

STATE OF NEW YORK

8566

2025-2026 Regular Sessions

IN SENATE

November 7, 2025

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

AN ACT to require the department of transportation to study the regional fairness of state funding for local roadway paving purposes; and providing for the repeal of such provisions upon expiration thereof

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

1 Section 1. Legislative intent. The legislature finds that communities
2 across the state experience distinct transportation and roadway infras-
3 tructure needs due to factors such as population density, traffic
4 volumes, freight movement, and overall roadway usage. The former Long
5 Island and Hudson Valley suburban highway improvement programs (SHIPS),
6 established under sections 10-f and 10-g of the highway law, provided
7 targeted funding to address these types of regional infrastructure chal-
8 lenges. Since the program was exhausted in 1997, questions have arisen
9 as to whether current funding streams, including the consolidated local
10 street and highway improvement program (CHIPS), state touring routes,
11 PAVE-NY, and other local roadway aid programs provide equitable and
12 regionally fair support to localities in all parts of New York. It is
13 therefore the intent of the legislature to direct the department of
14 transportation to study the regional equity of existing local roadway
15 aid formulas and programs, and to make recommendations as to whether
16 adjustments are needed, including consideration of whether SHIPS, or a
17 substantially similar program be reestablished and funded.

18 § 2. Study. The department of transportation is hereby directed to
19 conduct a comprehensive study on the fairness and adequacy of state aid
20 provided to municipalities for local roadway paving and maintenance
21 purposes, including, but not limited to, the consolidated local street
22 and highway improvement program (CHIPS), state touring routes program,
23 PAVE-NY, pave our potholes (POP), and other relevant programs. Such
24 study shall include:

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

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1 (a) an evaluation of how current funding formulas are calculated,
2 including a breakdown of all factors used, and whether those factors are
3 transparent and understandable to local governments;

4 (b) an analysis of historical and current distributions of such fund-
5 ing by region, with a breakdown of per-lane-mile and per-capita aid,
6 including Long Island, Hudson Valley, New York city, upstate urban
7 areas, and rural regions;

8 (c) an assessment of whether the needs of regions with high traffic
9 volumes, extreme weather impacts, aging infrastructure, higher
10 construction or labor costs, or limited fiscal capacity are equitably
11 addressed under the current funding formulas and allocations;

12 (d) a comparison of local roadway usage, traffic volumes, and infras-
13 tructure costs in all major regions relative to state aid received for
14 roadway paving and maintenance;

15 (e) an identification of funding gaps, inequities, and the eligibility
16 of project types or equipment expenses covered under existing aid
17 programs;

18 (f) a consideration of annual inflationary adjustments to local road-
19 way aid programs and whether current formulas adequately account for
20 cost differentials between regions;

21 (g) a comparison to other states' funding for local road maintenance
22 programs;

23 (h) opportunities to incorporate public input, including public hear-
24 ings or stakeholder consultations in each major region of the state, and
25 consideration of such input in the final study; and

26 (i) recommendations concerning whether changes to existing formulas,
27 the creation of new funding streams, or the reinstatement of the Long
28 Island and Hudson Valley suburban highway improvement programs (SHIPS)
29 under sections 10-f and 10-g of the highway law, or a substantially
30 similar program, would provide greater fairness and adequacy in meeting
31 local roadway maintenance needs.

32 § 3. Report. The commissioner shall deliver a written report on the
33 findings of the study and recommendations to the governor, the temporary
34 president of the senate, minority leader of the senate, the speaker of
35 the assembly, minority leader of the assembly, the chair of the senate
36 transportation committee, the ranking member of the senate transporta-
37 tion committee, the chair of the assembly transportation committee, the
38 ranking member of the assembly transportation committee, the chair of
39 the senate finance committee, the ranking member of the senate finance
40 committee, the chair of the assembly ways and means committee, and the
41 ranking member of the assembly ways and means committee no later than
42 one year after the effective date of this act. Such report shall be
43 publicly posted on the department of transportation and such committees'
44 websites and shall include regional funding distribution tables, per-
45 lane-mile and per-capita comparisons, and summaries of public input
46 gathered through hearings or stakeholder consultations.

47 § 4. This act shall take effect on the sixtieth day after it shall
48 have become a law and shall expire and be deemed repealed one year after
49 such effective date.