STATE OF NEW YORK

4288

2025-2026 Regular Sessions

IN SENATE

February 3, 2025

Introduced by Sen. SKOUFIS -- read twice and ordered printed, and when printed to be committed to the Committee on Transportation

AN ACT to amend the public authorities law, in relation to withdrawing Orange county from the metropolitan commuter transportation district

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

Section 1. Section 1279-b of the public authorities law, as added by chapter 669 of the laws of 1986 and the opening paragraph of subdivision 1, the opening paragraph of paragraph (a) of subdivision 1, and subdivisions 3 and 5 as amended by chapter 670 of the laws of 1986, is amended to read as follows:

§ 1279-b. Transition--election to withdraw from the metropolitan commuter transportation district. 1. The counties of Dutchess, Orange and Rockland shall have an option to withdraw from the metropolitan commuter transportation district and have such withdrawal take effect on either: (a) January first, nineteen hundred eighty-seven. If any such county plans to withdraw from the district on January first, nineteen hundred eighty-seven, it shall (i) no later than seventy-five days after the effective date of this section, furnish the commissioner of transportation, and [~~chairman~~] **chair** of the authority and the other counties which have an option to withdraw, a resolution adopted by the county legislature providing notice of intent to withdraw, (ii) on or before October first, nineteen hundred eighty-six, furnish to the commissioner of transportation, the [~~chairman~~] **chair** of the authority and other counties which have an option to withdraw, a resolution adopted by the county legislature providing for a public transportation plan. For the purposes of this section, a "public transportation plan" shall mean a plan that maintains adequate and continuous public transportation services from the withdrawing county to the city of New York or any terminus previously served, provides a reasonable level of rail passenger service, provides a schedule for implementing such service, protects

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

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the public investment in the rail transportation system and any other criteria deemed necessary by the commissioner of transportation. Prior to withdrawal pursuant to this paragraph or paragraph (b) of this subdivision, a county must receive approval of its public transportation plan pursuant to paragraph (c) of this subdivision, (iii) on or before December fifteenth, nineteen hundred eighty-six, furnish the commissioner of transportation, a copy of an agreement with the authority or an operator of rail passenger service for the provision of rail passenger service to and from such county and the city of New York or any terminus previously served.

If a county planning to withdraw on January first, nineteen hundred eighty-seven is unable to withdraw because it could not meet the requirements of this paragraph, it may elect to withdraw pursuant to paragraph (b) of this subdivision hereafter.

(b) January first, nineteen hundred eighty-eight or January first, nineteen hundred eighty-nine. If any such county plans to withdraw on either January first, nineteen hundred eighty-eight or January first, nineteen hundred eighty-nine, it shall (i) no later than ninety days after the first of January of the year immediately preceding the year in which such county plans to withdraw from the district, furnish the commissioner of transportation, the [~~chairman~~] chair of the authority and the other counties which have an option to withdraw, a resolution adopted by the county legislature providing notice of intent to withdraw from the district, (ii) no later than one hundred twenty days after the first of January of the year immediately preceding the year in which such county plans to withdraw from the district furnish to the commissioner of transportation, the [~~chairman~~] chair of the authority and the counties which have an option to withdraw a resolution adopted by the county legislature providing a public transportation plan as described in this section, (iii) on or before October first of the year immediately preceding the year in which such county plans to withdraw from the district, furnish to the commissioner a copy of an agreement with the authority or an operator of rail passenger service for the provision of rail passenger service to and from such county and the city of New York or any terminus previously served.

(c) No later than thirty days after receipt of the public transportation plan the commissioner of transportation shall, in writing, either approve such plan as conforming with the requirements heretofore described or disapprove such plan as failing to meet such requirements and the reasons therefor. Disapproval of a plan shall not prohibit a county from resubmitting a public transportation plan and such resubmitted plan shall be approved or disapproved no later than fifteen days after receipt by the commissioner of transportation. The public transportation plan shall be subject to any state or federal public hearing requirements which the authority would be subject to if the authority made the changes proposed by such plan.

(d) Any such county which plans to withdraw from the district must meet the requirements of this section prior to the effective date of withdrawal, and no withdrawal for the purposes of this section shall take effect unless such county furnishes the resolutions and agreement prior to the effective date of withdrawal.

(e) Notwithstanding the foregoing provisions of this subdivision, the county of Orange shall hereafter be deemed to have planned to and withdrawn from the metropolitan commuter transportation district for purposes of this article within one year of the effective date of this paragraph.

2. (a) The authority and any subsidiary corporation of the authority shall enter into an agreement or agreements with a county that plans to withdraw from the district to transfer and assign to such county all authority and subsidiary railroad facilities and operations, rights and obligations, and contract rights and obligations, including operating contract rights and obligations, which are owned, operated, maintained or used directly or by contract or which are otherwise involved in the provision of railroad services to such counties. Such agreement shall provide, in the event a facility, operation, right or obligation is necessary and material to the provision of rail passenger service in the district or is not assignable under applicable bond covenants or contracts or the parties agree that it should not be assigned, that the authority or subsidiary thereof shall continue to hold and be responsible for such facility, operation, right or obligation and that such county shall reimburse to the authority that portion of the cost to the authority or subsidiary of its retention of such facility, operation, right or obligation that is allocable to such county. If the parties agree that the authority or subsidiary thereof shall operate the railroad facilities in a county after the effective date of such county's withdrawal, the agreement also shall provide for the terms and conditions of the operation of such service.

(b) With respect to a withdrawal made pursuant to paragraph (e) of subdivision one of this section, the authority and/or any relevant subsidiary corporation of the authority shall negotiate in good faith any agreement required by this section for withdrawal from the district. Such negotiations shall commence not later than forty-five days after the authority and any subsidiary corporation provides the updated written statement pursuant to subdivision three of this section. In no event shall a county be required to negotiate with both the authority and a subsidiary authority. The negotiations conducted by and the actions of the authority or subsidiary authority shall be binding. If after sixty days from the commencement of such negotiations or at any time thereafter the authority or any subsidiary corporation of the authority and a county are unable to reach an agreement required by this section for such withdrawal, either party may make application to a justice of the supreme court presiding in Orange county for appointment of a special referee. Each party shall submit to the justice a list containing the names and qualifications of five persons to serve as special referee. The justice shall select one person from among the names submitted by the parties to serve as special referee. The special referee shall mediate the negotiations for withdrawal for a period of no longer than sixty days. If, at the end of said sixty day period, the parties are not able to reach agreement, the special referee shall, within thirty days thereafter, recommend the terms of the withdrawal to the justice. The justice shall review the recommendations of the referee and the positions of the parties thereon and shall issue an order setting forth the terms of the withdrawal. Notwithstanding the entry of such order, a county shall have fifteen days from the entry of such order to terminate such proceeding. Upon the timely exercise of such right to terminate, such proceeding shall be deemed null and void and of no further effect. If a county has not exercised its right to terminate, said order shall be subject to appellate review in accordance with the civil practice law and rules, provided that any appeal from the order shall be granted expedited status.

3. Within forty-five days of the effective date of this section, the authority and any subsidiary corporation of the authority shall provide

to the counties of Dutchess, Orange and Rockland a written statement, including cost estimates and the useful life, if any, of all of its facilities, operations, rights and obligations relating to the provision of rail service in such counties. **Provided further that within forty-five days of the effective date of paragraph (e) of subdivision one of this section, the authority and any subsidiary corporation of the authority shall provide to the counties of Dutchess, Orange, Rockland and Putnam an updated written statement, including updated cost estimates and the useful life, if any, of all of its facilities, operations, rights and obligations relating to the provision of rail service in such counties.**

4. The authority and any subsidiary corporation of the authority is authorized to enter into an agreement or agreements with a county that plans to withdraw from the district, pursuant to which the authority or subsidiary thereof will provide technical assistance to such county prior to, during and after the withdrawal, with respect to the transfer of ownership, operation, maintenance and use of railroad facilities within such county. Such agreement may provide that the county reimburse the authority or its subsidiary for the cost to the authority and its subsidiary for the provision of such technical assistance.

5. **(a)** The authority shall have no obligation to undertake or continue any project or part thereof in a current or future capital program plan which pertains to railroad facilities within or services to a county that withdraws from the district on or after such date of withdrawal nor shall the authority enter into any contract for a project or part thereof which would increase liabilities pursuant to subdivision six of this section in a county after such county notifies the authority of its intent to withdraw as provided in subdivision one of this section, provided, however, that if the authority has executed a contract for the effectuation of a project or part thereof in a capital program plan in such county, it shall be assigned to such county in accordance with subdivision two of this section, unless the parties agree that it shall not be assigned and that the authority or its subsidiary shall continue to be responsible therefor, in which event the county shall reimburse the authority or its subsidiary in accordance with the provisions of subdivision two of this section.

(b) Notwithstanding the provisions of paragraph (a) of this subdivision, the authority and its subsidiary shall continue to have its obligations to undertake and continue all projects and parts thereof in a current or future capital program plan which pertains to railroad facilities within or services to Orange county prior to the withdrawal of such county under paragraph (e) of subdivision one of this section and the authority and its subsidiary may enter into any contract for a project or part thereof which would increase liabilities pursuant to subdivision six of this section in Orange county after the withdrawal of such county under paragraph (e) of subdivision one of this section. Orange county shall not be required to reimburse the authority or its subsidiary in accordance with the provisions of subdivision two of this section for any contract executed prior to the withdrawal of such county under paragraph (e) of subdivision one of this section.

6. **(a)** Any county which withdraws from the district shall reimburse to the authority or its subsidiary, within the time period agreed to by the parties, any capital expenditures heretofore undertaken by the authority or its subsidiary for railroad facilities only within such county which were financed by commuter railroad revenue bonds issued by the metropolitan transportation authority pursuant to section twelve hundred sixty-

nine of this article and are assigned to such county in accordance with the provisions of subdivision two of this section.

(b) Notwithstanding the provisions of paragraph (a) of this subdivision, Orange county shall not be required to reimburse the authority or its subsidiaries for any capital expenditures heretofore undertaken for railroad facilities within Orange county which were financed by commuter railroad revenue bonds issued by the metropolitan transportation authority pursuant to section twelve hundred sixty-nine of this title prior to the withdrawal of such county under paragraph (e) of subdivision one of this section.

7. The obligations of a county that withdraws from the district to reimburse the authority and any subsidiary corporation of the authority for the costs of operation, maintenance and use of passenger stations pursuant to section twelve hundred seventy-seven of this [~~article~~] title, shall continue for any such costs incurred up to the effective date of the county's withdrawal from the district and for costs incurred thereafter that result from acts preceding such withdrawal, and the applicability of the payment provisions and procedures of such section twelve hundred seventy-seven to such county shall continue thereafter with respect to the aforesaid costs.

8. In the event of a county's failure to make payment of any monies determined by the authority to be owed and due it or any subsidiary corporation of the authority pursuant to the terms of any agreement entered into pursuant to this section, the authority is authorized to recover such payments in the same manner as in section twelve hundred seventy-seven of this [~~article~~] title and the state comptroller shall withhold and pay monies to the authority in accordance with the procedures set forth in that section. In the event that the county has paid more to the authority than the amount of services the authority has provided to the county, the authority shall make payment to the withdrawing county compensating for the difference in the amount of services received from the authority and monies paid by the county to the authority, and this payment shall be extrapolated over the previous five years from the date of withdrawal. If the authority fails to make such payment to the county, the amount owed shall be withheld by the state comptroller from the authority and the monies shall be paid to the county.

9. The term of office of any resident of a county that withdraws from the district under this section, as a member of the board of the authority, the Metro-North rail commuter council or the management advisory board, which is based upon residence in such county, shall terminate upon the county's withdrawal and the office shall be deemed vacant and filled in the manner provided by law.

10. The provisions of this section and all agreements undertaken in accordance herewith shall be subject to the rights of the holders of any outstanding bonds or notes issued by the authority.

§ 2. This act shall take effect immediately; provided that public works with requests for qualifications issued prior to the withdrawal contained under paragraph (e) of subdivision 1 of section 1279-b of the public authorities law shall be permitted to continue under this act notwithstanding such withdrawal, and nothing contained in this act shall limit the right or obligation of any entity to comply with the provisions of any existing contract or to award contracts as otherwise provided by law.