S T A T E O F N E W Y O R K

4487--A

2009-2010 Regular Sessions

I N S E N A T E

April 23, 2009

Introduced by Sens. DILAN, PERKINS -- read twice and ordered printed, and when printed to be committed to the Committee on Transportation -- reported favorably from said committee and committed to the Committee on Finance -- committee discharged, bill amended, ordered reprinted as amended and recommitted to said committee

AN ACT to amend the vehicle and traffic law, in relation to supplemental learners permits (Part A); to amend the vehicle and traffic law, in relation to the metropolitan commuter transportation district supplemental registration fee (Part B); to amend the tax law and the administrative code of the city of New York, in relation to the metropolitan commuter transportation mobility tax; and to repeal certain provisions of the tax law relating thereto (Part C); to amend the tax law, in relation to the metropolitan commuter transportation district transportation surcharge (Part D); to amend the tax law, in relation to a supplemental tax on passenger car rentals (Part E); to amend the state finance law, in relation to the metropolitan transportation authority financial assistance fund (Part F); and to amend the public authorities law, in relation to metropolitan transportation authority reporting requirements, in relation to authorizing the merger of the positions of executive director and chair of the metropolitan transportation authority, in relation to the promotion and use of Transit-Chek, in relation to project labor agreements, in relation to legislative oversight of the metropolitan transportation authority, in relation to regulation of metropolitan transportation authority finances, in relation to the independent audit of the metropolitan transportation authority, and the publication of financial information, in relation to audits of the metropolitan transportation authority, in relation to directing the chairman of the metropolitan transportation authority to submit biennial reports to certain legislative committees on the condition of the metropolitan transportation authority, in relation to the fiduciary responsibility of board members, in relation to whistle blowers on contract projects of the metropolitan transportation authority, and in relation to the powers and duties of

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

LBD11287-04-9

the metropolitan transportation authority capital program review board (Part G)

THE PEOPLE OF THE STATE OF NEW YORK, REPRESENTED IN SENATE AND ASSEMBLY, DO ENACT AS FOLLOWS:

Section 1. This act enacts into law major components of legislation relating to the metropolitan transportation authority and the metropolitan commuter transportation district. Each component is wholly contained within a Part identified as Parts A through G. The effective date for each particular provision contained within such Part is set forth in the last section of such Part. Any provision in any section contained within a Part, including the effective date of the Part, which makes reference to a section "of this act", when used in connection with that particular component, shall be deemed to mean and refer to the corresponding section of the Part in which it is found. Section three of this act sets forth the general effective date of this act.

PART A

Section 1. Subdivision 2 of section 503 of the vehicle and traffic law is amended by adding a new paragraph (b-1) to read as follows:

(B-1) SUPPLEMENTAL LEARNER PERMIT/LICENSE FEE IN THE METROPOLITAN COMMUTER TRANSPORTATION DISTRICT. (I) IN THE METROPOLITAN COMMUTER TRANSPORTATION DISTRICT, ESTABLISHED BY SECTION ONE THOUSAND TWO HUNDRED SIXTY-TWO OF THE PUBLIC AUTHORITIES LAW, UPON PASSAGE OF THE KNOWLEDGE TEST REQUIRED TO OBTAIN A LEARNER'S PERMIT, THE APPLICANT FOR A COMMERCIAL DRIVER'S LICENSE SHALL BE REQUIRED TO PAY A SUPPLEMENTAL FEE OF TWO DOLLARS FOR EACH SIX MONTHS OR PORTION THEREOF OF THE PERIOD OF VALIDITY OF A LEARNER'S PERMIT OR LICENSE WHICH IS OR MAY BE ISSUED PURSUANT TO THE PROVISIONS OF SUBPARAGRAPH (I) OF PARAGRAPH (B) OF THIS SUBDIVISION.

(II) IN THE METROPOLITAN COMMUTER TRANSPORTATION DISTRICT, ESTABLISHED BY SECTION ONE THOUSAND TWO HUNDRED SIXTY-TWO OF THE PUBLIC AUTHORITIES LAW, UPON PASSAGE OF THE KNOWLEDGE TEST REQUIRED TO OBTAIN A LEARNER'S PERMIT, THE APPLICANT FOR A CLASS C LICENSE WHICH DOES NOT HAVE AN H, P OR X ENDORSEMENT OR A CLASS E LICENSE SHALL BE REQUIRED TO PAY A SUPPLEMENTAL FEE OF ONE DOLLAR AND TWENTY-FIVE CENTS FOR EACH SIX MONTHS OR PORTION THEREOF OF THE PERIOD OF VALIDITY OF A LEARNER'S PERMIT OR LICENSE WHICH IS OR MAY BE ISSUED PURSUANT TO THE PROVISIONS OF SUBPARAGRAPH (II) OF PARAGRAPH (B) OF THIS SUBDIVISION, AND AN APPLICANT FOR A CLASS D, DJ, M OR MJ LICENSE SHALL BE REQUIRED TO PAY A SUPPLEMENTAL FEE OF SEVENTY-FIVE CENTS FOR EACH SIX MONTHS OR PORTION THEREOF OF THE PERIOD OF VALIDITY OF A LEARNER'S PERMIT OR LICENSE WHICH IS OR MAY BE ISSUED PURSUANT TO THE PROVISIONS OF SUBPARAGRAPH (II) OF PARAGRAPH (B) OF THIS SUBDIVISION.

(III) THE FEES COLLECTED PURSUANT TO SUBPARAGRAPHS (I) AND (II) OF THIS PARAGRAPH SHALL BE DEPOSITED TO THE CREDIT OF THE METROPOLITAN TRANSPORTATION AUTHORITY FINANCIAL ASSISTANCE FUND ESTABLISHED PURSUANT TO SECTION NINETY-TWO-FF OF THE STATE FINANCE LAW.

S 2. Subdivision 2 of section 503 of the vehicle and traffic law is amended by adding a new paragraph (c-3) to read as follows:

(C-3) SUPPLEMENTAL RENEWAL FEE IN THE METROPOLITAN COMMUTER TRANSPORTATION DISTRICT. MOTORISTS RESIDING IN THE METROPOLITAN COMMUTER TRANSPORTATION DISTRICT, ESTABLISHED BY SECTION ONE THOUSAND TWO HUNDRED SIXTY-TWO OF THE PUBLIC AUTHORITIES LAW, IN ADDITION TO THE FEES

REQUIRED TO BE PAID PURSUANT TO PARAGRAPH (C) OF THIS SUBDIVISION SUPPLEMENTAL FEES FOR RENEWAL OF A LICENSE ISSUED BY THE COMMISSIONER SHALL BE AS FOLLOWS:

(I) FOR A COMMERCIAL DRIVER'S LICENSE, TWO DOLLARS FOR EACH SIX MONTHS OR PORTION THEREOF.

(II) FOR A CLASS C LICENSE WHICH DOES NOT HAVE AN H, P OR X ENDORSEMENT OR A CLASS E LICENSE, ONE DOLLAR AND TWENTY-FIVE CENTS FOR EACH SIX MONTHS OR PORTION THEREOF.

(III) FOR A CLASS D, DJ, M OR MJ LICENSE, SEVENTY-FIVE CENTS FOR EACH SIX MONTHS OR PORTION THEREOF.

(IV) THE FEES COLLECTED PURSUANT TO SUBPARAGRAPHS (I), (II) AND (III) OF THIS PARAGRAPH SHALL BE DEPOSITED TO THE CREDIT OF THE METROPOLITAN TRANSPORTATION AUTHORITY FINANCIAL ASSISTANCE FUND ESTABLISHED PURSUANT TO SECTION NINETY-TWO-FF OF THE STATE FINANCE LAW.

S 3. This act shall take effect September 1, 2009 and shall apply to licenses issued and renewed on and after such date.

PART B

Section 1. The vehicle and traffic law is amended by adding a new article 17-C to read as follows:

ARTICLE 17-C

METROPOLITAN COMMUTER TRANSPORTATION DISTRICT SUPPLEMENTAL REGISTRATION FEE

SECTION 499. DEFINITIONS.

499-A. METROPOLITAN COMMUTER TRANSPORTATION DISTRICT SUPPLEMENTAL REGISTRATION FEE.

499-B. COLLECTION OF SUPPLEMENTAL FEE.

499-C. CALCULATION OF SUPPLEMENTAL REGISTRATION FEE.

499-D. DEPOSIT AND DISPOSITION OF REVENUE FROM SUPPLEMENTAL FEE.

S 499. DEFINITIONS. FOR THE PURPOSES OF THIS ARTICLE THE FOLLOWING WORDS AND PHRASES SHALL HAVE THE MEANINGS ASCRIBED TO THEM IN THIS SECTION EXCEPT WHERE ANOTHER DEFINITION IS SPECIFICALLY PROVIDED:

1. METROPOLITAN COMMUTER TRANSPORTATION DISTRICT. THE AREA OF THE STATE INCLUDED IN THE DISTRICT CREATED AND GOVERNED BY SECTION TWELVE HUNDRED SIXTY-TWO OF THE PUBLIC AUTHORITIES LAW.

2. OWNER. THE TERM OWNER SHALL HAVE THE SAME MEANING AS THAT PROVIDED FOR IN SECTION ONE HUNDRED TWENTY-EIGHT OF THIS CHAPTER.

S 499-A. METROPOLITAN COMMUTER TRANSPORTATION DISTRICT SUPPLEMENTAL REGISTRATION FEE. REGISTRANTS RESIDING IN THE METROPOLITAN COMMUTER TRANSPORTATION DISTRICT SHALL UPON THE REGISTRATION, REREGISTRATION, OR RENEWAL OF A MOTOR VEHICLE BE CHARGED A SUPPLEMENTAL REGISTRATION FEE TO BE PAID TO THE COMMISSIONER OR HIS OR HER AGENT IN ACCORDANCE WITH THE PROVISIONS OF THIS ARTICLE.

S 499-B. COLLECTION OF SUPPLEMENTAL FEE. ALL OWNERS OF MOTOR VEHICLES WHO RESIDE IN THE METROPOLITAN COMMUTER TRANSPORTATION DISTRICT SHALL PAY TO THE COMMISSIONER OR HIS OR HER AGENT THE SUPPLEMENTAL REGISTRATION FEE PROVIDED FOR IN THIS ARTICLE UPON REGISTRATION, REREGISTRATION, OR RENEWAL OF MOTOR VEHICLES SUBJECT TO REGISTRATION FEES PURSUANT TO THE FOLLOWING SECTIONS OF THIS CHAPTER: PARAGRAPH A OF SUBDIVISION SIX OF SECTION FOUR HUNDRED ONE; SCHEDULES A, B, C, E, F, G, I AND K OF SUBDIVISION SEVEN OF SECTION FOUR HUNDRED ONE; PARAGRAPH A OF SUBDIVISION EIGHT OF SECTION FOUR HUNDRED ONE; PARAGRAPH A OF SUBDIVISION FIVE OF SECTION FOUR HUNDRED TEN; AND SECTION FOUR HUNDRED ELEVEN-B.

S 499-C. CALCULATION OF SUPPLEMENTAL REGISTRATION FEE. THE SUPPLEMENTAL REGISTRATION FEE TO BE CHARGED TO OWNERS OF MOTOR VEHICLES PURSU-

ANT TO SECTION FOUR HUNDRED NINETY-NINE-B OF THIS ARTICLE, SHALL BE CALCULATED AT A RATE OF TWENTY-FIVE DOLLARS PER ANNUM FOR EACH YEAR THAT SUCH REGISTRATION IS VALID. WHERE A REGISTRATION OR RENEWAL, SUBJECT TO THE PROVISIONS OF THIS ARTICLE, IS FOR A PERIOD OF MORE OR LESS THAN ONE CALENDAR YEAR, THE ANNUAL SUPPLEMENTAL REGISTRATION FEE AS PROVIDED IN THIS SECTION SHALL BE INCREASED OR REDUCED PROPORTIONATELY ON A DAILY COMPUTATION BASIS, EXCEPT THAT WHERE THE ANNUAL SUPPLEMENTAL REGISTRATION FEE FOR SUCH VEHICLE WOULD AMOUNT TO TEN DOLLARS OR LESS, THE FEE SHALL NOT BE SO PRORATED.

S 499-D. DEPOSIT AND DISPOSITION OF REVENUE FROM SUPPLEMENTAL FEE. ALL FUNDS DERIVED FROM THE COLLECTION OF THE SUPPLEMENTAL FEE ESTABLISHED PURSUANT TO THIS ARTICLE ARE TO BE DEPOSITED TO THE CREDIT OF THE METROPOLITAN TRANSPORTATION AUTHORITY FINANCIAL ASSISTANCE FUND ESTABLISHED PURSUANT TO SECTION NINETY-TWO-FF OF THE STATE FINANCE LAW.

S 2. This act shall take effect September 1, 2009 and shall apply to registrations issued and renewed on and after such date.

PART C

Section 1. The tax law is amended by adding a new article 23 to read as follows:

ARTICLE 23
METROPOLITAN COMMUTER TRANSPORTATION MOBILITY TAX

SECTION 800. DEFINITIONS.
801. IMPOSITION OF TAX AND RATE.
802. PASS THROUGH OF TAX PROHIBITED.
803. EXEMPTION OVERRIDE.
804. PAYMENT OF TAX.
805. DEPOSIT AND DISPOSITION OF REVENUE.
806. PROCEDURAL PROVISIONS.

S 800. DEFINITIONS. FOR THE PURPOSES OF THIS ARTICLE:

(A) METROPOLITAN COMMUTER TRANSPORTATION DISTRICT. THE METROPOLITAN COMMUTER TRANSPORTATION DISTRICT ("MCTD") MEANS THE AREA OF THE STATE INCLUDED IN THE DISTRICT CREATED AND GOVERNED BY SECTION TWELVE HUNDRED SIXTY-TWO OF THE PUBLIC AUTHORITIES LAW.

(B) EMPLOYER. EMPLOYER MEANS AN EMPLOYER REQUIRED BY SECTION SIX HUNDRED SEVENTY-ONE OF THIS CHAPTER TO DEDUCT AND WITHHOLD TAX FROM WAGES, THAT HAS A PAYROLL EXPENSE IN EXCESS OF TWO THOUSAND FIVE HUNDRED DOLLARS IN ANY CALENDAR QUARTER; OTHER THAN

(1) ANY AGENCY OR INSTRUMENTALITY OF THE UNITED STATES;

(2) THE UNITED NATIONS; OR

(3) AN INTERSTATE AGENCY OR PUBLIC CORPORATION CREATED PURSUANT TO AN AGREEMENT OR COMPACT WITH ANOTHER STATE OR THE DOMINION OF CANADA.

(C) PAYROLL EXPENSE. PAYROLL EXPENSE MEANS WAGES AND COMPENSATION AS DEFINED IN SECTIONS 3121 AND 3231 OF THE INTERNAL REVENUE CODE (WITHOUT REGARD TO SECTION 3121(A)(1) AND SECTION 3231(E)(2)(A)(I)), PAID TO ALL COVERED EMPLOYEES.

(D) COVERED EMPLOYEE. COVERED EMPLOYEE MEANS AN EMPLOYEE WHO IS EMPLOYED WITHIN THE MCTD.

(E) NET EARNINGS FROM SELF-EMPLOYMENT. NET EARNINGS FROM SELF-EMPLOYMENT HAS THE SAME MEANING AS IN SECTION 1402 OF THE INTERNAL REVENUE CODE.

S 801. IMPOSITION OF TAX AND RATE. (A) FOR THE SOLE PURPOSE OF PROVIDING AN ADDITIONAL STABLE AND RELIABLE DEDICATED FUNDING SOURCE FOR THE METROPOLITAN TRANSPORTATION AUTHORITY AND ITS SUBSIDIARIES AND AFFIL-

IATES TO PRESERVE, OPERATE AND IMPROVE ESSENTIAL TRANSIT AND TRANSPORTATION SERVICES IN THE METROPOLITAN COMMUTER TRANSPORTATION DISTRICT, A TAX IS HEREBY IMPOSED ON (1) THE PAYROLL EXPENSE OF EVERY EMPLOYER WHO ENGAGES IN BUSINESS WITHIN THE MCTD AND (2) THE NET EARNINGS FROM SELF-EMPLOYMENT OF INDIVIDUALS THAT ARE ATTRIBUTABLE TO THE MCTD IF SUCH EARNINGS ATTRIBUTABLE TO THE MCTD EXCEED TEN THOUSAND DOLLARS FOR THE TAX YEAR. FOR THOSE COUNTIES LOCATED WITHIN A CITY WITH A POPULATION OF ONE MILLION OR MORE, AND THE COUNTIES OF NASSAU, SUFFOLK, WESTCHESTER, AND ROCKLAND, THE TAX SHALL BE IMPOSED AT THE RATE OF THIRTY-FOUR HUNDREDTHS (.34) PERCENT. FOR THE COUNTIES OF DUTCHESS, ORANGE, AND PUTNAM, THE TAX SHALL BE IMPOSED AT THE RATE OF TWENTY-FIVE HUNDREDTHS (.25) PERCENT.

(B)(1) AN INDIVIDUAL HAVING NET EARNINGS FROM SELF-EMPLOYMENT FROM ACTIVITY BOTH WITHIN AND WITHOUT THE METROPOLITAN COMMUTER TRANSPORTATION DISTRICT IS REQUIRED TO ALLOCATE AND APPORTION SUCH NET EARNINGS TO THE MCTD IN THE MANNER REQUIRED FOR ALLOCATION AND APPORTIONMENT OF INCOME UNDER ARTICLE TWENTY-TWO OF THIS CHAPTER.

(2) IN THE CASE OF INDIVIDUALS WITH EARNINGS FROM SELF-EMPLOYMENT, THE NET EARNINGS FROM SELF EMPLOYMENT THRESHOLD IN PARAGRAPH TWO OF SUBSECTION (A) OF THIS SECTION WILL BE COMPUTED ON AN INDIVIDUAL BASIS REGARDLESS OF WHETHER THAT INDIVIDUAL FILED A JOINT PERSONAL INCOME TAX RETURN.

(C) THE DETERMINATION OF WHETHER A COVERED EMPLOYEE IS EMPLOYED WITHIN THE MCTD WILL BE MADE BY UTILIZING THE RULES APPLICABLE TO THE JURISDICTION OF EMPLOYMENT FOR PURPOSES OF THE STATEWIDE WAGE REPORTING SYSTEM UNDER SECTION ONE HUNDRED SEVENTY-ONE-A OF THIS CHAPTER AND SUBSTITUTING THE MCTD FOR THE STATE IN THAT APPLICATION.

S 802. PASS THROUGH OF TAX PROHIBITED. AN EMPLOYER CANNOT DEDUCT FROM THE WAGES OR COMPENSATION OF AN EMPLOYEE ANY AMOUNT THAT REPRESENTS ALL OR ANY PORTION OF THE TAX IMPOSED ON THE EMPLOYER UNDER THIS ARTICLE.

S 803. EXEMPTION OVERRIDE. ANY EXEMPTION FROM TAX SPECIFIED IN ANY OTHER NEW YORK STATE LAW WILL NOT APPLY TO THE TAX IMPOSED BY THIS ARTICLE.

S 804. PAYMENT OF TAX. (A) EMPLOYERS WITH PAYROLL EXPENSE. THE TAX IMPOSED ON THE PAYROLL EXPENSE OF EMPLOYERS UNDER SECTION EIGHT HUNDRED ONE OF THIS ARTICLE FOR EACH CALENDAR QUARTER MUST BE PAID QUARTERLY AT THE SAME TIME AS THE STATEWIDE WAGE REPORTING SYSTEM REPORT IS REQUIRED UNDER SECTION ONE HUNDRED SEVENTY-ONE-A OF THIS CHAPTER; PROVIDED, HOWEVER, THAT PAYMENT FOR THE LAST CALENDAR QUARTER MUST BE MADE BY JANUARY THIRTY-FIRST OF THE SUCCEEDING YEAR.

(B) INDIVIDUALS WITH NET EARNINGS FROM SELF-EMPLOYMENT. INDIVIDUALS WITH EARNINGS FROM SELF-EMPLOYMENT MUST MAKE ESTIMATED TAX PAYMENTS OF THE TAX IMPOSED BY THIS ARTICLE FOR THE TAXABLE YEAR ON THE SAME DATES SPECIFIED IN SUBSECTION (A) OF THIS SECTION FOR THE QUARTERLY PAYMENTS OF THE TAX IMPOSED ON THE PAYROLL EXPENSE OF EMPLOYERS. IN ADDITION, THESE SELF-EMPLOYED INDIVIDUALS MUST FILE A RETURN FOR THE TAXABLE YEAR BY THE THIRTIETH DAY OF THE FOURTH MONTH FOLLOWING THE CLOSE OF THE TAXABLE YEAR. PARAGRAPH ONE OF SUBSECTION (D) OF SECTION SIX HUNDRED EIGHTY-FIVE OF THIS CHAPTER SHALL NOT APPLY TO THE ESTIMATED TAX PAYMENTS REQUIRED BY THIS SUBSECTION.

S 805. DEPOSIT AND DISPOSITION OF REVENUE. ALL TAXES, INTEREST AND PENALTIES COLLECTED OR RECEIVED BY THE COMMISSIONER UNDER THIS ARTICLE SHALL BE DEPOSITED AND DISPOSED OF PURSUANT TO THE PROVISIONS OF SECTION ONE HUNDRED SEVENTY-ONE-A OF THIS CHAPTER, EXCEPT THAT AFTER RESERVING AMOUNTS IN ACCORDANCE WITH SUCH SECTION ONE HUNDRED SEVENTY-ONE-A OF THIS CHAPTER, THE REMAINDER SHALL BE PAID BY THE COMPTROLLER TO THE

CREDIT OF THE METROPOLITAN TRANSPORTATION AUTHORITY FINANCIAL ASSISTANCE FUND ESTABLISHED BY SECTION NINETY-TWO-FF OF THE STATE FINANCE LAW.

S 806. PROCEDURAL PROVISIONS. ALL PROVISIONS OF ARTICLE TWENTY-TWO OF THIS CHAPTER WILL APPLY TO THE PROVISIONS OF THIS ARTICLE IN THE SAME MANNER AND WITH THE SAME FORCE AND EFFECT AS IF THE LANGUAGE OF ARTICLE TWENTY-TWO OF THIS CHAPTER HAD BEEN INCORPORATED IN FULL INTO THIS ARTICLE AND HAD BEEN SPECIFICALLY ADJUSTED FOR AND EXPRESSLY REFERRED TO THE TAX IMPOSED BY THIS ARTICLE, EXCEPT TO THE EXTENT THAT ANY PROVISION IS EITHER INCONSISTENT WITH A PROVISION OF THIS ARTICLE OR IS NOT RELEVANT TO THIS ARTICLE. NOTWITHSTANDING THE PRECEDING SENTENCE, NO CREDIT AGAINST TAX IN ARTICLE TWENTY-TWO OF THIS CHAPTER CAN BE USED TO OFFSET THE TAX DUE UNDER THIS ARTICLE. NOTWITHSTANDING ANY OTHER LAW TO THE CONTRARY, THE COMMISSIONER MAY REQUIRE THAT ALL FILINGS OF FORMS OR RETURNS UNDER THIS ARTICLE MUST BE FILED ELECTRONICALLY AND ALL PAYMENTS OF TAX MUST BE PAID ELECTRONICALLY.

S 2. Clause (i) of subparagraph 5 of paragraph (a) of subdivision 9 of section 208 of the tax law, as amended by chapter 61 of the laws of 1989, is amended to read as follows:

(i) any refund or credit of a tax imposed under this article, ARTICLE TWENTY-THREE, or article thirty-two of this chapter, for which tax no exclusion or deduction was allowed in determining the taxpayer's entire net income under this article, ARTICLE TWENTY-THREE, or [such] article thirty-two OF THIS CHAPTER for any prior year,

S 3. Paragraph (b) of subdivision 9 of section 208 of the tax law is amended by adding a new subparagraph 20 to read as follows:

(20) THE AMOUNT OF ANY FEDERAL DEDUCTION FOR TAXES IMPOSED UNDER ARTICLE TWENTY-THREE OF THIS CHAPTER.

S 4. Paragraph 2 of subdivision (a) of section 292 of the tax law, as added by chapter 1005 of the laws of 1970, is amended to read as follows:

(2) There shall be subtracted from federal unrelated business taxable income the amount of any refund or credit for overpayment of a tax imposed under this article OR ARTICLE TWENTY-THREE OF THIS CHAPTER.

S 5. Subdivision (a) of section 292 of the tax law is amended by adding a new paragraph 8 to read as follows:

(8) THERE MUST BE ADDED TO FEDERAL UNRELATED BUSINESS TAXABLE INCOME THE AMOUNT OF ANY FEDERAL DEDUCTION FOR TAXES IMPOSED UNDER ARTICLE TWENTY-THREE OF THIS CHAPTER.

S 6. Subsection (b) of section 612 of the tax law is amended by adding a new paragraph 39 to read as follows:

(39) THE AMOUNT OF ANY FEDERAL DEDUCTION FOR TAXES IMPOSED UNDER ARTICLE TWENTY-THREE OF THIS CHAPTER.

S 7. Paragraph 7 of subsection (c) of section 612 of the tax law, as added by chapter 563 of the laws of 1960, is amended to read as follows:

(7) The amount of any refund or credit for overpayment of income taxes imposed by this state, or any other taxing jurisdiction, AND ANY TAXES IMPOSED BY ARTICLE TWENTY-THREE OF THIS CHAPTER, to the extent properly included in gross income for federal income tax purposes.

S 8. Subsection (c) of section 615 of the tax law is amended by adding a new paragraph 8 to read as follows:

(8) THE AMOUNT OF ANY FEDERAL DEDUCTION FOR TAXES IMPOSED UNDER ARTICLE TWENTY-THREE OF THIS CHAPTER.

S 9. Subsection 4 of section 618 of the tax law, as amended by section 4 of part HH-1 of chapter 57 of the laws of 2008, is amended to read as follows:

(4) There shall be added or subtracted (as the case may be) the modifications described in paragraphs (6), (10), (17), (18), (19), (20), (21), (22), (23), (24), (25), (26), (27), (29) [and], (38) AND (39) of subsection (b) and in paragraphs (11), (13), (15), (19), (20), (21), (22), (23), (24), (25), (26) and (28) of subsection (c) of section six hundred twelve of this part.

S 10. Subsection (a) of section 686 of the tax law, as amended by section 10 of part R of chapter 60 of the laws of 2004, is amended to read as follows:

(a) General.-- The commissioner of taxation and finance, within the applicable period of limitations, may credit an overpayment of income tax and interest on such overpayment against any liability in respect of any tax imposed by this chapter, INCLUDING TAXES IMPOSED UNDER ARTICLE TWENTY-THREE OF THIS CHAPTER, on the person who made the overpayment, against any liability in respect of any tax imposed pursuant to the authority of this chapter or any other law on such person if such tax is administered by the commissioner of taxation and finance and, as provided in sections one hundred seventy-one-c, one hundred seventy-one-d, one hundred seventy-one-e, one hundred seventy-one-f and one hundred seventy-one-l of this chapter, against past-due support, a past-due legally enforceable debt, a city of New York tax warrant judgment debt, and against the amount of a default in repayment of a guaranteed student, state university or city university loan. The balance shall be refunded by the comptroller out of the proceeds of the tax retained by him for such general purpose. Any refund under this section shall be made only upon the filing of a return and upon a certificate of the commissioner [of taxation and finance] approved by the comptroller. The comptroller, as a condition precedent to the approval of such a certificate, may examine into the facts as disclosed by the return of the person who made the overpayment and other information and data available in the files of the commissioner [of taxation and finance].

S 11. Subsection (b) of section 1453 of the tax law is amended by adding a new paragraph 15 to read as follows:

(15) THE AMOUNT OF ANY FEDERAL DEDUCTION FOR TAXES IMPOSED UNDER ARTICLE TWENTY-THREE OF THIS CHAPTER.

S 12. Subsection (d) of section 1453 of the tax law, as amended by chapter 267 of the laws of 1987, is REPEALED.

S 13. Subsection (d) of section 1453 of the tax law, as amended by chapter 817 of the laws of 1987, is amended to read as follows:

(d) Entire net income shall not include any refund or credit of a tax for which no exclusion or deduction was allowed in determining the taxpayer's entire net income under this article or articles [nine-a, nine-b or nine-c] NINE-A OR TWENTY-THREE of this chapter for any prior year.

S 14. Subparagraph (C) of paragraph 1 of subdivision (b) of section 1503 of the tax law, as amended by chapter 55 of the laws of 1982, is amended to read as follows:

(C) any refund or credit of a tax imposed under this article or section one hundred eighty-seven, OR ARTICLE TWENTY-THREE of this chapter heretofore in effect to the extent properly included as income for federal income tax purposes, for which no exclusion or deduction was allowed in determining the taxpayer's entire net income under this article for any prior year;

S 15. Paragraph 2 of subdivision (b) of section 1503 of the tax law is amended by adding a new subparagraph (V) to read as follows:

(V) THE AMOUNT OF ANY FEDERAL DEDUCTION FOR TAXES IMPOSED UNDER ARTICLE TWENTY-THREE OF THIS CHAPTER.

S 16. Subparagraph 5 of paragraph (a) of subdivision 8 of section 11-602 of the administrative code of the city of New York, as amended by chapter 241 of the laws of 1989, is amended to read as follows:

(5) any refund or credit of a tax imposed under this chapter, or imposed by article nine, nine-A, TWENTY-THREE, or thirty-two of the tax law, for which tax no exclusion or deduction was allowed in determining the taxpayer's entire net income under this subchapter or subchapter three of this chapter for any prior year;

S 17. Paragraph (b) of subdivision 8 of section 11-602 of the administrative code of the city of New York is amended by adding a new subparagraph 19 to read as follows:

(19) THE AMOUNT OF ANY FEDERAL DEDUCTION FOR TAXES IMPOSED UNDER ARTICLE TWENTY-THREE OF THE TAX LAW.

S 18. Subdivision (b) of section 11-641 of the administrative code of the city of New York is amended by adding a new paragraph 16 to read as follows:

(16) THE AMOUNT OF ANY FEDERAL DEDUCTION FOR TAXES IMPOSED UNDER ARTICLE TWENTY-THREE OF THE TAX LAW.

S 19. Subdivision (d) of section 11-641 of the administrative code of the city of New York, as amended by chapter 525 of the laws of 1988, is amended to read as follows:

(d) Entire net income shall not include any refund or credit of a tax for which no exclusion or deduction was allowed in determining the taxpayer's entire net income under this subchapter or subchapter two of this chapter, OR IMPOSED BY ARTICLE TWENTY-THREE OF THE TAX LAW for any prior year.

S 20. Subdivision (b) of section 11-1712 of the administrative code of the city of New York is amended by adding a new paragraph 35 to read as follows:

(35) THE AMOUNT OF ANY FEDERAL DEDUCTION FOR TAXES IMPOSED UNDER ARTICLE TWENTY-THREE OF THE TAX LAW.

S 21. Paragraph 7 of subdivision (c) of section 11-1712 of the administrative code of the city of New York, such section as renumbered by chapter 639 of the laws of 1986, is amended to read as follows:

(7) The amount of any refund or credit for overpayment of income taxes imposed by this city, [or] any other taxing jurisdiction, OR ANY TAXES IMPOSED BY ARTICLE TWENTY-THREE OF THE TAX LAW to the extent properly included in gross income for federal income tax purposes.

S 22. Subdivision 4 of section 11-1718 of the administrative code of the city of New York, as amended by section 11 of part HH-1 of chapter 57 of the laws of 2008, is amended to read as follows:

(4) There shall be added or subtracted (as the case may be) the modifications described in paragraphs six, ten, seventeen, eighteen, nineteen, twenty, twenty-one, twenty-two, twenty-three, twenty-four, twenty-five, twenty-six, twenty-seven, twenty-nine [and], thirty-four AND THIRTY-FIVE of subdivision (b) and in paragraphs eleven, thirteen, fifteen, nineteen, twenty, twenty-one, twenty-two, twenty-three, twenty-four, twenty-five, twenty-six and twenty-eight of subdivision (c) of section 11-1712 of this subchapter.

S 23. Severability. If any provision of this act or the application thereof to any person or circumstances is held invalid, such invalidity shall not affect other provisions or applications of this act which can be given effect without the invalid provision or application, and to this end the provisions of this act are declared to be severable.

S 24. This act shall take effect immediately; provided however that:
(a) the metropolitan commuter transportation district mobility tax enacted pursuant to section one of this act that is (i) imposed on employers, shall apply on or after January 1, 2009, and (ii) imposed on individuals with net earnings from self-employment shall apply to taxable years beginning on or after January 1, 2009;
(b) the initial payment of such mobility tax enacted pursuant to section one of this act shall be made with the first quarterly payment due at least 60 days after the date this bill becomes a law, and such payment shall include the taxes owed for the period beginning on January 1, 2009;
(c) no addition to tax under subsection (c) of section 685 of the tax law shall be imposed with respect to estimated tax payments of the metropolitan commuter transportation district mobility tax required to be filed prior to the due date of the initial payment of the mobility tax as specified in subdivision (b) of this section, provided the taxpayer makes such estimated tax payments by such due date;
(d) the amendments to subsection 4 of section 618 of the tax law made by section nine of this act shall survive the expiration and reversion of such subsection as provided in section 8 of chapter 782 of the laws of 1988, as amended; and
(e) the amendments to subdivision 4 of section 11-1718 of the administrative code of the city of New York made by section twenty-two of this act shall survive the expiration and reversion of such subdivision as provided in section 8 of chapter 782 of the laws of 1988, as amended.

PART D

Section 1. The tax law is amended by adding a new article 29-A to read as follows:

ARTICLE 29-A
METROPOLITAN COMMUTER TRANSPORTATION DISTRICT
TRANSPORTATION SURCHARGE

SECTION 1280. DEFINITIONS.
1281. IMPOSITION OF SURCHARGE AND RATE.
1282. PAYMENT OF SURCHARGE.
1283. DEPOSIT AND DISPOSITION OF REVENUE.

S 1280. DEFINITIONS. FOR THE PURPOSES OF THIS ARTICLE:
(A) METROPOLITAN COMMUTER TRANSPORTATION DISTRICT. THE AREA OF THE STATE INCLUDED IN THE DISTRICT CREATED AND GOVERNED BY SECTION TWELVE HUNDRED SIXTY-TWO OF THE PUBLIC AUTHORITIES LAW.
(B) TAXICAB. EVERY MOTOR VEHICLE, OTHER THAN A BUS, USED IN THE BUSINESS OF TRANSPORTING PASSENGERS FOR COMPENSATION, AND OPERATED IN SUCH BUSINESS UNDER A LICENSE OR PERMIT ISSUED BY A LOCAL AUTHORITY. HOWEVER, IT SHALL NOT INCLUDE LIVERY AS DEFINED IN SECTION ONE HUNDRED TWENTY-ONE-E OF THE VEHICLE AND TRAFFIC LAW AND SHALL NOT INCLUDE VEHICLES WHICH ARE RENTED OR LEASED WITHOUT A DRIVER.
(C) MEDALLION TAXICAB. A MOTOR VEHICLE FOR TRANSPORTATION OF PASSENGERS WHICH IS DULY LICENSED AS A TAXICAB BY THE TAXI AND LIMOUSINE COMMISSION OF THE CITY OF NEW YORK AND PERMITTED TO ACCEPT HAILS FROM PASSENGERS IN THE STREET.
(D) TRANSPORTATION SERVICE. THE SERVICE OF TRANSPORTING, CARRYING OR CONVEYING A PERSON OR PERSONS BY TAXICAB OR MEDALLION TAXICAB.

S 1281. IMPOSITION OF SURCHARGE AND RATE. (A) A SURCHARGE IS HEREBY IMPOSED AT A RATE OF ONE DOLLAR PER USE OF TRANSPORTATION SERVICES PROVIDED WITHIN THE METROPOLITAN COMMUTER TRANSPORTATION DISTRICT.

(B) (1) IF A TRANSPORTATION SERVICE SUBJECT TO THE SURCHARGE UNDER THIS SECTION IS PROVIDED AND THE OWNER OR LESSOR OF THE VEHICLE LEASES OR RENTS THE VEHICLE TO AN UNRELATED PERSON WHO PROVIDES THE TRANSPORTATION SERVICE, THEN (I) THE OWNER OR LESSOR IS DEEMED TO PROVIDE THE TRANSPORTATION SERVICE DURING THE DAY OR OTHER PERIOD THAT THE UNRELATED PERSON USES THE VEHICLE TO PROVIDE THE SERVICE, (II) THE OWNER OR LESSOR IS DEEMED TO BE THE PROVIDER OF THE SERVICE PROVIDED BY THE UNRELATED PERSON, (III) THE SURCHARGE IMPOSED BY THIS SECTION IS DEEMED TO BE IMPOSED ON THE UNRELATED PERSON, AND (IV) THE OWNER OR LESSOR, AS PROVIDER, MUST COLLECT THE SURCHARGE FROM THE UNRELATED PERSON.

(2) NOTWITHSTANDING ANY LAW TO THE CONTRARY:

(I) ANY MUNICIPALITY OR PUBLIC CORPORATION THAT ESTABLISHES OR REGULATES TRANSPORTATION SERVICES MUST ADJUST THOSE FARES TO INCLUDE THEREIN THE SURCHARGE IMPOSED BY THIS SECTION AND MUST REQUIRE THAT ANY METERS OR OTHER DEVICES IN THE VEHICLES OR OTHERWISE THAT MEASURE FARES BE ADJUSTED TO INCLUDE THIS SURCHARGE.

(II) ANY PERSON THAT PROVIDES THE SERVICES DESCRIBED IN THIS SECTION MUST ADJUST ANY METERS OR OTHER DEVICES IN THE VEHICLES OR OTHERWISE THAT MEASURE FARES SO THAT THEY TIMELY REFLECT ANY CHANGE IN THE RATE OF THE SURCHARGE DESCRIBED IN SUBDIVISION (A) OF THIS SECTION. NEITHER THE FAILURE OF A MUNICIPAL OR OTHER PUBLIC CORPORATION TO ADJUST FARES NOR THE FAILURE OF ANY PERSON TO ADJUST THE METERS OR DEVICES WILL RELIEVE ANY PERSON FROM THE OBLIGATION TO COLLECT SUCH SURCHARGE TIMELY, AT THE CORRECT RATE.

S 1282. PAYMENT OF SURCHARGE. THE SURCHARGE IMPOSED UNDER THIS ARTICLE SHALL BE PAID IN THE SAME MANNER AND SHALL BE SUBJECT TO SAME ADMINISTRATIVE PROVISIONS AS PROVIDED IN ARTICLE TWENTY-EIGHT OF THIS CHAPTER. THE COMMISSIONER SHALL PROMULGATE RULES AND REGULATIONS TO ASSIST THE TAXPAYER IN THE REMITTANCE OF THE SURCHARGE.

S 1283. DEPOSIT AND DISPOSITION OF REVENUE. ALL TAXES, FEES, INTEREST AND PENALTIES COLLECTED OR RECEIVED BY THE COMMISSIONER UNDER THIS SECTION SHALL BE DEPOSITED AND DISPOSED OF PURSUANT TO THE PROVISIONS OF SECTION ONE HUNDRED SEVENTY-ONE-A OF THIS CHAPTER. HOWEVER, FIFTY PERCENT OF THOSE TAXES, INTEREST AND PENALTIES SHALL BE DEPOSITED TO THE CREDIT OF THE METROPOLITAN TRANSPORTATION AUTHORITY FINANCIAL ASSISTANCE FUND ESTABLISHED UNDER SECTION NINETY-TWO-FF OF THE STATE FINANCE LAW AND THE BALANCE THEREOF SHALL BE DEPOSITED TO THE CREDIT OF THE DEDICATED HIGHWAY AND BRIDGE TRUST FUND ESTABLISHED PURSUANT TO SECTION EIGHTY-NINE-B OF THE STATE FINANCE LAW.

S 2. This act shall take effect June 1, 2009.

PART E

Section 1. The tax law is amended by adding a new section 1166-a to read as follows:

S 1166-A. SPECIAL SUPPLEMENTAL TAX ON PASSENGER CAR RENTALS. (A) ON AND AFTER JUNE FIRST, TWO THOUSAND NINE, IN ADDITION TO THE TAX IMPOSED UNDER SECTION ELEVEN HUNDRED SIXTY OF THIS CHAPTER AND IN ADDITION TO ANY TAX IMPOSED UNDER ANY OTHER ARTICLE OF THIS CHAPTER, THERE IS HEREBY IMPOSED AND THERE SHALL BE PAID A TAX OF FIVE PERCENT UPON THE RECEIPTS FROM EVERY RENTAL OF A PASSENGER CAR WHICH IS A RETAIL SALE OF SUCH PASSENGER CAR WITHIN THE METROPOLITAN COMMUTER TRANSPORTATION DISTRICT AS DEFINED IN SUBDIVISION (A) OF SECTION EIGHT HUNDRED OF THIS CHAPTER.

(B) EXCEPT TO THE EXTENT THAT A PASSENGER CAR RENTAL DESCRIBED IN SUBDIVISION (A) OF THIS SECTION HAS ALREADY BEEN OR WILL BE SUBJECT TO THE TAX IMPOSED UNDER SUCH PARAGRAPH AND EXCEPT AS OTHERWISE EXEMPTED UNDER THIS ARTICLE, THERE IS HEREBY IMPOSED ON EVERY PERSON AND THERE SHALL BE PAID A USE TAX FOR THE USE WITHIN THIS STATE ON AND AFTER JUNE FIRST, TWO THOUSAND NINE OF ANY PASSENGER CAR RENTED BY THE USER WITHIN THE METROPOLITAN COMMUTER TRANSPORTATION DISTRICT AS DEFINED IN SUBDIVISION (A) OF SECTION EIGHT HUNDRED OF THIS CHAPTER, WHICH IS A PURCHASE AT RETAIL OF SUCH PASSENGER CAR, BUT NOT INCLUDING ANY LEASE OF A PASSENGER CAR TO WHICH SUBDIVISION (I) OF SECTION ELEVEN HUNDRED ELEVEN OF THIS CHAPTER APPLIES. FOR PURPOSES OF THIS PARAGRAPH, THE TAX SHALL BE AT THE RATE OF FIVE PERCENT OF THE CONSIDERATION GIVEN OR CONTRACTED TO BE GIVEN FOR SUCH PROPERTY, OR FOR THE USE OF SUCH PROPERTY, INCLUDING ANY CHARGES FOR SHIPPING OR DELIVERY AS DESCRIBED IN PARAGRAPH THREE OF SUBDIVISION (B) OF SECTION ELEVEN HUNDRED ONE OF THIS CHAPTER, BUT EXCLUDING ANY CREDIT FOR TANGIBLE PERSONAL PROPERTY ACCEPTED IN PART PAYMENT AND INTENDED FOR RESALE.

S 2. Section 1167 of the tax law, as added by section 3 of part D of chapter 85 of the laws of 2002, is amended to read as follows:

S 1167. Deposit and disposition of revenue. All taxes, interest and penalties collected or received by the commissioner under this article shall be deposited and disposed of pursuant to the provisions of section one hundred seventy-one-a of this chapter, except that after reserving amounts in accordance with such section one hundred seventy-one-a of this chapter, the remainder shall be paid by the comptroller to the credit of the highway and bridge trust fund established by section eighty-nine-b of the state finance law, PROVIDED, HOWEVER, COLLECTIONS MADE PURSUANT TO SECTION ELEVEN HUNDRED SIXTY-SIX-A OF THIS ARTICLE SHALL BE PAID TO THE CREDIT OF THE METROPOLITAN TRANSPORTATION AUTHORITY FINANCIAL ASSISTANCE FUND ESTABLISHED BY SECTION NINETY-TWO-FF OF THE STATE FINANCE LAW.

S 3. This act shall take effect June 1, 2009.

PART F

Section 1. The state finance law is amended by adding a new section 92-ff to read as follows:

S 92-FF. METROPOLITAN TRANSPORTATION AUTHORITY FINANCIAL ASSISTANCE FUND. 1. THERE IS HEREBY ESTABLISHED IN THE JOINT CUSTODY OF THE COMMISSIONER OF TAXATION AND FINANCE AND THE STATE COMPTROLLER A SPECIAL FUND TO BE KNOWN AS THE "METROPOLITAN TRANSPORTATION AUTHORITY FINANCIAL ASSISTANCE FUND".

2. MONEYS IN THE METROPOLITAN TRANSPORTATION AUTHORITY FINANCIAL ASSISTANCE FUND SHALL BE KEPT SEPARATELY FROM AND SHALL NOT BE COMMINGLED WITH ANY OTHER MONEYS IN THE JOINT OR SOLE CUSTODY OF THE STATE COMPTROLLER OR THE COMMISSIONER OF TAXATION AND FINANCE.

3. SUCH FUND SHALL CONSIST OF THE REVENUES DERIVED FROM THE METROPOLITAN COMMUTER TRANSPORTATION MOBILITY TAX IMPOSED BY ARTICLE TWENTY-THREE OF THE TAX LAW; REVENUES DERIVED FROM THE SPECIAL SUPPLEMENTAL TAX ON PASSENGER CAR RENTALS IMPOSED BY SECTION ELEVEN HUNDRED SIXTY-SIX-A OF THE TAX LAW; REVENUES DERIVED FROM THE TRANSPORTATION SURCHARGE IMPOSED BY ARTICLE TWENTY-NINE-A OF THE TAX LAW; THE SUPPLEMENTAL REGISTRATION FEES IMPOSED BY ARTICLE SEVENTEEN-C OF THE VEHICLE AND TRAFFIC LAW; AND THE SUPPLEMENTAL METROPOLITAN COMMUTER TRANSPORTATION DISTRICT LICENSE FEES IMPOSED BY SECTION FIVE HUNDRED THREE OF THE VEHICLE AND TRAFFIC LAW.

4. MONEYS OF THE FUND SHALL, FOLLOWING APPROPRIATION BY THE LEGISLATURE, BE UTILIZED FOR THE OPERATIONS OF AND IMPROVEMENTS TO TRANSIT AND TRANSPORTATION SERVICES PROVIDED BY THE METROPOLITAN TRANSPORTATION AUTHORITY.

S 2. This act shall take effect immediately.

PART G

Section 1. Subdivision 11 of section 553-e of the public authorities law, as amended by chapter 929 of the laws of 1986, is amended to read as follows:

11. The aggregate principal amount of bonds and notes issued and outstanding at any time to finance projects authorized by paragraphs (m), (n), (o), (p) and (r) of subdivision nine of section five hundred fifty-three of this title shall not exceed one billion one hundred million dollars through December thirty-first, nineteen hundred eighty-six and three billion two hundred million dollars thereafter, provided however that such latter amount shall not exceed two billion two hundred million dollars for all bonds and notes other than those issued pursuant to section five hundred fifty-three-d of this title. This limitation shall not include (i) bonds and notes issued to refund or otherwise repay bonds or notes theretofore issued for such purposes, (ii) bonds issued to fund any reasonably required debt service reserve fund for bonds and notes, and (iii) an amount equal to any original issue discount from the [prinicipal] PRINCIPAL amount of any bonds or notes issued and then outstanding. From the proceeds of the bonds and notes provided for in the first sentence of this subdivision, other than bonds or notes authorized by section five hundred fifty-three-d of this title, the authority shall not expend more than one billion three hundred twenty million dollars for transit projects as defined in section twelve hundred sixty-six-c of this chapter nor more than eight hundred eighty million dollars for transportation facilities as such term is defined in subdivision [fourteen] SEVENTEEN of section twelve hundred sixty-one of this chapter other than marine or aviation facilities. For the purposes of this subdivision, facilities under the jurisdiction of the Staten Island rapid transit operating authority shall be considered transit projects.

S 2. Section 1261 of the public authorities law, as added by chapter 324 of the laws of 1965, subdivision 7 as amended by chapter 415 of the laws of 1966, subdivision 8 as amended by chapter 569 of the laws of 1973, subdivision 14 as amended by section 20 and subdivisions 19 and 20 as added by section 21 of part O of chapter 61 of the laws of 2000, subdivisions 16 and 17 as added by chapter 717 of the laws of 1967, and subdivision 18 as added by chapter 427 of the laws of 1983, is amended to read as follows:

S 1261. Definitions. As used or referred to in this title, unless a different meaning clearly appears from the context:

1. "Authority" shall mean the corporation created by section twelve hundred sixty-three of this title.

2. "Authority facilities" shall mean the authority's railroad, omnibus, marine and aviation facilities and operations pursuant to joint service arrangements.

3. "BUDGET" SHALL MEAN THE PRELIMINARY, FINAL PROPOSED AND ADOPTED FINAL PLANS OF THE AUTHORITY, AND EACH OF ITS AGENCIES.

[3.] 4. "Comptroller" shall mean the comptroller of the state of New York.

[4.] 5. "Equipment" shall mean rolling stock, omnibuses, vehicles, air, marine or surface craft, motors, boilers, engines, wires, ways, conduits and mechanisms, machinery, tools, implements, materials, supplies, instruments and devices of every nature whatsoever used or useful for transportation purposes or for the generation or transmission of motive power including but not limited to all power houses, and all apparatus and all devices for signalling, communications and ventilation as may be necessary, convenient or desirable for the operation of a transportation facility.

[5.] 6. "Federal government" shall mean the United States of America, and any officer, department, board, commission, bureau, division, corporation, agency or instrumentality thereof.

7. "GAP" SHALL MEAN THE DIFFERENCE BETWEEN PROJECTED REVENUES AND EXPENSES FOR ANY GIVEN FISCAL YEAR BASED ON THE EXISTING FARE STRUCTURE.

8. "GAP-CLOSING INITIATIVE" SHALL MEAN ANY ACTION TO REDUCE A PROJECTED GAP.

[6.] 9. "Governor" shall mean the governor of the state of New York.

[7.] 10. "Joint service arrangements" shall mean agreements between or among the authority and any common carrier or freight forwarder, the state, any state agency, the federal government, any other state or agency or instrumentality thereof, any public authority of this or any other state, or any political subdivision or municipality of the state, relating to property, buildings, structures, facilities, services, rates, fares, classifications, divisions, allowances or charges (including charges between operators of railroad, omnibus, marine and aviation facilities), or rules or regulations pertaining thereto, for or in connection with or incidental to transportation in part in or upon railroad, omnibus, marine or aviation facilities located within the district and in part in or upon railroad, omnibus, marine or aviation facilities located outside the district.

[8.] 11. "Marine and aviation facilities" shall mean equipment and craft for the transportation of passengers, mail and cargo between points within the district or pursuant to joint service arrangements, by marine craft and aircraft of all types including but not limited to hydrofoils, ferries, lighters, tugs, barges, helicopters, amphibians, seaplanes or other contrivances now or hereafter used in navigation or movement on waterways or in the navigation of or flight in airspace. It shall also mean any marine port or airport facility within the transportation district but outside the port of New York district as defined in chapter one hundred fifty-four of the laws of nineteen hundred twenty-one, including but not limited to terminals, docks, piers, bulkheads, ramps or any facility or real property necessary, convenient or desirable for the accommodation of passengers and cargo or the docking, sailing, landing, taking off, accommodation or servicing of such marine craft or aircraft.

[9.] 12. "Omnibus facilities" shall mean motor vehicles, of the type operated by carriers subject to the jurisdiction of the public service commission, engaged in the transportation of passengers and their baggage, express and mail between points within the district or pursuant to joint service arrangements, and equipment, property, buildings, structures, improvements, loading or unloading areas, parking areas or other facilities, necessary, convenient or desirable for the accommodation of such motor vehicles or their passengers, including but not limited to buildings, structures and areas notwithstanding that portions may not be devoted to any omnibus purpose other than the production of

revenues available for the costs and expenses of all or any facilities of the authority.

[10.] 13. "Railroad facilities" shall mean right of way and related trackage, rails, cars, locomotives, other rolling stock, signal, power, fuel, communication and ventilation systems, power plants, stations, terminals, storage yards, repair and maintenance shops, yards, equipment and parts, offices and other real estate or personalty used or held for or incidental to the operation, rehabilitation or improvement of any railroad operating or to operate between points within the district or pursuant to joint service arrangements, including but not limited to buildings, structures, and areas notwithstanding that portions thereof may not be devoted to any railroad purpose other than the production of revenues available for the costs and expenses of all or any facilities of the authority.

[11.] 14. "Real property" shall mean lands, structures, franchises and interests in land, waters, lands under water, riparian rights and air rights and any and all things and rights included within said term and includes not only fees simple absolute but also any and all lesser interests including but not limited to easements, rights of way, uses, leases, licenses and all other incorporeal hereditaments and every estate, interest or right, legal or equitable, including terms for years and liens thereon by way of judgments, mortgages or otherwise.

[12.] 15. "State" shall mean the state of New York.

[13.] 16. "State agency" shall mean any officer, department, board, commissioner, bureau, division, public benefit corporation, agency or instrumentality of the state.

[14.] 17. "Transportation facility" shall mean any transit, railroad, omnibus, marine or aviation facility and any person, firm, partnership, association or, corporation which owns, leases or operates any such facility or any other facility used for service in the transportation of passengers, United States mail or personal property as a common carrier for hire and any portion thereof and the rights, leaseholds or other interest therein together with routes, tracks, extensions, connections, parking lots, garages, warehouses, yards, storage yards, maintenance and repair shops, terminals, stations and other related facilities thereof, the devices, appurtenances, and equipment thereof and power plants and other instrumentalities used or useful therefor or in connection there-with.

[15.] 18. "Transportation district" and "district" shall mean the metropolitan commuter transportation district created by section twelve hundred sixty-two of this title.

[16.] 19. "New York city transit authority" shall mean the corporation created by section twelve hundred one of this chapter.

[17.] 20. "Triborough bridge and tunnel authority" shall mean the corporation created by section five hundred fifty-two of this chapter.

[18.] 21. "Inspector general" shall mean the metropolitan transportation authority inspector general.

[19.] 22. "Revenues." All monies received by the authority or its subsidiaries, or New York city transit authority or its subsidiaries, or Triborough bridge and tunnel authority, as the case may be, from whatever source, derived directly or indirectly from or in connection with the operations of the respective entity.

[20.] 23. "Transit facility." Transit facility as defined in subdivision fifteen of section twelve hundred of this article.

24. "UTILIZATION" SHALL MEAN PUBLIC USAGE OF THE AUTHORITY'S SUBWAY, BUS, RAILROAD AND PARATRANSIT RIDERSHIP, AND BRIDGE AND TUNNEL CROSSINGS AS REFLECTED IN EMPIRICAL DATA.

S 3. Subparagraph 1 of paragraph (a) of subdivision 1 of section 1263 of the public authorities law, as amended by chapter 549 of the laws of 1994, is amended to read as follows:

(1) There is hereby created the "metropolitan transportation authority." The authority shall be a body corporate and politic constituting a public benefit corporation. The authority shall consist of a chairman, [sixteen] EIGHTEEN other voting members, and two non-voting and four alternate non-voting members, as described in subparagraph two of this paragraph appointed by the governor by and with the advice and consent of the senate. Four of the [sixteen] EIGHTEEN voting members other than the chairman shall be appointed on the written recommendation of the mayor of the city of New York; ONE OF THE EIGHTEEN VOTING MEMBERS OTHER THAN THE CHAIRMAN SHALL BE APPOINTED ON THE WRITTEN RECOMMENDATION OF THE TEMPORARY PRESIDENT OF THE SENATE; ONE OF THE EIGHTEEN VOTING MEMBERS OTHER THAN THE CHAIRMAN SHALL BE APPOINTED ON THE WRITTEN RECOMMENDATION OF THE SPEAKER OF THE ASSEMBLY; and each of seven other voting members other than the chairman shall be appointed after selection from a written list of three recommendations from the chief executive officer of the county in which the particular member is required to reside pursuant to the provisions of this subdivision. Of the members appointed on recommendation of the chief executive officer of a county, one such member shall be, at the time of appointment, a resident of the county of Nassau[;], one a resident of the county of Suffolk[;], one a resident of the county of Westchester[; and], one a resident of the county of Dutchess, one a resident of the county of Orange, one a resident of the county of Putnam and one a resident of the county of Rockland, provided that the term of any member who is a resident of a county that has withdrawn from the metropolitan commuter transportation district pursuant to section twelve hundred seventy-nine-b of this article shall terminate upon the effective date of such county's withdrawal from such district. Of the five voting members, other than the chairman, appointed by the governor without recommendation from any other person, three shall be, at the time of appointment, residents of the city of New York and two shall be, at the time of appointment, residents of such city or of any of the aforementioned counties in the metropolitan commuter transportation district. The chairman and each of the members shall be appointed for a term of six years, provided however, that the chairman first appointed shall serve for a term ending June thirtieth, nineteen hundred eighty-one, and the sixteen other members first appointed shall serve for the following terms: The members from the counties of Nassau and Westchester shall each serve for a term ending June thirtieth, nineteen hundred eighty-five; the members from the county of Suffolk and from the counties of Dutchess, Orange, Putnam and Rockland shall each serve for a term ending June thirtieth, nineteen hundred ninety-two; two of the members appointed on recommendation of the mayor of the city of New York shall each serve for a term ending June thirtieth, nineteen hundred eighty-four and, two shall each serve for a term ending June thirtieth, nineteen hundred eighty-one; two of the members appointed by the governor without the recommendation of any other person shall each serve for a term ending June thirtieth, nineteen hundred eighty-two, two shall each serve for a term ending June thirtieth, nineteen hundred eighty and one shall serve for a term ending June thirtieth, nineteen hundred eighty-five. The two non-voting and four alternate non-voting members

shall serve until January first, two thousand one. The members from the counties of Dutchess, Orange, Putnam and Rockland shall cast one collective vote.

S 4. Paragraph (a) of subdivision 4 of section 1263 of the public authorities law, as amended by chapter 766 of the laws of 2005, is amended to read as follows:

(a) [On recommendation of the chairman, the authority shall] NOTWITHSTANDING SUBDIVISION THREE OF SECTION TWENTY-EIGHT HUNDRED TWENTY-FOUR OF THIS CHAPTER OR ANY OTHER PROVISION OF LAW TO THE CONTRARY, THE CHAIRMAN SHALL BE THE CHIEF EXECUTIVE OFFICER OF THE AUTHORITY AND SHALL BE RESPONSIBLE FOR THE DISCHARGE OF THE EXECUTIVE AND ADMINISTRATIVE FUNCTIONS AND POWERS OF THE AUTHORITY. THE CHAIRMAN MAY appoint an executive director [who shall be responsible for the] AND SUCH OTHER OFFICIALS AND EMPLOYEES AS SHALL IN HIS OR HER JUDGMENT BE NEEDED TO discharge [of] the executive and administrative functions and powers of the authority[, including the administration and the day-to-day operations of the authority and who shall not be a member of the authority].

S 5. The public authorities law is amended by adding a new section 1268-a to read as follows:

S 1268-A. PROMOTION OF QUALIFIED TRANSPORTATION FRINGES. THE AUTHORITY SHALL PROMOTE THE BROAD USE OF QUALIFIED TRANSPORTATION FRINGES, UNDER SECTION 132(F) OF THE INTERNAL REVENUE CODE, IN ORDER TO INCREASE THE NUMBER OF PARTICIPATING COMPANIES AND EMPLOYEES IN SUCH PROGRAM. THE AUTHORITY SHALL ALSO STUDY AND REPORT ON WAYS IN WHICH PROGRAMS MAY BE IMPROVED SO AS TO INCREASE PUBLIC PARTICIPATION.

S 6. Subdivisions 2, 3 and 7 of section 1269-b of the public authorities law, as added by chapter 314 of the laws of 1981, the opening paragraph of subdivision 3 as amended by chapter 637 of the laws of 1996, and paragraph (a) of subdivision 7 as amended by chapter 929 of the laws of 1986, are amended and a new subdivision 2-a is added to read as follows:

2. Each plan shall itemize the capital elements included in each section of the plan under the following categories of expenditure: (a) rolling stock and buses; (b) passenger stations; (c) track; (d) line equipment; (e) line structures; (f) signals and communications; (g) power equipment, emergency power equipment and substations; (h) shops, yards, maintenance facilities, depots and terminals; (i) service vehicles; (j) security systems; (k) electrification extensions; [and] (l) [unspecified, miscellaneous and emergency] MINORITY AND WOMEN'S BUSINESS DEVELOPMENT; AND (M) UNSPECIFIED, MISCELLANEOUS AND EMERGENCY.

2-A. AT LEAST SIXTY DAYS BEFORE IT SUBMITS ITS CAPITAL PROGRAM PLANS TO THE METROPOLITAN TRANSPORTATION AUTHORITY CAPITAL PROGRAM REVIEW BOARD FOR THE ENSUING FIVE-YEAR PERIOD, IN ACCORDANCE WITH PARAGRAPH (A) OF SUBDIVISION ONE OF THIS SECTION, THE AUTHORITY SHALL PROVIDE DRAFT COPIES OF THEM TO THE SPEAKER OF THE ASSEMBLY, THE TEMPORARY PRESIDENT OF THE SENATE, AND THE JOINT CORPORATION AND TRANSPORTATION COMMITTEES OF THE SENATE AND ASSEMBLY. WITHIN THIRTY DAYS AFTER SUCH RECEIPT OF THE PROPOSED FIVE-YEAR CAPITAL PROGRAM PLANS, THE LEGISLATURE MAY STRIKE ANY CAPITAL ELEMENTS FROM THE PLANS, BUT SHALL NOT ADD ANY CAPITAL ELEMENTS TO THEM. AFTER AND IN ACCORDANCE WITH SUCH LEGISLATIVE ACTION, IF ANY, OR THE CONCLUSION OF THE THIRTY-DAY PERIOD, WHICHEVER SHALL COME FIRST, THE AUTHORITY SHALL REFORMULATE THE PLANS AS APPROPRIATE, AND SUBMIT THEM TO THE METROPOLITAN TRANSPORTATION AUTHORITY CAPITAL PROGRAM REVIEW BOARD.

3. A plan may only be approved BY THE METROPOLITAN TRANSPORTATION AUTHORITY CAPITAL PROGRAM REVIEW BOARD in two ways: (i) a plan shall

only be approved by the board by a unanimous vote of the members entitled to vote thereon and within ninety days or by September fifteenth, nineteen hundred ninety-six in the case of a plan submitted during the period described in paragraph (b) of subdivision one of this section, of the submission of a plan the metropolitan transportation authority capital program review board may notify the authority of its approval of the same; or (ii) if the plan is not approved by the board within such ninety day period or by September fifteenth, nineteen hundred ninety-six, as the case may be, and no individual member of the board who is entitled to vote thereon has notified the authority in writing of his disapproval within such period, the plan shall be deemed to have been approved.

If the plan is not approved, the authority may thereafter reformulate and resubmit such plan at any time. Within thirty days of the submission of such reformulated plan the board may notify the authority of its approval of the same by the unanimous vote of the members entitled to vote thereon, or, if the reformulated plan is not approved and no individual member of the board who is entitled to vote on such reformulated plan has notified the authority in writing of his disapproval within such period, the reformulated plan shall be deemed to have been approved.

IN DISAPPROVING A PLAN, OR IN ANTICIPATION OF NOT ATTAINING APPROVAL OF A PLAN, THE METROPOLITAN TRANSPORTATION AUTHORITY CAPITAL PROGRAM REVIEW BOARD MAY INDICATE TO THE AUTHORITY WITHIN THIRTY DAYS AFTER SUBMISSION OF THE PLAN THAT IT DISAPPROVES ONLY OF SPECIFICALLY IDENTIFIED CAPITAL ELEMENTS IN THE PLAN PROPOSED BY THE AUTHORITY, AND THAT THE METROPOLITAN TRANSPORTATION AUTHORITY CAPITAL PROGRAM REVIEW BOARD WILL APPROVE THE PLAN IF THOSE ELEMENTS ARE REMOVED OR ARE SATISFACTORILY REFORMULATED IN THE MANNER EXPRESSLY DESCRIBED BY THE METROPOLITAN TRANSPORTATION AUTHORITY CAPITAL PROGRAM REVIEW BOARD. NOTWITHSTANDING THE FOREGOING, THE METROPOLITAN TRANSPORTATION AUTHORITY CAPITAL PROGRAM REVIEW BOARD SHALL NOT CONDITION ITS APPROVAL OF THE PLAN ON THE ADDITION TO SUCH PLAN BY THE AUTHORITY OF CAPITAL ELEMENTS NOT CONTAINED THEREIN.

7. (a) The authority may from time to time submit to the metropolitan transportation authority capital program review board amendments or modifications to any five-year plan theretofore submitted, and shall submit such an amendment or modification (i) if the estimated cost of any capital element for which a specified dollar amount was proposed to be expended exceeds the amount set forth in the approved plan for such element by more than ten percent, (ii) if with respect to a particularly described capital element for which only an estimate of projected cost has been provided in the plan there is a material change in the description of such element from that contained in the approved plan, (iii) if a capital element not previously included in the approved plan is proposed to be undertaken and its cost, together with the cost of other elements included in category (l) of the plan, exceeds by ten percent the amount provided for such category (l) elements, (iv) if the authority shall propose to change by more than one year the time when any capital element is proposed to be initiated or the effect of such change will be to increase the estimated amount of capital funding required in any year covered by the plan by more than twenty percent, or (v) if the availability of funding sources changes to the degree to which the authority or the Triborough bridge and tunnel authority are precluded from exercising the authorization provided in subdivision six of this section and the authority wishes to do so.

(b) An amendment or modification may only be approved in two ways: (i) an amendment or modification shall only be approved by the board by a unanimous vote of the members entitled to vote thereon and within thirty days of the submission of an amendment or modification the metropolitan transportation authority capital program review board may notify the authority of its approval of the same; or (ii) if the amendment or modification is not approved by the board within such thirty day period and no individual member of the board who is entitled to vote thereon, has notified the authority in writing of his disapproval within such period, the amendment or modification shall be deemed to have been approved.

(C) IN DISAPPROVING AN AMENDMENT OR MODIFICATION TO ANY FIVE-YEAR PLAN THERETOFORE SUBMITTED, OR IN ANTICIPATION OF NOT ATTAINING APPROVAL OF SUCH AMENDMENT OR MODIFICATION, THE METROPOLITAN TRANSPORTATION AUTHORITY CAPITAL PROGRAM REVIEW BOARD MAY INDICATE TO THE AUTHORITY WITHIN TWENTY DAYS AFTER SUBMISSION OF THE AMENDMENT OR MODIFICATION THAT IT DISAPPROVES ONLY OF SPECIFICALLY IDENTIFIED ELEMENTS OF THE AMENDMENT OR MODIFICATION PROPOSED BY THE AUTHORITY, AND THAT THE METROPOLITAN TRANSPORTATION AUTHORITY CAPITAL PROGRAM REVIEW BOARD WILL APPROVE THE AMENDED OR MODIFIED PLAN IF THOSE ELEMENTS ARE SATISFACTORILY REFORMULATED IN THE MANNER EXPRESSLY DESCRIBED BY THE METROPOLITAN TRANSPORTATION AUTHORITY CAPITAL PROGRAM REVIEW BOARD. NOTWITHSTANDING THE FOREGOING, THE METROPOLITAN TRANSPORTATION AUTHORITY CAPITAL PROGRAM REVIEW BOARD SHALL NOT CONDITION ITS APPROVAL OF AN AMENDMENT OR MODIFICATION OF THE PLAN ON THE ADDITION TO SUCH PLAN BY THE AUTHORITY OF CAPITAL ELEMENTS NOT PREVIOUSLY CONTAINED THEREIN.

S 7. The public authorities law is amended by adding four new sections 1269-e, 1269-f, 1269-g and 1269-h to read as follows:

S 1269-E. FINANCIAL AND OPERATIONAL REPORTS. 1. THE AUTHORITY SHALL SUBMIT TO THE GOVERNOR, THE TEMPORARY PRESIDENT OF THE SENATE AND THE SPEAKER OF THE ASSEMBLY, NO LATER THAN THIRTY DAYS FOLLOWING THE SUBMISSION OF THE ANNUAL INDEPENDENT AUDIT REPORT PURSUANT TO SECTION TWENTY-EIGHT HUNDRED TWO OF THIS CHAPTER, AND THE AUTHORITY SHALL POST ON ITS WEBSITE A COMPLETE, DETAILED REPORT OR REPORTS IN PLAIN ENGLISH EXPLAINING:

(A) ITS FINANCIAL REPORTS, INCLUDING:

(I) AUDITED FINANCIALS IN ACCORDANCE WITH ALL APPLICABLE REGULATIONS AND GENERALLY ACCEPTED ACCOUNTING PRINCIPLES AS DEFINED IN SUBDIVISION TEN OF SECTION TWO OF THE STATE FINANCE LAW;

(II) GRANT AND SUBSIDY PROGRAMS;

(III) DISTINCT OPERATING AND FINANCIAL RISKS;

(IV) CURRENT RATINGS OF ITS BONDS ISSUED BY MUNICIPAL BOND RATING AGENCIES AND ANY CHANGES IN SUCH RATINGS; AND

(V) LONG-TERM LIABILITIES, LEASES AND EMPLOYEE BENEFIT PLANS; AND

(B) AN ASSESSMENT OF THE EFFECTIVENESS OF ITS INTERNAL CONTROL STRUCTURE AND PROCEDURES, INCLUDING ITS CODE OF ETHICS AND A LISTING OF MATERIAL CHANGES IN INTERNAL OPERATIONS AND PROGRAMS DURING THE REPORTING YEAR; AND

(C) ITS ANALYSIS OF THE CURRENT STATE OF THE AUTHORITY, INCLUDING ITS BUDGETS, PROJECTS CURRENTLY BEING UNDERTAKEN, PROJECTED COSTS AND REVENUES, EXPENSES, CONTRACTS, RIDERSHIP, PERSONNEL, MINORITY AND WOMEN OWNED BUSINESS ENTERPRISES, AND OTHER RELEVANT INFORMATION AS REQUESTED BY THE RESPECTIVE LEGISLATIVE COMMITTEES.

2. ORAL TESTIMONY. UPON SUBMISSION OF EACH ANNUAL REPORT, OR AS OTHERWISE DIRECTED BY THE RESPECTIVE LEGISLATIVE LEADERS, THE CHAIRMAN SHALL PROVIDE ORAL TESTIMONY AS REQUESTED TO THE APPROPRIATE LEGISLATIVE

COMMITTEES REGARDING THE REPORTS SUBMITTED AND THE ANALYSIS RELATIVE THERETO.

3. WITHIN SIXTY DAYS AFTER THE EFFECTIVE DATE OF THIS SECTION, AND AT SUCH TIMES THEREAFTER AS IT SHALL DETERMINE TO BE APPROPRIATE AND NECESSARY, AND SUBJECT TO OTHER APPLICABLE LAWS, THE LEGISLATURE SHALL COMMISSION AN AUDITING FIRM NOT EMPLOYED BY THE AUTHORITY TO CONDUCT FOR THE LEGISLATURE AN INDEPENDENT AUDIT OF FINANCIAL STATEMENTS OF THE AUTHORITY, ANY SUBSIDIARY THEREOF OR ANY OTHER ENTITY CREATED BY THE AUTHORITY. THE SCOPE OF THE AUDIT COMMISSIONED BY THE LEGISLATURE SHALL BE DETERMINED BY IT FROM TIME TO TIME, AND MAY INCLUDE FINANCIAL, OPERATIONAL AND OTHER MATTERS CONCERNING THE ACTIVITIES AND MANAGEMENT OF THE AUTHORITY. THE AUTHORITY, THE STATE COMPTROLLER AND ANY PROFESSIONALS, CONTRACTORS OR CONSULTANTS RETAINED BY THE AUTHORITY SHALL FURNISH TO THE AUDITING FIRM RETAINED BY THE LEGISLATURE SUCH BOOKS, RECORDS AND DOCUMENTS AS ARE REQUESTED BY SUCH FIRM, AND SHALL RENDER COOPERATION AND ASSISTANCE TO THE AUDIT.

S 1269-F. MISSION STATEMENT AND MEASUREMENT REPORT. THE AUTHORITY SHALL SUBMIT TO THE GOVERNOR, THE TEMPORARY PRESIDENT OF THE SENATE AND THE SPEAKER OF THE ASSEMBLY, ON OR BEFORE MARCH THIRTY-FIRST EACH YEAR, AND POST ON ITS WEBSITE A PROPOSED AUTHORITY MISSION STATEMENT AND PROPOSED MEASUREMENTS OF THE AUTHORITY'S SATISFACTORY COMPLETION THEREOF. THE PROPOSED MISSION STATEMENT AND PROPOSED MEASUREMENTS SHALL HAVE THE FOLLOWING COMPONENTS: A STATEMENT EXPRESSING THE PURPOSE AND GOALS OF THE AUTHORITY; A DESCRIPTION OF THE STAKEHOLDERS OF THE AUTHORITY AND ITS UNDERSTANDING OF THEIR REASONABLE EXPECTATIONS, WHICH STAKEHOLDERS SHALL INCLUDE AT LEAST THE RESIDENTS AND TAXPAYERS OF THE AREA OF THE STATE SERVED BY THE AUTHORITY, THE PERSONS THAT USE THE SERVICES PROVIDED BY THE AUTHORITY, AND THE EMPLOYEES OF THE AUTHORITY AND ANY EMPLOYEE ORGANIZATION; THE GOALS OF THE AUTHORITY IN RESPONSE TO THE NEEDS OF EACH GROUP OF STAKEHOLDERS; AND A LIST OF MEASURES BY WHICH THE PERFORMANCE OF THE AUTHORITY AND THE ACHIEVEMENT OF ITS GOALS MAY BE EVALUATED.

S 1269-G. PROJECT LABOR AGREEMENTS. THE AUTHORITY SHALL REQUIRE A CONTRACTOR AWARDED A CONTRACT, SUBCONTRACT, LEASE, GRANT, BOND, COVENANT OR OTHER AGREEMENT WHERE THE TOTAL COST TO THE AUTHORITY IS TWENTY-FIVE MILLION DOLLARS OR MORE TO ENTER INTO A PROJECT LABOR AGREEMENT FOR THE WORK WHENEVER THE AUTHORITY IN ITS SOLE DISCRETION SHALL DETERMINE THAT THE INTERESTS OF THE PUBLIC IN OBTAINING THE BEST WORK AT THE LOWEST PRICE, PREVENTING FAVORITISM, FRAUD AND CORRUPTION, AND OTHER PERTINENT CONSIDERATIONS SUCH AS THE IMPACT OF DELAY, CAN BE BEST MET BY A PROJECT LABOR AGREEMENT AS DEFINED IN SECTION TWO HUNDRED TWENTY-TWO OF THE LABOR LAW.

S 1269-H. REQUIREMENTS FOR CERTAIN AUTHORITY CONTRACTS AND RELATED SUBCONTRACTS. 1. WHERE ANY PERSON OR BUSINESS ORGANIZATION, INCLUDING ANY CONTRACTOR OR SUBCONTRACTOR, IS PAID OR IS TO BE PAID BY THE AUTHORITY, OR WITH FUNDS ORIGINATING FROM THE AUTHORITY, OR WITH FUNDS FOR PERFORMANCE ON A PROJECT FINANCED BY THE AUTHORITY, MORE THAN FIVE HUNDRED THOUSAND DOLLARS DURING ANY CALENDAR YEAR, SUCH PERSON OR BUSINESS ORGANIZATION SHALL:

(A) POST INFORMATION CONFORMING TO THE PROVISIONS OF SUBDIVISION TWO OF THIS SECTION IN ONE OR MORE CONSPICUOUS PLACES AT EACH MAJOR WORKPLACE SITE WHERE PERSONS WHO PERFORM WORK ON THE CONTRACT OR SUBCONTRACT, INCLUDING MANAGEMENT, ARE MOST LIKELY TO SEE SUCH POSTINGS; PROVIDED THAT, THIS REQUIREMENT MAY BE SATISFIED BY THE DISPLAYING OF SUCH INFORMATION WITH OTHER NOTICES THAT INFORM PERSONS OF RIGHTS UNDER

FEDERAL OR STATE LAWS OR RULES, HUMAN RESOURCE POLICIES, OR COLLECTIVE BARGAINING AGREEMENTS;

(B) POST INFORMATION CONFORMING TO THE PROVISIONS OF SUBDIVISION TWO OF THIS SECTION ON THE HOME PAGE OF AN INTERNET AND INTRANET WEBSITE, IF ANY, OF THAT PERSON OR BUSINESS ORGANIZATION; PROVIDED THAT, THIS REQUIREMENT MAY BE SATISFIED BY PROVIDING ON SUCH WEBSITE A CONSPICUOUS HYPERLINK TO THE AUTHORITY WEBSITE MAINTAINED PURSUANT TO SUBDIVISION THREE OF THIS SECTION, WHICH HYPERLINK SHALL BE LABELED "PROTECTIONS FOR REPORTING FRAUD IN NEW YORK";

(C) DISTRIBUTE INFORMATION SPECIFIED IN SUBDIVISION TWO OF THIS SECTION TO THOSE PERSONS, INCLUDING EMPLOYEES AND MANAGERS, WHO PERFORM WORK ON THE CONTRACT; PROVIDED THAT, THIS REQUIREMENT MAY BE SATISFIED BY DISTRIBUTING SUCH INFORMATION IN AN EMPLOYEE HANDBOOK OR THROUGH A SPECIFIC ELECTRONIC COMMUNICATION CONTAINING THE INFORMATION TO A KNOWN ELECTRONIC MAIL ADDRESS MAINTAINED BY THE PERSON; AND

(D) COMPLY WITH THE PROVISIONS OF THIS SUBDIVISION, AND PROVIDE TO THE AUTHORITY SATISFACTORY EVIDENCE OF SUCH COMPLIANCE, WITHIN NINETY DAYS.

2. THE DISCLOSURES REQUIRED BY SUBDIVISION ONE OF THIS SECTION SHALL:

(A) PROVIDE THE TELEPHONE NUMBERS AND ADDRESSES TO REPORT INFORMATION OF FRAUD OR OTHER ILLEGAL ACTIVITY TO THE APPROPRIATE OFFICERS OF THE INSPECTOR GENERAL OF THE AUTHORITY AND THE ATTORNEY-GENERAL OF THE STATE;

(B) DESCRIBE IN DETAIL CONDUCT PROHIBITED BY SECTION ONE HUNDRED EIGHTY-NINE OF THE STATE FINANCE LAW, AND THE ROLE OF THAT ACT IN PREVENTING AND DETECTING FRAUD AND ABUSE IN WORK PAID FOR BY THE AUTHORITY OR WITH FUNDS ORIGINATING FROM THE AUTHORITY;

(C) NOTIFY PROSPECTIVE QUI TAM PLAINTIFFS ON HOW TO FILE A QUI TAM ACTION, INCLUDING THE NECESSITY TO CONTACT PRIVATE COUNSEL SKILLED IN FILING SUCH ACTIONS AND OF THE POTENTIAL FOR CASH REWARDS IN SUCH ACTIONS BASED ON THE PERCENTAGE OF THE FUNDS RECOVERED BY THE GOVERNMENT; AND

(D) DESCRIBE PROHIBITIONS ON EMPLOYER RETALIATION AGAINST PERSONS WHO FILE OR ASSIST ACTIONS UNDER ARTICLE THIRTEEN OF THE STATE FINANCE LAW (THE NEW YORK FALSE CLAIMS ACT) PURSUANT TO SECTION ONE HUNDRED NINETY-ONE OF THE STATE FINANCE LAW, OR WHO REPORT ILLEGAL CONDUCT THAT THREATENS THE HEALTH OR SAFETY OF THE PUBLIC PURSUANT TO SECTION SEVEN HUNDRED FORTY OF THE LABOR LAW.

3. NO LATER THAN FORTY-FIVE DAYS AFTER THE EFFECTIVE DATE OF THIS SECTION, THE AUTHORITY SHALL ESTABLISH AND CONTINUOUSLY MAINTAIN ON ITS PUBLIC WEBSITE AND ITS INTRANET SITE A PAGE THAT SHALL PROVIDE THE INFORMATION SPECIFIED IN SUBDIVISION TWO OF THIS SECTION, AND THAT SHALL ALSO PROVIDE SAMPLE STATEMENTS, DISPLAYS AND OTHER MATERIALS SUITABLE FOR INSERTION IN EMPLOYEE HANDBOOKS OR POSTING AT WORKPLACES OR ON WEBSITES THAT WOULD SATISFY THE DISCLOSURE REQUIREMENTS OF THIS SECTION.

4. ON AND AFTER THE EFFECTIVE DATE OF THIS SECTION, THE AUTHORITY SHALL NOT ENTER INTO ANY CONTRACT DESCRIBED IN SUBDIVISION ONE OF THIS SECTION THAT DOES NOT INCORPORATE THE TERMS OF THIS SECTION.

5. COMPLIANCE BY A COVERED PERSON OR BUSINESS ORGANIZATION WITH THIS SECTION SHALL BE A MATERIAL CONDITION OF PAYMENT FOR THE PROVISION OF GOODS OR SERVICES.

6. THE AUTHORITY IS AUTHORIZED TO ADOPT SUCH RULES AND REGULATIONS AS ARE NECESSARY TO EFFECT THE PURPOSES OF THIS SECTION.

S 8. The public authorities law is amended by adding a new section 1270-g to read as follows:

S 1270-G. REGULATION OF CERTAIN AUTHORITY EXPENDITURES. THE AUTHORITY SHALL, PURSUANT TO ARTICLE TWO OF THE STATE ADMINISTRATIVE PROCEDURE

ACT, PROMULGATE AND IMPLEMENT RULES AND REGULATIONS TO MINIMIZE UNWARRANTED EXPENSES AND TO PROTECT AGAINST ABUSES IN CONNECTION WITH (I) THE GRANTING OF ANY PRIVILEGES OR BENEFITS HAVING FINANCIAL VALUE, OTHER THAN WAGE PAYMENTS OR EXPENSE REIMBURSEMENTS, TO MEMBERS OR STAFF OF THE AUTHORITY, OR ANY SUBSIDIARY OR OTHER AUTHORITY CREATED BY THE AUTHORITY; (II) THE FULL-TIME AND PART-TIME ASSIGNMENT AND USE OF AUTOMOBILES OWNED OR LEASED BY THE AUTHORITY, OR ANY SUBSIDIARY OR OTHER AUTHORITY CREATED BY THE AUTHORITY, AND THE USE BY AUTHORITY EMPLOYEES AND BOARD MEMBERS OF LIVERY VEHICLES, AS DEFINED IN SECTION ONE HUNDRED TWENTY-ONE-E OF THE VEHICLE AND TRAFFIC LAW; AND (III), THE SELECTION, RETENTION AND COMPENSATION OF OUTSIDE LEGAL COUNSEL AND OTHER PROFESSIONALS BY AND FOR THE AUTHORITY, OR ANY SUBSIDIARY OR OTHER AUTHORITY CREATED BY THE AUTHORITY, WHERE TOTAL CHARGES UNDER THE RETAINER CONTRACT MAY EXCEED ONE-HALF MILLION DOLLARS, WITH SUFFICIENT DETAIL TO IDENTIFY THE FIRMS ENGAGED; THE DISTINCT MATTER OR MATTERS AND PURPOSES FOR WHICH THEY ARE ENGAGED; THE HOURLY OR OTHER RATES CHARGED BY ALL PROFESSIONALS TO THE AUTHORITY; AND THE TOTAL CHARGES BILLED BY AND PAID TO SUCH FIRMS BY THE AUTHORITY, IN THE CURRENT REPORTING PERIOD AND SINCE THE INCEPTION OF THE MATTER OR MATTERS. IN CONNECTION THEREWITH, AND ON AT LEAST AN ANNUAL BASIS HEREAFTER, THE AUTHORITY SHALL MAKE PUBLICLY AVAILABLE ON ITS WEBSITE DETAILED INFORMATION WITH RESPECT TO THE AUTHORITY'S USE AND COSTS FOR SUCH SERVICES, INCLUDING THE SPECIFIC INFORMATION REQUIRED HEREINABOVE.

S 9. The public authorities law is amended by adding three new sections 1276-b, 1276-c and 1276-d to read as follows:

S 1276-B. COMPTROLLER AUDIT. THE STATE COMPTROLLER OR ITS DESIGNEE MAY FROM TIME TO TIME, UPON THE REQUEST OF THE GOVERNOR, THE TEMPORARY PRESIDENT OF THE SENATE OR THE SPEAKER OF THE ASSEMBLY OR ON HIS OR HER OWN INITIATIVE, EXAMINE THE BOOKS, RECORDS AND ACCOUNTS OF THE AUTHORITY, AND ANY OTHER MATTERS RELATING TO ITS FINANCIAL OPERATIONS, INCLUDING, BUT NOT LIMITED TO, THE AUTHORITY'S BASIS FOR ANY FEE OR TOLL INCREASE, AND REPORT THE RESULTS OF EACH EXAMINATION TO THE GOVERNOR, THE TEMPORARY PRESIDENT OF THE SENATE, THE SPEAKER OF THE ASSEMBLY, THE CHAIRS OF THE SENATE AND ASSEMBLY COMMITTEES ON CORPORATIONS, AUTHORITIES AND COMMISSIONS AND THE CHAIRS OF THE SENATE AND ASSEMBLY COMMITTEES ON TRANSPORTATION.

S 1276-C. AUTHORITY BUDGET AND FINANCIAL PLAN. 1. IN ADDITION TO THE REQUIREMENTS OF SECTION TWENTY-EIGHT HUNDRED TWO OF THIS CHAPTER, EACH AUTHORITY BUDGET AND PLAN SHALL BE POSTED ON ITS WEBSITE AND SHALL: (A) PRESENT INFORMATION RELATING TO THE AUTHORITY AND EACH OF ITS AGENCIES IN A CLEAR AND CONSISTENT MANNER AND FORMAT; (B) BE PREPARED IN ACCORDANCE WITH GENERALLY ACCEPTED ACCOUNTING PRINCIPLES; (C) BE BASED ON REASONABLE ASSUMPTIONS AND METHODS OF ESTIMATION; (D) INCLUDE ESTIMATES OF PROJECTED OPERATING REVENUES AND EXPENSES; (E) IDENTIFY ANY PLANNED TRANSACTION THAT WOULD SHIFT RESOURCES, FROM ANY SOURCE, FROM ONE FISCAL YEAR TO ANOTHER, AND THE AMOUNT OF ANY RESERVES; AND (F) CONTAIN A SUMMARY IN PLAIN ENGLISH OF THE PRINCIPAL INFORMATION IN THE BUDGET AND CONCLUSIONS TO BE DRAWN FROM IT.

2. SUPPORTING DOCUMENTATION. THE AUTHORITY SHALL PREPARE AND MAKE AVAILABLE FOR PUBLIC INSPECTION ON ITS WEBSITE INFORMATION THAT DETAILS THE SOURCES OF DATA AND THE ASSUMPTIONS AND METHODS OF ESTIMATION USED TO CALCULATE ALL OPERATING AND CAPITAL BUDGET PROJECTIONS, CONSISTENT WITH GENERALLY ACCEPTED BUDGETARY PRACTICES.

3. THE AUTHORITY SHALL ESTABLISH AT LEAST ANNUALLY THE QUARTERLY REVENUE AND EXPENSE TARGETS FOR THE AUTHORITY, AND FOR EACH SUBSIDIARY

OR OTHER AUTHORITY CREATED BY THE AUTHORITY ITSELF AND FOR WHICH IT REPORTS FINANCIAL DATA.

4. MONITORING THE BUDGET AND FINANCIAL PLAN. THE AUTHORITY SHALL PREPARE AND MAKE AVAILABLE FOR PUBLIC INSPECTION ON ITS WEBSITE: (A) WITHIN SIXTY DAYS OF THE RELEASE OF THE ADOPTED BUDGET AND ANY UPDATES TO THE BUDGET (EXCEPT UPDATES RELEASED WITHIN NINETY DAYS OF THE CLOSE OF THE FISCAL YEAR), MONTHLY PROJECTIONS FOR THE CURRENT FISCAL YEAR OF ALL REVENUES AND EXPENSES, STAFFING FOR THE AUTHORITY AND EACH OF ITS AGENCIES, AND UTILIZATION FOR EACH OF THE AUTHORITY'S AGENCIES THAT OPERATE TRANSPORTATION SYSTEMS, INCLUDING BRIDGES AND TUNNELS; AND (B), WITHIN THIRTY DAYS AFTER THE CLOSE OF EACH QUARTER, (I) A COMPARISON OF ACTUAL REVENUES AND EXPENSES, ACTUAL STAFFING AND ACTUAL UTILIZATION TO PLANNED OR PROJECTED LEVELS FOR EACH OF THE AUTHORITY'S AGENCIES THAT OPERATE TRANSPORTATION SYSTEMS, INCLUDING BRIDGES AND TUNNELS, WITH AN EXPLANATION OF EACH MATERIAL VARIANCE AND ITS BUDGETARY IMPACT; (II) THE STATUS OF EACH GAP-CLOSING INITIATIVE WITH A PROJECTED VALUE GREATER THAN ONE MILLION DOLLARS IN ANY GIVEN FISCAL YEAR; AND (III) THE STATUS OF CAPITAL PROJECTS BY CAPITAL ELEMENT, INCLUDING BUT NOT LIMITED TO COMMITMENTS, EXPENDITURES AND COMPLETIONS, AND AN EXPLANATION OF MATERIAL VARIANCES FROM THE PLAN, COST OVERRUNS AND DELAYS.

5. STRATEGIC OPERATION PLAN. FINANCIAL INFORMATION REQUIRED TO BE SUBMITTED BY THE AUTHORITY PURSUANT TO PARAGRAPHS D AND E OF SUBDIVISION ONE OF SECTION TWELVE HUNDRED SIXTY-NINE-D OF THIS TITLE SHALL BE PRESENTED IN A FORMAT CONSISTENT WITH THE BUDGET AND PLAN, IN DOWNLOADABLE, SEARCHABLE FORMAT, IN THE SAME LEVEL OF DETAIL AS IS PROVIDED TO STAFF AND MEMBERS OF THE AUTHORITY.

S 1276-D. INDEPENDENT AUDIT OF AUTHORITY. THE INDEPENDENT AUDITOR RETAINED BY THE AUTHORITY SHALL NOT PROVIDE TO THE AUTHORITY, CONTEMPORANEOUSLY WITH THE AUDIT SERVICES, ANY NON-AUDIT SERVICE OF ANY KIND, INCLUDING, BUT NOT LIMITED TO:

1. ROUTINE BOOKKEEPING OR OTHER SERVICES;

2. FINANCIAL INFORMATION SYSTEMS DESIGN AND IMPLEMENTATION;

3. APPRAISAL OR VALUATION SERVICES, FAIRNESS OPINIONS, OR CONTRIBUTION-IN-KIND REPORTS;

4. ACTUARIAL SERVICES;

5. OUTSOURCING SERVICES;

6. AUTHORITY MANAGEMENT FUNCTIONS OR HUMAN RESOURCES;

7. BROKER OR DEALER, INVESTMENT ADVISOR OR INVESTMENT BANKING SERVICES;

8. LEGAL SERVICES AND EXPERT SERVICES UNRELATED TO THE AUDIT;

9. ANY SERVICE THAT WOULD PRESENT A CONFLICT OF INTEREST OR THE APPEARANCE OF A CONFLICT OF INTEREST.

S 10. The public authorities law is amended by adding a new section 1279-c to read as follows:

S 1279-C. THE OFFICE OF LEGISLATIVE AND COMMUNITY INPUT. 1. THE CHAIRMAN OF THE AUTHORITY SHALL ESTABLISH THE OFFICE OF LEGISLATIVE AND COMMUNITY INPUT FOR THE PURPOSE OF COMMUNICATING INFORMATION TO, AND RECEIVING COMMENTS, CONCERNS AND RECOMMENDATIONS FROM, MEMBERS OF THE LEGISLATURE, AND MEMBERS OF THE PERMANENT CITIZENS ADVISORY COMMITTEE TO THE AUTHORITY COMPOSED OF THE MEMBERS OF THE NEW YORK CITY TRANSIT AUTHORITY ADVISORY COUNCIL, THE MEMBERS OF THE LONG ISLAND RAIL ROAD COMMUTER'S COUNCIL, AND THE MEMBERS OF THE METRO-NORTH COMMUTER COUNCIL, ON THE OPERATIONS OF THE RAPID TRANSIT, OMNIBUS AND COMMUTER RAIL LINE FACILITIES OF THE AUTHORITY, INCLUDING, BUT NOT LIMITED TO:

(A) THE QUALITY AND FREQUENCY OF SERVICE PROVIDED ON THE AUTHORITY'S MASS TRANSIT FACILITIES;

(B) THE MAINTENANCE AND CONDITION OF THE AUTHORITY'S MASS TRANSIT FACILITIES, INCLUDING, BUT NOT LIMITED TO, RAPID TRANSIT AND COMMUTER RAIL STATIONS, RAILCARS, BUSES, RAIL LINES, FARE COLLECTION SYSTEMS AND SOUND SYSTEMS; AND

(C) PROPOSED SERVICE CHANGES, INCLUDING ANY REDUCTIONS OR EXPANSION OF SERVICES, AS IT RELATES TO THE AUTHORITY'S MASS TRANSIT FACILITIES.

2. THE OFFICE SHALL ESTABLISH A PROCESS TO ENSURE TIMELY NOTIFICATION OF THE RECEIPT OF, AND RESPONSE TO, COMMENTS, CONCERNS, AND RECOMMENDATIONS BY MEMBERS OF THE LEGISLATURE OR MEMBERS OF THE PERMANENT CITIZENS ADVISORY COMMITTEE TO THE AUTHORITY WHICH SHALL BE TAKEN INTO CONSIDERATION IN THE DEVELOPMENT OF EACH CAPITAL PROGRAM PLAN AND/OR ANY AMENDMENT TO SUCH PLAN.

3. THE OFFICE SHALL PREPARE A REPORT CONTAINING A COMPILATION OF THE COMMENTS, CONCERNS, AND RECOMMENDATIONS RECEIVED BY THE OFFICE, AND HOW THESE COMMENTS, CONCERNS OR RECOMMENDATIONS WERE OR WILL BE ADDRESSED.

SUCH REPORT SHALL BE SUBMITTED ON A BIENNIAL BASIS, COMMENCING SEPTEMBER FIRST, TWO THOUSAND NINE, TO THE GOVERNOR, THE TEMPORARY PRESIDENT OF THE SENATE AND THE SPEAKER OF THE ASSEMBLY, BE POSTED ON THE AUTHORITY'S WEBSITE AND BE MADE READILY AVAILABLE TO THE PUBLIC.

S 11. Subdivision 1 of section 2824 of the public authorities law, as added by chapter 766 of the laws of 2005, is amended to read as follows:

1. Board members of state and local authorities shall (a) execute direct oversight of the authority's [chief executive] CHAIRMAN and other senior management in the effective and ethical management of the authority; (b) understand, review and monitor the implementation of fundamental financial and management controls and operational decisions of the authority; (c) establish policies regarding the payment of salary, compensation and reimbursements to, and establish rules for the time and attendance of, the chief executive and senior management; (d) adopt a code of ethics applicable to each officer, director and employee that, at a minimum, includes the standards established in section seventy-four of the public officers law; (e) establish written policies and procedures on personnel including policies protecting employees from retaliation for disclosing information concerning acts of wrongdoing, misconduct, malfeasance, or other inappropriate behavior by an employee or board member of the authority, investments, travel, the acquisition of real property and the disposition of real and personal property and the procurement of goods and services; [and] (f) adopt AND MAINTAIN IN FORCE a defense and indemnification policy [and disclose such plan to any and all prospective board members] OF INSURANCE FOR BOARD MEMBERS; (G) DISCHARGE EACH OF THEIR DUTIES AS BOARD MEMBERS IN GOOD FAITH AND WITH THAT DEGREE OF INDEPENDENCE, DILIGENCE, CARE AND SKILL WHICH AN ORDINARILY PRUDENT PERSON WOULD EXERCISE UNDER SIMILAR CIRCUMSTANCES IN A LIKE POSITION, PROVIDED, HOWEVER, THAT ANY OTHERWISE LAWFUL AND PROPER ACTION TAKEN BY A BOARD MEMBER AFTER DISCLOSURE OF SUCH MEMBER'S CONFLICT OF INTEREST BASED ON HIS OR HER PUBLIC OFFICE SHALL NOT BE CONSIDERED A FAILURE TO FULFILL HIS OR HER FIDUCIARY DUTIES; AND (H) AT THE TIME THAT THE MEMBER TAKES AND SUBSCRIBES HIS OR HER OATH OF OFFICE, OR WITHIN SIXTY DAYS AFTER THE EFFECTIVE DATE OF THIS PARAGRAPH IF THE MEMBER HAS ALREADY TAKEN AND SUBSCRIBED HIS OR HER OATH OF OFFICE, EXECUTE AN ACKNOWLEDGMENT THAT THE BOARD MEMBER UNDERSTANDS HIS OR HER INDEPENDENCE AND FIDUCIARY DUTIES, INCLUDING LOYALTY AND CARE TO THE ORGANIZATION AND COMMITMENT TO THE AUTHORITY'S MISSION.

S 12. Section 1266-c of the public authorities law is amended by adding a new subdivision 15 to read as follows:

15. (A) IN THE PERFORMANCE OF PROJECTS PURSUANT TO THIS TITLE THE AUTHORITY SHALL, TO THE EXTENT PRACTICABLE AND CONSISTENT WITH FEDERAL LAW:

(1) PURCHASE GOODS AND SERVICES THAT ARE PRODUCED OR MANUFACTURED IN NEW YORK STATE; AND

(2) REQUIRE ANY CONTRACTOR DOING BUSINESS WITH THE AUTHORITY TO PURCHASE GOODS AND SERVICES THAT ARE PRODUCED OR MANUFACTURED IN NEW YORK STATE.

(B) THE AUTHORITY SHALL WITHIN ONE HUNDRED TWENTY DAYS AFTER THE EFFECTIVE DATE OF THIS SUBDIVISION PROMULGATE RULES AND REGULATIONS TO EFFECT THE PURPOSES OF THIS SUBDIVISION.

(C) THE AUTHORITY SHALL WAIVE ANY PROVISION OF THIS SUBDIVISION, OR ANY RULE OR REGULATION PROMULGATED PURSUANT TO IT IF IT DETERMINES THAT SUCH PROVISION OR RULE OR REGULATION CANNOT BE COMPLIED WITH IN CONFORMITY WITH ANY FEDERAL RULE OR REQUIREMENT.

S 13. This act shall take effect immediately; provided, however, the amendments to paragraph (a) of subdivision 1 of section 1263 of the public authorities law made by section three of this act shall not affect the expiration and reversion of such paragraph and shall be deemed to expire therewith.

S 2. Severability clause. If any clause, sentence, paragraph, subdivision, section or part of this act shall be adjudged by any court of competent jurisdiction to be invalid, such judgment shall not affect, impair, or invalidate the remainder thereof, but shall be confined in its operation to the clause, sentence, paragraph, subdivision, section or part thereof directly involved in the controversy in which such judgment shall have been rendered. It is hereby declared to be the intent of the legislature that this act would have been enacted even if such invalid provisions had not been included herein.

S 3. This act shall take effect immediately provided, however, that the applicable effective date of Parts A through G of this act shall be as specifically set forth in the last section of such Parts.