STATE OF NEW YORK

8917

IN SENATE

January 15, 2026

Introduced by Sen. COMRIE -- read twice and ordered printed, and when printed to be committed to the Committee on Corporations, Authorities and Commissions

AN ACT to amend the public authorities law, in relation to prohibiting certain charges to finance water infrastructure

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

Section 1. Legislative intent. The legislature hereby finds and declares that water and sewer services are essential public necessities. The practice of imposing "rental payments" or analogous charges by municipalities upon water authorities or water boards, and subsequently passing those costs on to ratepayers, functions as an indirect tax on essential services. Such charges disproportionately burden low-income households and undermine public confidence in the financing of water infrastructure. It is the purpose of this act to prohibit the passing of such rental payment obligations onto consumers in the state of New York.

§ 2. Section 1045-j of the public authorities law is amended by adding a new subdivision 10 to read as follows:

10. (a) Notwithstanding any other provision of law to the contrary, neither the authority, the water board, nor any municipality establishing or served by such authority or board shall include, incorporate, or pass through to consumers or customers any charge, fee, assessment, or rental payment imposed by a municipality upon the authority or water board for the use, occupancy, or rental of municipal property, infrastructure, or rights-of-way.

(b) Such charge, fee, assessment, or rental payment shall not be considered an operating expense, capital expense, or revenue requirement for purposes of calculating water or sewer rates, fees, or charges. Any such rental payment obligation shall be borne solely by the municipality that imposes it.

§ 3. Preemption. This act shall supersede and preempt any local law, ordinance, rule, or regulation inconsistent with its provisions, including but not limited to any provision of the administrative code of the

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

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city of New York authorizing the imposition or pass-through of rental payment obligations on water or sewer customers.

§ 4. Severability. If any clause, sentence, paragraph, subdivision, or part of this act is adjudged invalid, such judgment shall not affect the remainder of this act.

§ 5. This act shall take effect immediately and shall apply to all rate schedules, billing structures, and rental payment agreements executed, renewed, or modified on or after such date. Any inconsistent rate or fee structure in effect on the effective date of this act shall be amended to comply with this act no later than one hundred eighty days thereafter.