

STATE OF NEW YORK

3263

2025-2026 Regular Sessions

IN SENATE

January 24, 2025

Introduced by Sen. PALUMBO -- read twice and ordered printed, and when printed to be committed to the Committee on Investigations and Government Operations

AN ACT to amend the tax law, in relation to the definition of the metropolitan commuter transportation district for the purposes of the metropolitan commuter transportation mobility tax; and to amend the public authorities law, in relation to requiring the metropolitan transportation authority to renegotiate the joint service operating agreement with the state of Connecticut

The People of the State of New York, represented in Senate and Assembly, do enact as follows:

1 Section 1. Legislative findings. Pursuant to chapter 25 of the laws of
2 2009, the legislature did enact the metropolitan mobility tax within the
3 twelve county region constituting the metropolitan transportation
4 district. The legislature hereby finds that the residents of the towns
5 of Brookhaven, East Hampton, Riverhead, Shelter Island, Southold and
6 Southampton in the county of Suffolk receive minimal mass transit
7 services from the metropolitan transportation authority. Further, these
8 towns already pay substantial taxes to the MTA for these minimal
9 services, including increased sales taxes and mortgage recording taxes.
10 It has been estimated these six towns contribute more than \$60 million
11 annually to the MTA than they receive back in service.

12 In the interest of tax fairness and to avoid such additional inequitable
13 taxation on these towns, it is the purpose of this act to exempt
14 such towns from the newly adopted metropolitan commuter transportation
15 mobility tax.

16 § 2. Subsection (a) of section 800 of the tax law, as added by section
17 1 of part C of chapter 25 of the laws of 2009, is amended to read as
18 follows:

19 (a) Metropolitan commuter transportation district. The metropolitan
20 commuter transportation district ("MCTD") means the area of the state

EXPLANATION--Matter in italics (underscored) is new; matter in brackets
[-] is old law to be omitted.

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1 included in the district created and governed by section twelve hundred
2 sixty-two of the public authorities law, except that for the purposes of
3 this article, the towns of Brookhaven, East Hampton, Riverhead, Shelter
4 Island, Southampton and Southold in Suffolk County shall be excluded
5 from the district for the purposes of this article and any revenues
6 previously collected from within these counties shall be reimbursed to
7 each payor by March thirty-first, two thousand twenty-seven.

8 § 3. Section 1266 of the public authorities law is amended by adding
9 a new subdivision 20 to read as follows:

10 20. The authority is required by March thirty-first, two thousand
11 twenty-seven to:

12 (a) renegotiate the joint service agreement between the authority and
13 the state of Connecticut related to the operation of the Metro-North New
14 Haven line to (i) require Connecticut to set New Haven line fare
15 increases at levels necessary to sustain equivalent fare levels between
16 New York state residents riding the Metro-North Commuter Railroad and
17 Connecticut residents riding the Metro-North Commuter Railroad, (ii)
18 require that Connecticut operating deficit subsidy payments shall be
19 based on Connecticut resident utilization of the Metro-North Commuter
20 Railroad and Connecticut resident utilization of the New York city tran-
21 sit authority with such subsidies to be determined by multiplying the
22 Connecticut resident utilization percentages for the Metro-North Commu-
23 ter Railroad and the New York city transit authority by the respective
24 baseline operating deficit of these operating entities prior to subsidy
25 adjustments and prior to increased revenues provided to the authority by
26 New York state residents pursuant to payments mandated by chapter twen-
27 ty-five of the laws of two thousand nine, and (iii) provide for retroac-
28 tive lump sum payments due from the state of Connecticut related to
29 calendar year two thousand nine; or

30 (b) reduce services and expenses related to the Metro-North New Haven
31 line operation by an amount which produces recurring savings to the
32 authority which are equivalent to the increased joint service agreement
33 payments which would be determined under paragraph (a) of this subdivi-
34 sion.

35 § 4. This act shall take effect immediately.