that within a generation all the lakes will be ringed by high rises, and a local treasure will be gone forever. That is why it is so important for property owners of Yates County, who care about the future of our three lakes, to stick together, and not be "divided and conquered." That is why so many signed petitions which say "I don't rent, but..." are very encouraging of a spirit of true community to begin addressing even more onerous tax and governance issues.

YatesOUCHtax thanks all who have stepped up to sign the petition; we encourage others to do so. It can be downloaded from our website. Visit

[www.YatesOUCHtax.com](http://www.YatesOUCHtax.com)

We also express appreciation to those who had the courage to file a lawsuit on matters of constitutionality, to benefit all.

Email: [Protest@YatesOUCHtax.com](mailto:Protest@YatesOUCHtax.com)

This advertisement is a public service announcement from members of The Yates OUCH Tax Steering Committee:

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