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

S. 5451 A. 8180

2009-2010 Regular Sessions

S E N A T E - A S S E M B L Y

May 6, 2009

IN SENATE -- Introduced by Sens. DILAN, PERKINS -- (at request of the Governor) -- read twice and ordered printed, and when printed to be committed to the Committee on Rules

IN ASSEMBLY -- Introduced by M. of A. SILVER, FARRELL, LAVINE, MILLMAN, BOYLAND, BRENNAN, BROOK-KRASNY, CLARK, COOK, DINOWITZ, ESPAILLAT, JEFFRIES, LANCMAN, MARKEY, MAYERSOHN, PERALTA, POWELL, ROBINSON, SCARBOROUGH -- (at request of the Governor) -- read once and referred to the Committee on Ways and Means

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 education law, in relation to certain moneys apportioned to school districts for reimbursement of article twenty-three of the tax law payments (Part D); to amend the tax law, in relation to a tax on medallion taxicab rides in the metropolitan commuter transportation district (Part E); to amend the tax law, in relation to a supplemental tax on passenger car rentals (Part F); to amend the state finance law, in relation to the metropolitan transportation authority financial assistance fund and making an appropriation relating thereto (Part G); making an appropriation providing financial assistance to the metropolitan transportation authority (Part G-1); and to amend the public authorities law, in relation to metropolitan transportation authority reporting requirements, 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 bien-

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

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nial 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 the metropolitan transportation authority capital program review board (Part H)

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

Section 1. Legislative findings and declaration of purpose. 1. Mass transportation services in the metropolitan commuter transportation district ("MTA district") are essential to meeting the basic mobility and economic needs of the citizens of the MTA district, the state and the region. The contributions of such mass transportation services are also essential to addressing fundamental environmental policy and social needs of the state's residents.

2. The metropolitan transportation authority must continue to function as the primary provider of reasonably priced, safe and reliable mass transportation services in the MTA district.

3. It is of vital importance to the ability of the metropolitan transportation authority to meet the continued need for mobility and for the economic health of the MTA district that additional dedicated sources of reliable funding be made promptly available.

4. Such funding is needed to ensure the continuation of reasonable fares and provide for the continuation of the capital program of the authority to ensure the ongoing rehabilitation, improvement and expansion of the mass transit system.

5. It is the intent of the governor and legislature to continue to fund the capital program of the metropolitan transportation authority as well as other transportation needs of the state including highways and bridges, non-MTA transit, passenger and freight rail and aviation and port facilities on a multi-year basis.

6. It is the intent of the governor and the legislature to address the capital needs of the department of transportation including highways and bridges, non-MTA transit, passenger and freight rail and aviation and port facilities at the same time and for the same duration as the next MTA capital program. The governor and the legislature request that the department of transportation begin the development of such a program immediately and provide the legislature with an outline of the objectives of the program and the performance measures that will be used to determine investment in transportation in the state for the next multi-year capital program by October 1, 2009.

S 2. 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 H. 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) UPON PASSAGE OF THE KNOWLEDGE TEST REQUIRED TO OBTAIN A LEARNER'S PERMIT, AN APPLICANT FOR A DRIVER'S LICENSE WHO RESIDES IN THE METROPOLITAN COMMUTER TRANSPORTATION DISTRICT ESTABLISHED BY SECTION ONE THOUSAND TWO HUNDRED SIXTY-TWO OF THE PUBLIC AUTHORITIES LAW SHALL BE REQUIRED TO PAY A SUPPLEMENTAL FEE OF ONE DOLLAR 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) OR (II) OF PARAGRAPH (B) OF THIS SUBDIVISION.

(II) THE COMMISSIONER SHALL DEPOSIT DAILY ALL FUNDS COLLECTED PURSUANT TO SUBPARAGRAPH (I) OF THIS PARAGRAPH WITH SUCH RESPONSIBLE BANKS, BANKING HOUSES OR TRUST COMPANIES AS MAY BE DESIGNATED BY THE STATE COMPTROLLER, TO THE CREDIT OF THE COMPTROLLER. ON OR BEFORE THE TWELFTH DAY OF EACH MONTH, THE COMMISSIONER SHALL CERTIFY TO THE COMPTROLLER THE AMOUNT OF ALL REVENUES RECEIVED PURSUANT TO SUBPARAGRAPH (I) OF THIS PARAGRAPH DURING THE PRIOR MONTH AS A RESULT OF THE SUPPLEMENTAL FEE IMPOSED, INCLUDING ANY INTEREST AND PENALTIES THEREON. THE REVENUES SO CERTIFIED SHALL BE DEPOSITED BY THE STATE COMPTROLLER IN THE METROPOLITAN TRANSPORTATION AUTHORITY AID TRUST ACCOUNT OF THE METROPOLITAN TRANSPORTATION AUTHORITY FINANCIAL ASSISTANCE FUND ESTABLISHED PURSUANT TO SECTION NINETY-TWO-FF OF THE STATE FINANCE LAW FOR DEPOSIT, SUBJECT TO APPROPRIATION, IN THE CORPORATE TRANSPORTATION ACCOUNT OF THE METROPOLITAN TRANSPORTATION AUTHORITY SPECIAL ASSISTANCE FUND ESTABLISHED BY SECTION TWELVE HUNDRED SEVENTY-A OF THE PUBLIC AUTHORITIES LAW, TO BE APPLIED AS PROVIDED IN PARAGRAPH (E) OF SUBDIVISION FOUR OF SUCH SECTION. ANY MONEY COLLECTED PURSUANT TO THIS SECTION THAT IS DEPOSITED BY THE COMPTROLLER IN THE METROPOLITAN TRANSPORTATION AUTHORITY AID TRUST ACCOUNT OF THE METROPOLITAN TRANSPORTATION AUTHORITY FINANCIAL ASSISTANCE FUND SHALL BE HELD IN SUCH FUND FREE AND CLEAR OF ANY CLAIM BY ANY PERSON OR ENTITY PAYING AN ADDITIONAL FEE PURSUANT TO THIS SECTION, INCLUDING, WITHOUT LIMITING THE GENERALITY OF THE FOREGOING, ANY RIGHT OR CLAIM AGAINST THE METROPOLITAN TRANSPORTATION AUTHORITY, ANY OF ITS BONDHOLDERS, OR ANY SUBSIDIARY OR AFFILIATE OF THE METROPOLITAN TRANSPORTATION AUTHORITY.

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) (I) SUPPLEMENTAL RENEWAL FEE IN THE METROPOLITAN COMMUTER TRANSPORTATION DISTRICT. IN ADDITION TO THE FEES REQUIRED TO BE PAID PURSUANT TO PARAGRAPH (C) OF THIS SUBDIVISION, A SUPPLEMENTAL FEE OF ONE DOLLAR FOR EACH SIX MONTHS OR PORTION THEREOF OF THE VALIDITY OF THE LICENSE SHALL BE PAID FOR RENEWAL OF A LICENSE OF A PERSON WHO RESIDES IN THE METROPOLITAN COMMUTER TRANSPORTATION DISTRICT ESTABLISHED BY SECTION ONE THOUSAND TWO HUNDRED SIXTY-TWO OF THE PUBLIC AUTHORITIES LAW ISSUED BY THE COMMISSIONER.

(II) THE COMMISSIONER SHALL DEPOSIT DAILY ALL FUNDS COLLECTED PURSUANT TO THIS PARAGRAPH WITH SUCH RESPONSIBLE BANKS, BANKING HOUSES OR TRUST COMPANIES AS MAY BE DESIGNATED BY THE STATE COMPTROLLER, TO THE CREDIT OF THE COMPTROLLER. ON OR BEFORE THE TWELFTH DAY OF EACH MONTH, THE COMMISSIONER SHALL CERTIFY TO THE COMPTROLLER THE AMOUNT OF ALL REVENUES RECEIVED PURSUANT TO THIS PARAGRAPH DURING THE PRIOR MONTH AS A RESULT OF THE SUPPLEMENTAL FEES IMPOSED, INCLUDING ANY INTEREST AND PENALTIES

THEREON. THE REVENUES SO CERTIFIED SHALL BE DEPOSITED BY THE STATE COMPTROLLER IN THE METROPOLITAN TRANSPORTATION AUTHORITY AID TRUST ACCOUNT OF THE METROPOLITAN TRANSPORTATION AUTHORITY FINANCIAL ASSISTANCE FUND ESTABLISHED PURSUANT TO SECTION NINETY-TWO-FF OF THE STATE FINANCE LAW FOR DEPOSIT, SUBJECT TO APPROPRIATION, IN THE CORPORATE TRANSPORTATION ACCOUNT OF THE METROPOLITAN TRANSPORTATION AUTHORITY SPECIAL ASSISTANCE FUND ESTABLISHED BY SECTION TWELVE HUNDRED SEVENTY-A OF THE PUBLIC AUTHORITIES LAW, TO BE APPLIED AS PROVIDED IN PARAGRAPH (E) OF SUBDIVISION FOUR OF SUCH SECTION. ANY MONEY COLLECTED PURSUANT TO THIS SECTION THAT IS DEPOSITED BY THE COMPTROLLER IN THE METROPOLITAN TRANSPORTATION AUTHORITY AID TRUST ACCOUNT OF THE METROPOLITAN TRANSPORTATION AUTHORITY FINANCIAL ASSISTANCE FUND SHALL BE HELD IN SUCH FUND FREE AND CLEAR OF ANY CLAIM BY ANY PERSON OR ENTITY PAYING AN ADDITIONAL FEE PURSUANT TO THIS SECTION, INCLUDING, WITHOUT LIMITING THE GENERALITY OF THE FOREGOING, ANY RIGHT OR CLAIM AGAINST THE METROPOLITAN TRANSPORTATION AUTHORITY, ANY OF ITS BONDHOLDERS, OR ANY SUBSIDIARY OR AFFILIATE OF THE METROPOLITAN TRANSPORTATION AUTHORITY.

S 3. This act shall take effect September 1, 2009 and shall apply to licenses issued and renewals of licenses expiring 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. DEFINITION.

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. DEFINITION. FOR THE PURPOSES OF THIS ARTICLE "METROPOLITAN COMMUTER TRANSPORTATION DISTRICT" SHALL MEAN THE AREA OF THE STATE INCLUDED IN THE DISTRICT CREATED AND GOVERNED BY SECTION TWELVE HUNDRED SIXTY-TWO OF THE PUBLIC AUTHORITIES LAW.

S 499-A. METROPOLITAN COMMUTER TRANSPORTATION DISTRICT SUPPLEMENTAL REGISTRATION FEE. REGISTRANTS RESIDING IN THE METROPOLITAN COMMUTER TRANSPORTATION DISTRICT SHALL UPON THE REGISTRATION 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 REGISTRANTS 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 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 PURSUANT 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 OR PORTION OF A YEAR THAT SUCH REGISTRATION IS VALID.

S 499-D. DEPOSIT AND DISPOSITION OF REVENUE FROM SUPPLEMENTAL FEE. THE COMMISSIONER SHALL DEPOSIT DAILY ALL FUNDS DERIVED FROM THE COLLECTION OF THE SUPPLEMENTAL FEE ESTABLISHED PURSUANT TO THIS ARTICLE WITH SUCH RESPONSIBLE BANKS, BANKING HOUSES OR TRUST COMPANIES AS MAY BE DESIGNATED BY THE STATE COMPTROLLER, TO THE CREDIT OF THE COMPTROLLER. ON OR BEFORE THE TWELFTH DAY OF EACH MONTH, THE COMMISSIONER SHALL CERTIFY TO THE COMPTROLLER THE AMOUNT OF ALL REVENUES RECEIVED PURSUANT TO THIS ARTICLE DURING THE PRIOR MONTH AS A RESULT OF THE SUPPLEMENTAL FEE IMPOSED, INCLUDING ANY INTEREST AND PENALTIES THEREON. THE REVENUES SO CERTIFIED SHALL BE DEPOSITED BY THE STATE COMPTROLLER IN THE METROPOLITAN TRANSPORTATION AUTHORITY AID TRUST ACCOUNT OF THE METROPOLITAN TRANSPORTATION AUTHORITY FINANCIAL ASSISTANCE FUND ESTABLISHED PURSUANT TO SECTION NINETY-TWO-FF OF THE STATE FINANCE LAW FOR DEPOSIT, SUBJECT TO APPROPRIATION, IN THE CORPORATE TRANSPORTATION ACCOUNT OF THE METROPOLITAN TRANSPORTATION AUTHORITY SPECIAL ASSISTANCE FUND ESTABLISHED BY SECTION TWELVE HUNDRED SEVENTY-A OF THE PUBLIC AUTHORITIES LAW, TO BE APPLIED AS PROVIDED IN PARAGRAPH (E) OF SUBDIVISION FOUR OF SUCH SECTION. ANY MONEY COLLECTED PURSUANT TO THIS SECTION THAT IS DEPOSITED BY THE COMPTROLLER IN THE METROPOLITAN TRANSPORTATION AUTHORITY AID TRUST ACCOUNT OF THE METROPOLITAN TRANSPORTATION AUTHORITY FINANCIAL ASSISTANCE FUND SHALL BE HELD IN SUCH FUND FREE AND CLEAR OF ANY CLAIM BY ANY PERSON OR ENTITY PAYING AN ADDITIONAL FEE PURSUANT TO THIS SECTION, INCLUDING, WITHOUT LIMITING THE GENERALITY OF THE FOREGOING, ANY RIGHT OR CLAIM AGAINST THE METROPOLITAN TRANSPORTATION AUTHORITY, ANY OF ITS BONDHOLDERS, OR ANY SUBSIDIARY OR AFFILIATE OF THE METROPOLITAN TRANSPORTATION AUTHORITY.

S 2. This act shall take effect September 1, 2009 and shall apply to registrations issued and renewals of registrations expiring 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 AFFILIATES TO PRESERVE, OPERATE AND IMPROVE ESSENTIAL TRANSIT AND TRANSPORTATION SERVICES IN THE METROPOLITAN COMMUTER TRANSPORTATION DISTRICT, A TAX IS HEREBY IMPOSED AT A RATE OF THIRTY-FOUR HUNDREDTHS (.34) PERCENT OF (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.

(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 EMPLOYERS SUBJECT TO SECTION NINE OF THIS CHAPTER OTHER THAN SCHOOL DISTRICTS AS DEFINED IN SECTION THIRTY-SIX HUNDRED NINE-G OF THE EDUCATION LAW MUST PAY THE TAX ON THE PAYROLL EXPENSE AT THE SAME TIME AS THE WITHHOLDING TAX REMITTED UNDER THE ELECTRONIC PAYMENT REPORTING SYSTEM AND THE ELECTRONIC FUNDS TRANSFER SYSTEM AUTHORIZED BY SECTION NINE OF THIS CHAPTER.

(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. (A) THE TAXES, INTEREST, AND PENALTIES IMPOSED BY THIS ARTICLE AND COLLECTED OR RECEIVED BY THE COMMISSIONER SHALL BE DEPOSITED DAILY WITH SUCH RESPONSIBLE BANKS, BANKING HOUSES OR TRUST COMPANIES, AS MAY BE DESIGNATED BY THE COMPTROLLER, TO THE CREDIT OF THE COMPTROLLER IN TRUST FOR THE METROPOLITAN TRANSPORTATION AUTHORITY. AN ACCOUNT MAY BE ESTABLISHED IN ONE OR MORE OF SUCH DEPOSITORIES. SUCH DEPOSITS WILL BE KEPT SEPARATE AND APART FROM ALL OTHER MONEY IN THE POSSESSION OF THE COMPTROLLER. THE COMPTROLLER SHALL REQUIRE ADEQUATE SECURITY FROM ALL SUCH DEPOSITORIES. OF THE TOTAL REVENUE COLLECTED OR RECEIVED UNDER THIS ARTICLE, THE COMPTROLLER SHALL RETAIN SUCH AMOUNT AS THE COMMISSIONER MAY DETERMINE TO BE NECESSARY FOR REFUNDS UNDER THIS ARTICLE. THE COMMISSIONER IS AUTHORIZED AND DIRECTED TO DEDUCT FROM THE AMOUNTS IT RECEIVES UNDER THIS ARTICLE, BEFORE DEPOSIT INTO THE TRUST ACCOUNTS DESIGNATED BY THE COMPTROLLER, A REASONABLE AMOUNT NECESSARY TO EFFECTUATE REFUNDS OF APPROPRIATIONS OF THE DEPARTMENT TO REIMBURSE THE DEPARTMENT FOR THE COSTS INCURRED TO ADMINISTER, COLLECT AND DISTRIBUTE THE TAXES IMPOSED BY THIS ARTICLE.

(B) ON OR BEFORE THE TWELFTH AND TWENTY-SIXTH DAY OF EACH SUCCEEDING MONTH, AFTER RESERVING SUCH AMOUNT FOR SUCH REFUNDS AND DEDUCTING SUCH AMOUNTS FOR SUCH COSTS, AS PROVIDED FOR IN SUBSECTION (A) OF THIS SECTION, THE COMMISSIONER SHALL CERTIFY TO THE COMPTROLLER THE AMOUNT OF ALL REVENUES SO RECEIVED DURING THE PRIOR MONTH AS A RESULT OF THE TAXES, INTEREST AND PENALTIES SO IMPOSED. THE AMOUNT OF REVENUES SO CERTIFIED SHALL BE PAID OVER BY THE FIFTEENTH AND THE FINAL BUSINESS DAY OF EACH SUCCEEDING MONTH FROM SUCH ACCOUNT INTO THE MOBILITY TAX TRUST ACCOUNT OF THE METROPOLITAN TRANSPORTATION AUTHORITY FINANCIAL ASSISTANCE FUND ESTABLISHED PURSUANT TO SECTION NINETY-TWO-FF OF THE STATE FINANCE LAW, FOR PAYMENT, PURSUANT TO APPROPRIATIONS BY THE LEGISLATURE TO THE METROPOLITAN TRANSPORTATION AUTHORITY FINANCE FUND ESTABLISHED PURSUANT TO SECTION TWELVE HUNDRED SEVENTY-H OF THE PUBLIC AUTHORITIES 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. This act shall take effect immediately; provided however that:

(a) the metropolitan commuter transportation mobility tax enacted pursuant to section one of this act that is (i) imposed on employers, shall apply on and after March 1, 2009, provided however, that the tax shall apply to public school districts within the metropolitan commuter transportation district (MCTD) on and after September 1, 2009 and (ii) imposed on individuals with net earnings from self-employment for tax years beginning on or after January 1, 2009, but the individual's tax liability for the 2009 tax year will be based only on ten-twelfths of such net earnings for the 2009 tax year;

(b) the initial payment of such metropolitan commuter transportation mobility tax enacted pursuant to section one of this act shall be made with the third quarterly payment due in tax year 2009; provided however, that the initial payment of such metropolitan commuter transportation mobility tax shall be made at the same time as the first payment of the withholding tax required to be paid pursuant to section 9 of the tax law that is due on or after after October 31, 2009, and such payment by employers shall include the taxes owed for the entire period beginning on March 1, 2009 and that such payment by individuals with net earnings from self-employment shall include the estimated taxes owed for the 2009

tax year as limited by paragraph (ii) of subdivision (a) of this section, provided however, that public school districts within the MCTD shall include taxes owed for the period beginning September 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 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 education law is amended by adding a new section 3609-g to read as follows:

S 3609-G. MONEYS APPORTIONED TO SCHOOL DISTRICTS FOR REIMBURSEMENT OF ARTICLE TWENTY-THREE OF THE TAX LAW PAYMENTS COMMENCING IN THE 2009-2010 SCHOOL YEAR. NOTWITHSTANDING ANY OTHER PROVISION OF LAW TO THE CONTRARY, SCHOOL DISTRICTS SHALL BE REIMBURSED FOR PAYMENTS MADE PURSUANT TO ARTICLE TWENTY-THREE OF THE TAX LAW PURSUANT TO THIS SECTION.

1. DEFINITION. AS USED IN THIS SECTION THE FOLLOWING TERM SHALL BE DEFINED AS FOLLOWS: "SCHOOL DISTRICT" SHALL MEAN A PUBLIC SCHOOL DISTRICT AND SHALL NOT INCLUDE A SPECIAL ACT SCHOOL DISTRICT AS DEFINED IN SECTION FOUR THOUSAND ONE OF THIS CHAPTER.

2. PRESCRIBED PAYMENTS. ON OR AFTER THE FIRST BUSINESS DAY OF JUNE OF EACH SCHOOL YEAR, COMMENCING JUNE FIRST, TWO THOUSAND TEN, A SCHOOL DISTRICT SHALL BE PAID AN AMOUNT EQUAL TO ONE HUNDRED PERCENT OF THE PAYMENTS MADE BY A SCHOOL DISTRICT ON OR AFTER MAY FIRST OF THE PRIOR SCHOOL YEAR AND BEFORE MAY FIRST OF THE CURRENT SCHOOL YEAR TO THE COMMISSIONER OF TAXATION AND FINANCE PURSUANT TO ARTICLE TWENTY-THREE OF THE TAX LAW. NO PAYMENT MAY BE MADE PURSUANT TO THIS SUBDIVISION UNTIL SUCH AMOUNT FOR EACH SCHOOL DISTRICT IS CERTIFIED BY THE COMMISSIONER OF TAXATION AND FINANCE AND TRANSMITTED TO THE COMMISSIONER. SUCH CERTIFICATION SHALL BE MADE ON OR BEFORE MAY THIRTY-FIRST SO AS TO FACILITATE PAYMENTS TO BE MADE PURSUANT TO THIS SECTION.

3. (A) MONEYS PAID PURSUANT TO THIS SECTION SHALL BE PAYABLE TO THE TREASURER OF EACH CITY SCHOOL DISTRICT, AND THE TREASURER OF EACH UNION FREE SCHOOL DISTRICT AND OF EACH CENTRAL SCHOOL DISTRICT AND OF EACH OTHER SCHOOL DISTRICT, IF THERE BE A TREASURER, OTHERWISE TO THE COLLECTOR OR OTHER DISBURSING OFFICER OF SUCH DISTRICT, WHO SHALL APPLY FOR AND RECEIVE THE SAME AS SOON AS PAYABLE.

(B) IN THE CASE OF CITY SCHOOL DISTRICTS OF THE CITIES WITH ONE HUNDRED TWENTY-FIVE THOUSAND INHABITANTS OR MORE, ANY PAYMENT WHICH PURSUANT TO THIS SECTION IS REQUIRED TO BE MADE TO THE TREASURER OF THE CITY SCHOOL DISTRICT, SHALL BE MADE TO THE CITY TREASURER OR CHAMBERLAIN.

4. ANY PAYMENT TO A SCHOOL DISTRICT PURSUANT TO THIS SECTION SHALL BE GENERAL RECEIPTS OF THE DISTRICT AND MAY BE USED FOR ANY LAWFUL PURPOSE OF THE DISTRICT.

5. IT IS THE INTENT OF THE GOVERNOR TO SUBMIT AND THE LEGISLATURE TO ENACT FOR EACH FISCAL YEAR AFTER THE TWO THOUSAND NINE--TWO THOUSAND TEN FISCAL YEAR IN AN ANNUAL BUDGET BILL AN APPROPRIATION IN THE AMOUNT TO BE PAID TO SCHOOL DISTRICTS PURSUANT TO THIS SECTION.

S 2. Paragraph t of subdivision 1 of section 3602 of the education law, as amended by section 11 of part B of chapter 57 of the laws of 2007, is amended to read as follows:

t. The "approved operating expense" for the apportionments to any school district hereunder shall mean the amount computed as follows: The apportionment to any school district for operating expense shall be based upon the total expenditures from its general fund and from its capital fund and from its risk retention fund for purposes of employee benefit claims related to salaries paid from the general fund, and for any city school districts with a population of more than one hundred twenty-five thousand inhabitants its expenditures from the special aid fund of grant moneys for improving pupil performance and categorical aid for special reading programs as provided in the aid to localities budget during the applicable year as approved by the commissioner, and in accordance with the classification of expenditures in use by the commissioner for the reporting by school districts of receipts, expenditures and other financial data. For the purpose of this paragraph operating expense shall be defined as total cash expenditures during the applicable year, but shall exclude: (1) any balances and transfers; (2) any payments for transportation of pupils to and from school during the regular school year inclusive of capital outlays and debt service therefor; (2-a) a portion of any payments for transportation of pupils to and from district operated summer school programs pursuant to subdivision six of section thirty-six hundred twenty-two-a of this article, inclusive of capital outlays and debt service therefor, equal to the product of such expenditures multiplied by the quotient of the total apportionment after the proration, if any, required by such subdivision six of such section divided by the total apportionment prior to such proration; (3) any payments for capital outlay and debt service for school building purposes, provided, however, that in the case of a school district which has entered into a contract with state university pursuant to paragraph o of subdivision two of section three hundred fifty-five of this chapter, under which the school district makes payments to state university on account of capital outlay relating to certain children residing in such school district, such payments shall not be so excluded; (4) any payments for cafeteria or school lunch programs; (5) any proceeds of short term borrowings in the general fund and any payments from the proceeds of the sale of obligations in the capital fund; (6) any cash receipts which reduce the cost of an item when applied against the expenditure therefor, except gifts, donations and earned interest and any refunds made; (7) any payments made to boards of cooperative educational services for purposes or programs for which an apportionment is paid pursuant to other sections of this chapter, except that payments attributable to eligible pupils with disabilities and ineligible pupils residing in noncomponent districts shall be included in operating expense; (8) any tuition payments made to other school districts inclusive of payments made to a central high school district by one of its component school districts; (9) any apportionment or payment received from the state for experimental or special programs paid under provisions other than those found in this section and other than any apportionments or payments received from the state by the city school district of the city of Yonkers for the purpose of funding an educa-

tional improvement program pursuant to a court order and other than any other state grants in aid identified by the commissioner for general use as specified by the board of education pursuant to subdivision two of section seventeen hundred eighteen of this chapter; (10) any funds received from the federal government except the federal share of medicaid subject to the provisions of section thirty-six hundred nine-a of this part and except Impact Aid funds received pursuant to sections two and six of Public Law eighty-one-eight hundred seventy-four (PL 81-874) or any law superseding such law in any such district which received aid pursuant to both such sections; provided further, however, that there shall be excluded from such federal funds or other apportionments any payments from such funds already deducted pursuant to this paragraph; (11) any payments made for which an apportionment is disallowed pursuant to regulations of the commissioner; (12) any expenditures made for accounting, tabulation, or computer equipment, in excess of ten thousand dollars unless such expenditures shall have been specifically approved by the commissioner; (13) any rentals received pursuant to the provisions of section four hundred three-a of this chapter; (14) any rentals or other annual payments received pursuant to the provisions of section four hundred three-b of this chapter; (15) any expenditures made for persons twenty-one years of age or over attending employment preparation education programs pursuant to subdivision eleven of this section; (16) any tuition payments made pursuant to a contract under the provisions of paragraphs e, f, g, h, i and l of subdivision two of section forty-four hundred one of this chapter or any tuition payments on behalf of pupils attending a state school under paragraph d of such subdivision; [and] (17) in any year in which expenditures are made to the New York state teachers' retirement system or the New York state and local employees' retirement system for both the prior school year and the current school year, any expenditures made to such retirement systems and recorded in the school year prior to the school year in which such obligations are paid; AND (18) ANY PAYMENTS TO THE COMMISSIONER OF TAXATION AND FINANCE PURSUANT TO ARTICLE TWENTY-THREE OF THE TAX LAW.

S 2-a. If an appropriation were not to be enacted in any state fiscal year after 2009-10 to reimburse school districts in accordance with subdivision 5 of section 3609-g of the education law, the school districts may suspend payment of their obligations in accordance with article 23 of the tax law until such time as an appropriation in accordance with subdivision 5 of section 3609-g of the education law is made. In no case, however, shall the suspension of payment obligation exceed a period of six months, nor shall the liability be reduced.

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

PART E

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

ARTICLE 29-A
TAX ON MEDALLION TAXICAB RIDES IN THE METROPOLITAN COMMUTER TRANSPORTATION DISTRICT

SECTION 1280. DEFINITIONS.
1281. IMPOSITION OF TAX.
1282. PRESUMPTION OF TAXABILITY.
1283. SPECIAL PROVISIONS.
1284. RETURNS.

1285. PAYMENT OF TAX.
1286. RECORDS TO BE KEPT.
1287. SECRECY OF RETURNS AND REPORTS.
1288. DEPOSIT AND DISPOSITION OF REVENUE.
1289. COOPERATION BY CITY.
1290. PRACTICE AND PROCEDURE.

S 1280. DEFINITIONS. WHEN USED IN THIS ARTICLE, UNLESS OTHERWISE EXPRESSLY STATED, THE FOLLOWING WORDS AND TERMS SHALL HAVE THE FOLLOWING MEANINGS:

(A) "PERSON" MEANS AN INDIVIDUAL, PARTNERSHIP, LIMITED LIABILITY COMPANY, SOCIETY, ASSOCIATION, JOINT STOCK COMPANY, CORPORATION, ESTATE, RECEIVER, TRUSTEE, ASSIGNEE, REFEREE OR ANY OTHER PERSON ACTING IN A FIDUCIARY OR REPRESENTATIVE CAPACITY, WHETHER APPOINTED BY A COURT OR OTHERWISE, ANY COMBINATION OF INDIVIDUALS, AND ANY OTHER FORM OF UNINCORPORATED ENTERPRISE OWNED OR CONDUCTED BY TWO OR MORE PERSONS.

(B) "MCTD" MEANS THE METROPOLITAN COMMUTER TRANSPORTATION DISTRICT ESTABLISHED BY SECTION TWELVE HUNDRED SIXTY-TWO OF THE PUBLIC AUTHORITIES LAW.

(C) "CITY" MEANS A CITY OF A MILLION OR MORE LOCATED IN THE MCTD.

(D) "TAXICAB" MEANS A MOTOR VEHICLE CARRYING PASSENGERS FOR HIRE IN THE CITY, DULY LICENSED BY THE TAXI AND LIMOUSINE COMMISSION OF THE CITY AND PERMITTED TO ACCEPT HAILS FROM PROSPECTIVE PASSENGERS IN THE STREET.

(E) "TAXICAB RIDE" MEANS A TAXICAB RIDE PROVIDED TO ONE OR MORE PASSENGERS TO A GIVEN DESTINATION.

(F) "TAXICAB OWNER" MEANS A PERSON OWNING A TAXICAB AND SHALL INCLUDE A PURCHASER UNDER A RESERVE TITLE CONTRACT, CONDITIONAL SALES AGREEMENT OR VENDOR'S LIEN AGREEMENT. IN ADDITION, AN OWNER SHALL BE DEEMED TO INCLUDE ANY LESSEE, LICENSEE OR BAILEE HAVING THE EXCLUSIVE USE OF A TAXICAB, UNDER A LEASE OR OTHERWISE, FOR A PERIOD OF THIRTY DAYS OR MORE.

(G) "PASSENGER" MEANS AN INDIVIDUAL SEATED IN A TAXICAB FOR TRAVEL FOR HIRE TO A GIVEN DESTINATION.

(H) "TAXIMETER" SHALL INCLUDE ANY DEVICE WHICH, WHEN AFFIXED TO A MOTOR VEHICLE, IS SO CONSTRUCTED AS TO OPERATE AS A FARE INDICATOR AND A TIME AND DISTANCE REGISTER FOR THE PURPOSE OF AUTOMATICALLY DETERMINING THE CHARGE FOR WHICH A PASSENGER BECOMES LIABLE.

S 1281. IMPOSITION OF TAX. IN ADDITION TO ANY OTHER TAX IMPOSED BY THIS CHAPTER OR OTHER LAW, THERE IS HEREBY IMPOSED ON EVERY TAXICAB OWNER A TAX OF FIFTY CENTS PER TAXICAB RIDE ON EVERY RIDE THAT ORIGINATES IN THE CITY AND TERMINATES ANYWHERE WITHIN THE TERRITORIAL BOUNDARIES OF THE MCTD.

S 1282. PRESUMPTION OF TAXABILITY. FOR THE PURPOSE OF THE PROPER ADMINISTRATION OF THIS ARTICLE AND TO PREVENT EVASION OF THE TAX IMPOSED BY THIS ARTICLE, IT SHALL BE PRESUMED THAT EVERY TAXICAB RIDE THAT ORIGINATES IN THE CITY IS SUBJECT TO THE TAX IMPOSED BY THIS ARTICLE. THIS PRESUMPTION SHALL PREVAIL UNTIL THE CONTRARY IS PROVEN, AND THE BURDEN OF PROVING THE CONTRARY SHALL BE ON THE PERSON LIABLE FOR PAYMENT OF THE TAX.

S 1283. SPECIAL PROVISIONS. NOTWITHSTANDING ANY PROVISIONS OF THIS ARTICLE TO THE CONTRARY: (A) IF A TAXICAB OWNER SUBJECT TO THE TAX IMPOSED BY THIS ARTICLE LEASES, RENTS OR OTHERWISE FURNISHES A TAXICAB TO AN UNRELATED PERSON WHO USES THE TAXICAB TO PROVIDE TAXICAB RIDES ORIGINATING IN THE CITY, THEN: (1) THE OWNER IS DEEMED TO PROVIDE SUCH TAXICAB RIDES DURING THE DAY OR OTHER PERIOD THAT THE UNRELATED PERSON USES THE TAXICAB TO PROVIDE SUCH RIDES; (2) THE TAX IMPOSED BY THIS ARTICLE SHALL BE IMPOSED ON SUCH OWNER; AND (3) THE OWNER MUST PAY THE

TAX IMPOSED BY THIS ARTICLE ON THE NUMBER OF RIDES SUBJECT TO SUCH TAX PROVIDED BY SUCH UNRELATED PERSON DURING THE DAY OR OTHER PERIOD.

(B) NOTWITHSTANDING ANY LAW TO THE CONTRARY: (1) ALTHOUGH THE TAX IS IMPOSED ON THE TAXICAB OWNER, THE TAXICAB OWNER MUST PASS ALONG THE ECONOMIC INCIDENCE OF THE TAX TO THE PASSENGER BY ADJUSTING THE FARE FOR THE RIDE, AND THE PASSING ALONG OF SUCH ECONOMIC INCIDENCE MAY NOT BE CONSTRUED BY ANY COURT OR ADMINISTRATIVE BODY AS IMPOSING THE TAX ON THE PERSON OR ENTITY THAT PAYS THE FARE FOR A RIDE. A CITY THAT REGULATES TAXICABS OR TAXICAB FARES MUST ADJUST THE FARES AUTHORIZED TO INCLUDE THEREIN THE TAX IMPOSED BY THIS ARTICLE, AS THE RATE OF SUCH TAX MAY FROM TIME TO TIME CHANGE, AND MUST TIMELY REQUIRE THAT ANY TAXIMETER IN A TAXICAB USED TO PROVIDE RIDES IN THE CITY BE ADJUSTED TO INCLUDE THE TAX.

(2) A TAXICAB OWNER IN SUCH CITY MUST TIMELY ADJUST THE TAXIMETER IN ANY OF SUCH PERSON'S TAXICABS SO THAT IT REFLECTS THE TAX IMPOSED BY THIS ARTICLE AS SUCH RATE MAY FROM TIME TO TIME CHANGE.

(3) NEITHER THE FAILURE OF SUCH CITY TO ADJUST FARES NOR THE FAILURE OF A TAXICAB OWNER TO ADJUST A TAXIMETER WILL RELIEVE ANY PERSON LIABLE FOR THE TAX IMPOSED BY THIS ARTICLE FROM THE OBLIGATION TO PAY SUCH TAX TIMELY, AT THE CORRECT RATE.

(C) FOR PURPOSES OF THIS SECTION, "UNRELATED PERSON" MEANS A PERSON OTHER THAN A RELATED PERSON AS DEFINED FOR PURPOSES OF SECTION FOURTEEN OF THIS CHAPTER.

S 1284. RETURNS. EVERY PERSON LIABLE FOR THE TAX IMPOSED BY THIS ARTICLE SHALL FILE A RETURN QUARTERLY WITH THE COMMISSIONER. EACH RETURN SHALL SHOW THE NUMBER OF RIDES IN THE QUARTER FOR WHICH THE RETURN IS FILED, TOGETHER WITH SUCH OTHER INFORMATION AS THE COMMISSIONER MAY REQUIRE. THE RETURNS REQUIRED BY THIS SECTION SHALL BE FILED FOR QUARTERLY PERIODS ENDING ON THE LAST DAY OF MARCH, JUNE, SEPTEMBER, AND DECEMBER OF EACH YEAR, AND EACH RETURN SHALL BE FILED WITHIN TWENTY DAYS AFTER THE END OF THE QUARTERLY PERIOD COVERED THEREBY. EVERY SUCH PERSON SHALL ALSO FILE A RETURN WITH THE COMMISSIONER FOR THE PERIOD OF NOVEMBER AND DECEMBER TWO THOUSAND NINE, BY JANUARY TWENTIETH, TWO THOUSAND TEN, CONTAINING THE INFORMATION DESCRIBED ABOVE. IF THE COMMISSIONER DEEMS IT NECESSARY IN ORDER TO ENSURE THE PAYMENT OF THE TAX IMPOSED BY THIS ARTICLE, THE COMMISSIONER MAY REQUIRE RETURNS TO BE MADE FOR SHORTER PERIODS THAN PRESCRIBED BY THE FOREGOING PROVISIONS OF THIS SECTION, AND UPON SUCH DATES AS THE COMMISSIONER MAY SPECIFY. THE FORM OF RETURNS SHALL BE PRESCRIBED BY THE COMMISSIONER AND SHALL CONTAIN SUCH INFORMATION AS THE COMMISSIONER MAY DEEM NECESSARY FOR THE PROPER ADMINISTRATION OF THIS ARTICLE. THE COMMISSIONER MAY REQUIRE AMENDED RETURNS TO BE FILED WITHIN TWENTY DAYS AFTER NOTICE AND TO CONTAIN THE INFORMATION SPECIFIED IN THE NOTICE. THE COMMISSIONER MAY REQUIRE THAT THE RETURNS BE FILED ELECTRONICALLY.

S 1285. PAYMENT OF TAX. EVERY PERSON REQUIRED TO FILE A RETURN UNDER THIS ARTICLE SHALL, AT THE TIME OF FILING SUCH RETURN, PAY TO THE COMMISSIONER THE TOTAL OF ALL TAX IMPOSED BY THIS ARTICLE, ON THE CORRECT NUMBER OF RIDES SUBJECT TO TAX UNDER THIS ARTICLE. THE AMOUNT SO PAYABLE TO THE COMMISSIONER FOR THE PERIOD FOR WHICH A RETURN IS REQUIRED TO BE FILED SHALL BE DUE AND PAYABLE TO THE COMMISSIONER ON THE DATE LIMITED FOR THE FILING OF THE RETURN FOR SUCH PERIOD, WITHOUT REGARD TO WHETHER A RETURN IS FILED OR WHETHER THE RETURN WHICH IS FILED CORRECTLY SHOWS THE CORRECT NUMBER OF RIDES OR THE AMOUNT OF TAX DUE THEREON. THE COMMISSIONER MAY REQUIRE THAT THE TAX BE PAID ELECTRONICALLY.

S 1286. RECORDS TO BE KEPT. EVERY PERSON REQUIRED TO PAY ANY TAX IMPOSED BY THIS ARTICLE SHALL KEEP RECORDS OF EVERY RIDE ORIGINATING IN THE CITY AND OF ALL AMOUNTS PAID, CHARGED OR DUE THEREON AND OF THE TAX PAYABLE THEREON, IN SUCH FORM AS THE COMMISSIONER MAY REQUIRE. EVERY SUCH PERSON SHALL ALSO KEEP A TRUE AND COMPLETE COPY OF EVERY CONTRACT, AGREEMENT, OR ARRANGEMENT CONCERNING THE LEASE, RENTAL, OR LICENSE TO USE A TAXICAB FOR WHICH THE PERSON IS REQUIRED TO REMIT THE TAX ON RIDES IMPOSED BY THIS ARTICLE ON SUCH PERSON. SUCH RECORDS SHALL BE AVAILABLE FOR INSPECTION AND EXAMINATION AT ANY TIME UPON DEMAND BY THE COMMISSIONER OR THE COMMISSIONER'S DULY AUTHORIZED AGENT OR EMPLOYEE AND SHALL BE PRESERVED FOR A PERIOD OF THREE YEARS, EXCEPT THAT THE COMMISSIONER MAY CONSENT TO THEIR DESTRUCTION WITHIN THAT PERIOD OR MAY REQUIRE THAT THEY BE KEPT LONGER. SUCH RECORDS MAY BE KEPT WITHIN THE MEANING OF THIS SECTION WHEN REPRODUCED ON ANY PHOTOGRAPHIC, PHOTOSTATIC, MICROFILM, MICRO-CARD, MINIATURE PHOTOGRAPHIC OR OTHER PROCESS WHICH ACTUALLY REPRODUCES THE ORIGINAL RECORD. IF THOSE RECORDS ARE MAINTAINED IN AN ELECTRONIC FORMAT, THEY MUST BE MADE AVAILABLE AND ACCESSIBLE TO THE COMMISSIONER IN ELECTRONIC FORMAT.

S 1287. SECRECY OF RETURNS AND REPORTS. (A) EXCEPT IN ACCORDANCE WITH PROPER JUDICIAL ORDER OR AS OTHERWISE PROVIDED BY LAW, IT SHALL BE UNLAWFUL FOR THE COMMISSIONER, ANY OFFICER OR EMPLOYEE OF THE DEPARTMENT, ANY PERSON ENGAGED OR RETAINED BY THE DEPARTMENT ON AN INDEPENDENT CONTRACT BASIS, OR ANY PERSON WHO IN ANY MANNER MAY ACQUIRE KNOWLEDGE OF THE CONTENTS OF A RETURN OR REPORT FILED WITH THE COMMISSIONER PURSUANT TO THIS ARTICLE, TO DIVULGE OR MAKE KNOWN IN ANY MANNER ANY PARTICULARS SET FORTH OR DISCLOSED IN ANY SUCH RETURN OR REPORT. THE OFFICERS CHARGED WITH THE CUSTODY OF SUCH RETURNS AND REPORTS SHALL NOT BE REQUIRED TO PRODUCE ANY OF THEM OR EVIDENCE OF ANYTHING CONTAINED IN THEM IN ANY ACTION OR PROCEEDING IN ANY COURT, EXCEPT ON BEHALF OF THE COMMISSIONER IN AN ACTION OR PROCEEDING UNDER THE PROVISIONS OF THIS CHAPTER OR IN ANY OTHER ACTION OR PROCEEDING INVOLVING THE COLLECTION OF A TAX DUE UNDER THIS CHAPTER TO WHICH THE STATE OR THE COMMISSIONER IS A PARTY OR A CLAIMANT, OR ON BEHALF OF ANY PARTY TO ANY ACTION, PROCEEDING OR HEARING UNDER THE PROVISIONS OF THIS ARTICLE WHEN THE RETURNS, REPORTS OR FACTS SHOWN THEREBY ARE DIRECTLY INVOLVED IN SUCH ACTION, PROCEEDING OR HEARING, IN ANY OF WHICH EVENTS THE COURT, OR IN THE CASE OF A HEARING, THE DIVISION OF TAX APPEALS MAY REQUIRE THE PRODUCTION OF, AND MAY ADMIT INTO EVIDENCE, SO MUCH OF SAID RETURNS, REPORTS OR OF THE FACTS SHOWN THEREBY, AS ARE PERTINENT TO THE ACTION, PROCEEDING OR HEARING AND NO MORE. THE COMMISSIONER OR THE DIVISION OF TAX APPEALS MAY, NEVERTHELESS, PUBLISH A COPY OR A SUMMARY OF ANY DECISION RENDERED AFTER A HEARING REQUIRED BY THIS ARTICLE. NOTHING IN THIS SECTION SHALL BE CONSTRUED TO PROHIBIT THE DELIVERY TO A PERSON WHO HAS FILED A RETURN OR REPORT OR TO SUCH PERSON'S DULY AUTHORIZED REPRESENTATIVE OF A CERTIFIED COPY OF ANY RETURN OR REPORT FILED IN CONNECTION WITH SUCH PERSON'S TAX. NOR SHALL ANYTHING IN THIS SECTION BE CONSTRUED TO PROHIBIT THE PUBLICATION OF STATISTICS SO CLASSIFIED AS TO PREVENT THE IDENTIFICATION OF PARTICULAR RETURNS OR REPORTS AND THE ITEMS THEREOF, OR THE INSPECTION BY THE ATTORNEY GENERAL OR OTHER LEGAL REPRESENTATIVES OF THE STATE OF THE RETURN OR REPORT OF ANY PERSON REQUIRED TO PAY THE TAX WHO SHALL BRING ACTION TO REVIEW THE TAX BASED THEREON, OR AGAINST WHOM AN ACTION OR PROCEEDING UNDER THIS CHAPTER HAS BEEN RECOMMENDED BY THE COMMISSIONER OR THE ATTORNEY GENERAL OR HAS BEEN INSTITUTED, OR THE INSPECTION OF THE RETURNS OR REPORTS REQUIRED UNDER THIS ARTICLE BY THE COMPTROLLER OR DULY DESIGNATED OFFICER OR EMPLOYEE OF THE STATE DEPARTMENT OF AUDIT AND CONTROL, FOR PURPOSES OF THE AUDIT OF A REFUND OF ANY TAX PAID BY A

PERSON REQUIRED TO PAY THE TAX UNDER THIS ARTICLE. PROVIDED, FURTHER, NOTHING IN THIS SECTION SHALL BE CONSTRUED TO PROHIBIT THE DISCLOSURE, IN SUCH MANNER AS THE COMMISSIONER DEEMS APPROPRIATE, OF THE NAMES AND OTHER APPROPRIATE IDENTIFYING INFORMATION OF THOSE PERSONS REQUIRED TO PAY TAX UNDER THIS ARTICLE.

(B) NOTWITHSTANDING THE PROVISIONS OF SUBDIVISION (A) OF THIS SECTION, THE COMMISSIONER MAY, IN HIS OR HER DISCRETION, PERMIT THE PROPER OFFICER OF A CITY THAT REGULATES TAXICABS OR THE DULY AUTHORIZED REPRESENTATIVE OF SUCH OFFICER, TO INSPECT ANY RETURN FILED UNDER THIS ARTICLE, OR MAY FURNISH TO SUCH OFFICER OR SUCH OFFICER'S AUTHORIZED REPRESENTATIVE AN ABSTRACT OF ANY SUCH RETURN OR SUPPLY SUCH PERSON WITH INFORMATION CONCERNING AN ITEM CONTAINED IN ANY SUCH RETURN, OR DISCLOSED BY ANY INVESTIGATION OF TAX LIABILITY UNDER THIS ARTICLE; BUT SUCH PERMISSION SHALL BE GRANTED OR SUCH INFORMATION FURNISHED ONLY IF SUCH CITY SHALL HAVE FURNISHED THE COMMISSIONER WITH ALL INFORMATION REQUESTED BY THE COMMISSIONER PURSUANT TO THIS ARTICLE AND SHALL HAVE PERMITTED THE COMMISSIONER OR THE COMMISSIONER'S AUTHORIZED REPRESENTATIVE TO MAKE ANY INSPECTION OF ANY RECORDS OR REPORTS CONCERNING TAXICABS AND THEIR OWNERS OR OPERATORS FILED WITH OR POSSESSED BY SUCH CITY WHICH THE COMMISSIONER MAY HAVE REQUESTED FROM SUCH CITY.

(C) NOTWITHSTANDING THE PROVISIONS OF SUBDIVISION (A) OF THIS SECTION, THE COMMISSIONER, IN HIS OR HER DISCRETION, MAY REQUIRE OR PERMIT ANY OR ALL PERSONS LIABLE FOR ANY TAX IMPOSED BY THIS ARTICLE, TO MAKE PAYMENT TO BANKS, BANKING HOUSES OR TRUST COMPANIES DESIGNATED BY THE COMMISSIONER AND TO FILE RETURNS WITH SUCH BANKS, BANKING HOUSES OR TRUST COMPANIES AS AGENTS OF THE COMMISSIONER, IN LIEU OF PAYING ANY SUCH TAX DIRECTLY TO THE COMMISSIONER. HOWEVER, THE COMMISSIONER SHALL DESIGNATE ONLY SUCH BANKS, BANKING HOUSES OR TRUST COMPANIES AS ARE ALREADY DESIGNATED BY THE COMPTROLLER AS DEPOSITORIES PURSUANT TO SECTION TWELVE HUNDRED EIGHTY-EIGHT OF THIS ARTICLE.

(D) NOTWITHSTANDING THE PROVISIONS OF SUBDIVISION (A) OF THIS SECTION, THE COMMISSIONER MAY PERMIT THE SECRETARY OF THE TREASURY OF THE UNITED STATES OR SUCH SECRETARY'S DELEGATE, OR THE AUTHORIZED REPRESENTATIVE OF EITHER SUCH OFFICER, TO INSPECT ANY RETURN FILED UNDER THIS ARTICLE, OR MAY FURNISH TO SUCH OFFICER OR SUCH OFFICER'S AUTHORIZED REPRESENTATIVE AN ABSTRACT OF ANY SUCH RETURN OR SUPPLY SUCH PERSON WITH INFORMATION CONCERNING AN ITEM CONTAINED IN ANY SUCH RETURN, OR DISCLOSED BY ANY INVESTIGATION OF TAX LIABILITY UNDER THIS ARTICLE, BUT SUCH PERMISSION SHALL BE GRANTED OR SUCH INFORMATION FURNISHED ONLY IF THE LAWS OF THE UNITED STATES GRANT SUBSTANTIALLY SIMILAR PRIVILEGES TO THE COMMISSIONER OR OFFICER OF THIS STATE CHARGED WITH THE ADMINISTRATION OF THE TAX IMPOSED BY THIS ARTICLE, AND ONLY IF SUCH INFORMATION IS TO BE USED FOR TAX PURPOSES ONLY; AND PROVIDED FURTHER THE COMMISSIONER MAY FURNISH TO THE COMMISSIONER OF INTERNAL REVENUE OR SUCH COMMISSIONER'S AUTHORIZED REPRESENTATIVE SUCH RETURNS FILED UNDER THIS ARTICLE AND OTHER TAX INFORMATION, AS SUCH COMMISSIONER MAY CONSIDER PROPER, FOR USE IN COURT ACTIONS OR PROCEEDINGS UNDER THE INTERNAL REVENUE CODE, WHETHER CIVIL OR CRIMINAL, WHERE A WRITTEN REQUEST THEREFOR HAS BEEN MADE TO THE COMMISSIONER BY THE SECRETARY OF THE TREASURY OF THE UNITED STATES OR SUCH SECRETARY'S DELEGATE, PROVIDED THE LAWS OF THE UNITED STATES GRANT SUBSTANTIALLY SIMILAR POWERS TO THE SECRETARY OF THE TREASURY OF THE UNITED STATES OR HIS OR HER DELEGATE. WHERE THE COMMISSIONER HAS SO AUTHORIZED USE OF RETURNS AND OTHER INFORMATION IN SUCH ACTIONS OR PROCEEDINGS, OFFICERS AND EMPLOYEES OF THE DEPARTMENT MAY TESTIFY IN SUCH ACTIONS OR PROCEEDINGS IN RESPECT TO SUCH RETURNS OR OTHER INFORMATION.

(E) RETURNS AND REPORTS FILED UNDER THIS ARTICLE SHALL BE PRESERVED FOR THREE YEARS AND THEREAFTER UNTIL THE COMMISSIONER ORDERS THEM TO BE DESTROYED.

(F) (1) ANY OFFICER OR EMPLOYEE OF THE STATE WHO WILLFULLY VIOLATES THE PROVISIONS OF SUBDIVISION (A) OF THIS SECTION SHALL BE DISMISSED FROM OFFICE AND BE INCAPABLE OF HOLDING ANY PUBLIC OFFICE FOR A PERIOD OF FIVE YEARS THEREAFTER.

(2) CROSS-REFERENCE: FOR CRIMINAL PENALTIES, SEE ARTICLE THIRTY-SEVEN OF THIS CHAPTER.

S 1288. DEPOSIT AND DISPOSITION OF REVENUE. NOTWITHSTANDING ANY PROVISION OF LAW TO THE CONTRARY: (A) ALL TAXES, INTEREST AND PENALTIES COLLECTED OR RECEIVED BY THE COMMISSIONER PURSUANT TO THIS ARTICLE SHALL BE DEPOSITED DAILY WITH SUCH RESPONSIBLE BANKS, BANKING HOUSES OR TRUST COMPANIES, AS MAY BE DESIGNATED BY THE COMPTROLLER, TO THE CREDIT OF THE COMPTROLLER. SUCH AN ACCOUNT MAY BE ESTABLISHED IN ONE OR MORE OF SUCH DEPOSITORIES. SUCH DEPOSITS SHALL BE KEPT SEPARATE AND APART FROM ALL OTHER MONEY IN THE POSSESSION OF THE COMPTROLLER. THE COMPTROLLER SHALL REQUIRE ADEQUATE SECURITY FROM ALL SUCH DEPOSITORIES. OF THE TOTAL REVENUE COLLECTED OR RECEIVED UNDER THIS SECTION, THE COMPTROLLER SHALL RETAIN IN THE COMPTROLLER'S HANDS SUCH AMOUNT AS THE COMMISSIONER MAY DETERMINE TO BE NECESSARY FOR REFUNDS UNDER THIS ARTICLE. THE COMMISSIONER IS AUTHORIZED AND DIRECTED TO DEDUCT FROM SUCH AMOUNTS COLLECTED OR RECEIVED UNDER THIS ARTICLE, BEFORE DEPOSIT INTO THE ACCOUNTS SPECIFIED BY THE COMPTROLLER, A REASONABLE AMOUNT NECESSARY TO EFFECTUATE REFUNDS OF APPROPRIATIONS OF THE DEPARTMENT TO REIMBURSE THE DEPARTMENT FOR THE COSTS TO ADMINISTER, COLLECT AND DISTRIBUTE THE TAXES IMPOSED BY THIS ARTICLE.

(B) ON OR BEFORE THE TWELFTH DAY FOLLOWING THE END OF EACH MONTH, AFTER RESERVING SUCH AMOUNT FOR SUCH REFUNDS AND SUCH COSTS, THE COMMISSIONER SHALL CERTIFY TO THE COMPTROLLER THE AMOUNT OF ALL REVENUES SO RECEIVED PURSUANT TO THIS ARTICLE DURING THE PRIOR MONTH AS A RESULT OF THE TAXES, INTEREST AND PENALTIES SO IMPOSED.

(C) THE COMPTROLLER SHALL PAY OVER THE AMOUNT OF REVENUES SO CERTIFIED BY THE COMMISSIONER TO THE METROPOLITAN TRANSPORTATION AUTHORITY AID TRUST ACCOUNT OF THE METROPOLITAN TRANSPORTATION AUTHORITY FINANCIAL ASSISTANCE FUND ESTABLISHED BY SECTION NINETY-TWO-FF OF THE STATE FINANCE LAW FOR DEPOSIT, SUBJECT TO APPROPRIATION, IN THE CORPORATE TRANSPORTATION ACCOUNT OF THE METROPOLITAN TRANSPORTATION AUTHORITY SPECIAL ASSISTANCE FUND ESTABLISHED BY SECTION TWELVE HUNDRED SEVENTY-A OF THE PUBLIC AUTHORITIES LAW TO BE APPLIED AS PROVIDED IN PARAGRAPH (E) OF SUBDIVISION FOUR OF SUCH SECTION TWELVE HUNDRED SEVENTY-A. ANY MONEY COLLECTED PURSUANT TO THIS ARTICLE THAT IS DEPOSITED BY THE COMPTROLLER IN THE METROPOLITAN TRANSPORTATION AUTHORITY AID TRUST ACCOUNT OF THE METROPOLITAN TRANSPORTATION AUTHORITY FINANCIAL ASSISTANCE FUND SHALL BE HELD IN SUCH FUND FREE AND CLEAR OF ANY CLAIM BY ANY PERSON OR ENTITY PAYING THE TAX PURSUANT TO THIS ARTICLE, INCLUDING, WITHOUT LIMITING THE GENERALITY OF THE FOREGOING, ANY RIGHT OR CLAIM AGAINST THE METROPOLITAN TRANSPORTATION AUTHORITY, ANY OF ITS BONDHOLDERS, OR ANY SUBSIDIARY OR AFFILIATE OF THE METROPOLITAN TRANSPORTATION AUTHORITY.

S 1289. COOPERATION BY CITY. THE CITY SHALL COOPERATE WITH AND ASSIST THE COMMISSIONER TO EFFECT THE PURPOSES OF THIS ARTICLE AND THE COMMISSIONER'S RESPONSIBILITIES UNDER THIS ARTICLE. SUCH COOPERATION SHALL INCLUDE FURNISHING THE NAMES, ADDRESSES AND ALL OTHER INFORMATION CONCERNING EVERY OWNER, OPERATOR AND DRIVER OF TAXICABS IN THE CITY, TOGETHER WITH ANY OTHER INFORMATION THE COMMISSIONER REQUESTS, ALL WITHOUT COST TO THE COMMISSIONER.

S 1290. PRACTICE AND PROCEDURE. THE PROVISIONS OF ARTICLE TWENTY-SEVEN OF THIS CHAPTER SHALL APPLY WITH RESPECT TO THE ADMINISTRATION OF AND PROCEDURE WITH RESPECT TO THE TAX IMPOSED BY THIS ARTICLE IN THE SAME MANNER AND WITH THE SAME FORCE AND EFFECT AS IF THE LANGUAGE OF SUCH ARTICLE TWENTY-SEVEN HAD BEEN INCORPORATED IN FULL INTO THIS ARTICLE AND HAD EXPRESSLY REFERRED TO THE TAX UNDER THIS ARTICLE, EXCEPT TO THE EXTENT THAT ANY SUCH PROVISION IS EITHER INCONSISTENT WITH A PROVISION OF THIS ARTICLE OR IS NOT RELEVANT TO THIS ARTICLE. CRIMINAL PENALTIES PROVIDED IN SECTION ONE THOUSAND EIGHT HUNDRED TWENTY OF THIS CHAPTER SHALL APPLY IN THE SAME MANNER AND WITH THE SAME FORCE AND EFFECT WITH RESPECT TO THIS ARTICLE.

S 2. Section 1825 of the tax law, as amended by section 2 of part N of chapter 686 of the laws of 2003, is amended to read as follows:

S 1825. Violation of secrecy provisions of the tax law.--Any person who violates the provisions of subdivision (b) of section twenty-one, subdivision one of section two hundred two, subdivision eight of section two hundred eleven, subdivision (a) of section three hundred fourteen, subdivision one or two of section four hundred thirty-seven, section four hundred eighty-seven, subdivision one or two of section five hundred fourteen, subsection (e) of section six hundred ninety-seven, subsection (a) of section nine hundred ninety-four, subdivision (a) of section eleven hundred forty-six, SECTION TWELVE HUNDRED EIGHTY-SEVEN, subdivision (a) of section fourteen hundred eighteen, subsection (a) of section fourteen hundred sixty-seven, subdivision (a) of section fifteen hundred eighteen, subdivision (a) of section fifteen hundred fifty-five of this chapter, and subdivision (e) of section 11-1797 of the administrative code of the city of New York shall be guilty of a misdemeanor.

S 3. This act shall take effect November 1, 2009, and shall apply to taxicab rides commencing on or after such date.

PART F

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) IN ADDITION TO THE TAX IMPOSED UNDER SECTION ELEVEN HUNDRED SIXTY OF THIS ARTICLE 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 AT THE RATE 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 SUBDIVISION 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 THE METROPOLITAN COMMUTER TRANSPORTATION DISTRICT AS DEFINED IN SUBDIVISION (A) OF SECTION EIGHT HUNDRED OF THIS CHAPTER; OF ANY PASSENGER CAR RENTED BY THE USER 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 1165 of the tax law, as amended by section 2 of part D of chapter 85 of the laws of 2002, is amended to read as follows:

S 1165. Administrative provisions. The [tax] TAXES imposed by [section eleven hundred sixty of] this article shall be administered and collected in a like manner as and jointly with the taxes imposed by sections eleven hundred five and eleven hundred ten of article twenty-eight of this chapter. All of the provisions of such article twenty-eight (except sections eleven hundred seven, eleven hundred eight, [eleven hundred nine and] eleven hundred forty-eight, AND, FOR PURPOSES OF THE TAX IMPOSED BY SECTION ELEVEN HUNDRED SIXTY, SECTION ELEVEN HUNDRED NINE) relating to or applicable to the administration, collection and review of the taxes imposed by such sections eleven hundred five and eleven hundred ten, including, but not limited to, the provisions relating to definitions, exemptions, returns, personal liability for the tax, collection of tax from the customer, collection of tax at the time of registration of a motor vehicle and payment of tax by a person required to file a return, shall apply to the [tax] TAXES imposed by this article so far as such provisions can be made applicable to the [tax] TAXES imposed by this article with such limitations as set forth in this article and such modifications as may be necessary in order to adapt such language to the [tax] TAXES so imposed. Such provisions shall apply with the same force and effect as if the language of those provisions had been set forth in full in this article except to the extent that any provision is either inconsistent with a provision of this article or is not relevant to the [tax] TAXES imposed by this article. For purposes of this article, any reference in article twenty-eight to the tax or taxes imposed by such article shall be deemed to refer to the [tax] TAXES imposed by this article also unless a different meaning is clearly required. Provided, further, however, that the provisions of subdivision seven of section eleven hundred eighteen of this chapter shall apply to the [tax] TAXES on uses within this state imposed by [section eleven hundred sixty of] this article only in the event that the rate of the retail sales or use tax paid, under the conditions described in such subdivision seven, to any other state or jurisdiction within any other state exceeds the aggregate rate of the compensating use tax imposed under section eleven hundred ten of this chapter and any compensating use tax imposed pursuant to the authority of article twenty-nine of this chapter, and in such event only with respect to the difference between the rate paid to such other state or jurisdiction thereof and such aggregate rate. Provided, further, that for purposes of this article and for articles twenty-eight and twenty-nine of this chapter, the provisions of section eleven hundred seventeen of this chapter shall not apply to the rental, as such term is defined in this article, of motor vehicles and that the provisions contained in section eleven hundred thirty-six of this chapter with respect to filing a part-quarterly return monthly and section eleven hundred thirty-seven-A of this chapter relating to returns and payments of estimated tax shall not apply to the [tax] TAXES imposed under this article.

S 3. 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, TAXES, INTEREST AND PENALTIES COLLECTED OR RECEIVED PURSUANT TO SECTION ELEVEN HUNDRED SIXTY-SIX-A OF THIS ARTICLE SHALL BE PAID TO THE CREDIT OF THE METROPOLITAN TRANSPORTATION AUTHORITY AID TRUST ACCOUNT OF THE METROPOLITAN TRANSPORTATION AUTHORITY FINANCIAL ASSISTANCE FUND ESTABLISHED BY SECTION NINETY-TWO-FF OF THE STATE FINANCE LAW.

S 4. Paragraph 6 of subsection (a) of section 1801 of the tax law, as added by section 15 of subpart l of part V-1 of chapter 57 of the laws of 2009, is amended to read as follows:

(6) fails to collect any tax required to be collected under articles twelve-A, eighteen, twenty, twenty-two [or], twenty-eight OR TWENTY-EIGHT-A of this chapter, or pursuant to the authority of article twenty-nine of this chapter;

S 5. This act shall take effect June 1, 2009 and shall apply to sales made or uses occurring on and after such date in accordance with the transitional provisions in section 1106 of the tax law.

PART G

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 ALL MONEYS COLLECTED THEREFORE OR CREDITED OR TRANSFERRED THERETO FROM ANY OTHER FUND, ACCOUNT OR SOURCE, INCLUDING, WITHOUT LIMITATION, 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. ANY INTEREST RECEIVED BY THE COMPTROLLER ON MONEYS ON DEPOSIT IN THE METROPOLITAN TRANSPORTATION AUTHORITY FINANCIAL ASSISTANCE FUND SHALL BE RETAINED IN AND BECOME A PART OF SUCH FUND.

4. THE METROPOLITAN TRANSPORTATION AUTHORITY FINANCIAL ASSISTANCE FUND SHALL CONSIST OF TWO SEPARATE AND DISTINCT ACCOUNTS: (A) THE "MOBILITY TAX TRUST ACCOUNT" AND (B) THE "METROPOLITAN TRANSPORTATION AUTHORITY AID TRUST ACCOUNT." MONEYS IN EACH OF THE ACCOUNTS SHALL BE KEPT SEPARATELY FROM AND NOT COMMINGLED WITH ANY OTHER MONEYS IN THE METROPOLITAN TRANSPORTATION AUTHORITY FINANCIAL ASSISTANCE FUND.

5. (A) THE "MOBILITY TAX TRUST ACCOUNT" SHALL CONSIST OF REVENUES REQUIRED TO BE DEPOSITED THEREIN PURSUANT TO THE PROVISIONS OF ARTICLE

TWENTY-THREE OF THE TAX LAW AND ALL OTHER MONEYS CREDITED OR TRANSFERRED THERETO FROM ANY OTHER FUND OR SOURCE PURSUANT TO LAW.

(B) MONEYS IN THE "MOBILITY TAX TRUST ACCOUNT" SHALL, PURSUANT TO APPROPRIATION BY THE LEGISLATURE, BE TRANSFERRED ON A MONTHLY BASIS TO THE METROPOLITAN TRANSPORTATION AUTHORITY FINANCE FUND ESTABLISHED BY SECTION TWELVE HUNDRED SEVENTY-H OF THE PUBLIC AUTHORITIES LAW AND UTILIZED IN ACCORDANCE WITH SAID SECTION. IT IS THE INTENT OF THE LEGISLATURE TO ENACT TWO APPROPRIATIONS FROM THE MOBILITY TAX TRUST ACCOUNT TO THE METROPOLITAN TRANSPORTATION AUTHORITY FINANCE FUND ESTABLISHED BY SECTION TWELVE HUNDRED SEVENTY-H OF THE PUBLIC AUTHORITIES LAW. ONE SUCH APPROPRIATION SHALL BE EQUAL TO THE AMOUNTS EXPECTED TO BE AVAILABLE FOR SUCH PURPOSE PURSUANT TO ARTICLE TWENTY-THREE OF THE TAX LAW OR FROM ANY OTHER MONIES DESCRIBED IN PARAGRAPH (A) OF THIS SUBDIVISION DURING THE TWO THOUSAND NINE--TWO THOUSAND TEN FISCAL YEAR AND SHALL BE EFFECTIVE IN THAT FISCAL YEAR. THE OTHER SUCH APPROPRIATION SHALL BE EQUAL TO THE AMOUNTS EXPECTED TO BE AVAILABLE FOR SUCH PURPOSE PURSUANT TO ARTICLE TWENTY-THREE OF THE TAX LAW OR FROM ANY OTHER MONIES DESCRIBED IN PARAGRAPH (A) OF THIS SUBDIVISION DURING THE TWO THOUSAND TEN--TWO THOUSAND ELEVEN FISCAL YEAR AND SHALL, NOTWITHSTANDING THE PROVISIONS OF SECTION FORTY OF THIS CHAPTER, TAKE EFFECT ON THE FIRST DAY OF THE TWO THOUSAND TEN--TWO THOUSAND ELEVEN FISCAL YEAR AND LAPSE ON THE LAST DAY OF THAT FISCAL YEAR. IT IS THE INTENT OF THE GOVERNOR TO SUBMIT AND THE LEGISLATURE TO ENACT FOR EACH FISCAL YEAR AFTER THE TWO THOUSAND NINE--TWO THOUSAND TEN FISCAL YEAR IN AN ANNUAL BUDGET BILL: (I) AN APPROPRIATION FOR THE AMOUNT EXPECTED TO BE AVAILABLE IN THE MOBILITY TAX TRUST ACCOUNT DURING SUCH FISCAL YEAR FOR THE METROPOLITAN TRANSPORTATION AUTHORITY PURSUANT TO ARTICLE TWENTY-THREE OF THE TAX LAW OR ANY OTHER MONIES DESCRIBED IN PARAGRAPH (A) OF THIS SUBDIVISION; AND (II) AN APPROPRIATION FOR THE AMOUNT PROJECTED BY THE DIRECTOR OF THE BUDGET TO BE DEPOSITED IN THE MOBILITY TAX TRUST ACCOUNT PURSUANT TO ARTICLE TWENTY-THREE OF THE TAX LAW OR FROM ANY OTHER MONIES DESCRIBED IN PARAGRAPH (A) OF THIS SUBDIVISION FOR THE NEXT SUCCEEDING FISCAL YEAR. SUCH APPROPRIATION FOR PAYMENT OF REVENUES PROJECTED TO BE DEPOSITED IN THE SUCCEEDING FISCAL YEAR SHALL, NOTWITHSTANDING THE PROVISIONS OF SECTION FORTY OF THIS CHAPTER, TAKE EFFECT ON THE FIRST DAY OF SUCH SUCCEEDING FISCAL YEAR AND LAPSE ON THE LAST DAY OF SUCH FISCAL YEAR. IF FOR ANY FISCAL YEAR COMMENCING ON OR AFTER THE FIRST DAY OF APRIL, TWO THOUSAND TEN THE GOVERNOR FAILS TO SUBMIT A BUDGET BILL CONTAINING THE FOREGOING, OR THE LEGISLATURE FAILS TO ENACT A BILL WITH SUCH PROVISIONS, THEN THE METROPOLITAN TRANSPORTATION AUTHORITY SHALL NOTIFY THE COMPTROLLER, THE DIRECTOR OF THE BUDGET, THE CHAIRPERSON OF THE SENATE FINANCE COMMITTEE AND THE CHAIRPERSON OF THE ASSEMBLY WAYS AND MEANS COMMITTEE OF AMOUNTS REQUIRED TO BE DISBURSED FROM THE APPROPRIATION MADE DURING THE PRECEDING FISCAL YEAR FOR PAYMENT IN SUCH FISCAL YEAR. IN NO EVENT SHALL THE COMPTROLLER MAKE ANY PAYMENTS FROM SUCH APPROPRIATION PRIOR TO MAY FIRST OF SUCH FISCAL YEAR, AND UNLESS AND UNTIL THE DIRECTOR OF THE BUDGET, THE CHAIRPERSON OF THE SENATE FINANCE COMMITTEE AND THE CHAIRPERSON OF THE ASSEMBLY WAYS AND MEANS COMMITTEE HAVE BEEN NOTIFIED OF THE REQUIRED PAYMENTS AND THE TIMING OF SUCH PAYMENTS TO BE MADE FROM THE MOBILITY TAX TRUST ACCOUNT TO THE METROPOLITAN TRANSPORTATION AUTHORITY FINANCE FUND ESTABLISHED BY SECTION TWELVE HUNDRED SEVENTY-H OF THE PUBLIC AUTHORITIES LAW AT LEAST FORTY-EIGHT HOURS PRIOR TO ANY SUCH PAYMENTS. UNTIL SUCH TIME AS PAYMENTS PURSUANT TO SUCH APPROPRIATION ARE MADE IN FULL, REVENUES IN THE MOBILITY TAX TRUST ACCOUNT SHALL NOT BE PAID OVER TO ANY PERSON OTHER THAN THE METROPOLITAN TRANSPORTATION AUTHORITY.

6. (A) THE "METROPOLITAN TRANSPORTATION AUTHORITY AID TRUST ACCOUNT" SHALL CONSIST OF REVENUES REQUIRED TO BE DEPOSITED THEREIN PURSUANT TO THE PROVISIONS OF SECTION ELEVEN HUNDRED SIXTY-SIX-A OF THE TAX LAW; ARTICLE TWENTY-NINE-A OF THE TAX LAW; ARTICLE SEVENTEEN-C OF THE VEHICLE AND TRAFFIC LAW; AND SECTION FIVE HUNDRED THREE OF THE VEHICLE AND TRAFFIC LAW, AND ALL OTHER MONEYS CREDITED OR TRANSFERRED THERETO FROM ANY OTHER FUND OR SOURCE PURSUANT TO LAW.

(B) MONEYS IN THE METROPOLITAN TRANSPORTATION AUTHORITY AID TRUST ACCOUNT SHALL, FOLLOWING APPROPRIATION BY THE LEGISLATURE, BE DEPOSITED QUARTERLY BY THE COMPTROLLER INTO THE CORPORATE TRANSPORTATION ACCOUNT OF THE METROPOLITAN TRANSPORTATION AUTHORITY SPECIAL ASSISTANCE FUND ESTABLISHED BY SECTION TWELVE HUNDRED SEVENTY-A OF THE PUBLIC AUTHORITIES LAW, TO BE APPLIED AS PROVIDED IN PARAGRAPH (E) OF SUBDIVISION FOUR OF SUCH SECTION TWELVE HUNDRED SEVENTY-A OF THE PUBLIC AUTHORITIES LAW.

7. NOTHING CONTAINED IN THIS SECTION SHALL BE DEEMED TO RESTRICT THE RIGHT OF THE STATE TO AMEND, REPEAL, MODIFY OR OTHERWISE ALTER STATUTES IMPOSING OR RELATING TO THE TAXES AND FEES PRODUCING REVENUES FOR DEPOSIT IN THE METROPOLITAN TRANSPORTATION AUTHORITY FINANCIAL ASSISTANCE FUND OR THE APPROPRIATIONS RELATING THERETO. THE METROPOLITAN TRANSPORTATION AUTHORITY SHALL NOT INCLUDE WITHIN ANY RESOLUTION, CONTRACT OR AGREEMENT WITH HOLDERS OF THE BONDS OR NOTES ISSUED UNDER SECTION TWELVE HUNDRED SIXTY-NINE OF THE PUBLIC AUTHORITIES LAW ANY PROVISION WHICH PROVIDES THAT A DEFAULT OCCURS AS A RESULT OF THE STATE EXERCISING ITS RIGHT TO AMEND, REPEAL, MODIFY OR OTHERWISE ALTER SUCH TAXES OR APPROPRIATIONS.

S 2. This act shall take effect immediately.

PART G-1

Section 1. The several amounts specified in this act for aid to localities, or so much thereof as may be sufficient to accomplish the purpose of providing financial assistance to the metropolitan transportation authority are hereby appropriated and authorized to be paid as provided in this section.

METROPOLITAN TRANSPORTATION AUTHORITY SUPPORT PROGRAM

Special Revenue Funds - Other/Aid to Localities
Metropolitan Transportation Authority Financial Assistance Fund - 225
Mobility Tax Trust Account

To the metropolitan transportation authority for deposit in the metropolitan transportation authority finance fund pursuant to the provisions of section 92-ff of the state finance law, as added by the chapter of the laws of 2009 which added this section. Moneys appropriated herein may be made available at such times and upon such conditions as may be deemed appropriate by the commissioner of transportation and the director of the budget in accordance with section 92-ff of the state finance law $1,482,000,000

To the metropolitan transportation authority for deposit in the metropolitan transportation authority finance fund pursuant to the provisions of section 92-ff of the state finance law, as added by the chapter of the laws of 2009 which added this section, for the period April 1, 2010 to March 31, 2011 and notwithstanding section 40 of the state finance law shall take effect on April 1, 2010 and shall lapse on March 31, 2011 ..... $1,563,000,000

Special Revenue Funds - Other/Aid to Localities
Metropolitan Transportation Authority Financial Assistance Fund - 225
Metropolitan Transportation Authority Aid Trust Account

Notwithstanding any inconsistent provision of law, the following appropriation is for payment of assistance provided that payments from this appropriation shall be made pursuant to a financial plan approved by the director of the budget.
To the metropolitan transportation authority for deposit in the metropolitan transportation authority corporate transportation account of the metropolitan transportation authority special assistance fund pursuant to section 92-ff of the state finance law $161,100,000

General Fund / State Operations
State Purposes Account - 003

Nonpersonal Service

For the payment of the metropolitan commuter transportation mobility tax pursuant to Article 23 of the tax law as added by part C of the chapter of the laws of 2009 which added this section on behalf of state employees employed in the Metropolitan Commuter Transportation District $18,000,000

S 2. No expenditure may be made from any appropriation in this act until a certificate of approval has been issued by the director of the budget and a copy of such certificate shall have been filed with the state comptroller, the chairman of the senate finance committee and the chairman of the assembly ways and means committee.
S 3. This act shall take effect immediately.

PART H

Section 1. 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 therewith.

[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 SUBWAY, BUS, RAILROAD AND PARATRANSIT SERVICES, AND BRIDGE AND TUNNEL CROSSINGS, OF THE AUTHORITY AND ITS AFFILIATES AND SUBSIDIARIES AS REFLECTED IN EMPIRICAL DATA.

S 2. Section 1204-a of the public authorities law, as added by chapter 483 of the laws of 1981, is renumbered section 1204-e.

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 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. ANY MEMBER APPOINTED TO A TERM COMMENCING ON OR AFTER JUNE THIRTIETH, TWO THOUSAND NINE SHALL HAVE EXPERIENCE IN ONE OR MORE OF THE FOLLOWING AREAS: TRANSPORTATION, PUBLIC ADMINISTRATION, BUSINESS MANAGEMENT, FINANCE, ACCOUNTING, LAW, ENGINEERING, LAND USE, URBAN AND REGIONAL PLANNING, MANAGEMENT OF LARGE CAPITAL PROJECTS, LABOR RELATIONS, OR HAVE EXPERIENCE IN SOME OTHER AREA OF ACTIVITY CENTRAL TO THE MISSION OF THE AUTHORITY. Four of the sixteen voting members other than the chairman shall be appointed on the written recommendation of the mayor of the city of New York; 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] PROVIDED THAT THIRTY DAYS AFTER THE EFFECTIVE DATE OF THE CHAPTER OF THE LAWS OF TWO THOUSAND NINE WHICH AMENDED THIS SUBPARAGRAPH, THE TERM OF THE CHAIRMAN SHALL EXPIRE; PROVIDED, FURTHER, THAT SUCH CHAIRMAN MAY CONTINUE TO DISCHARGE THE DUTIES OF HIS OR HER OFFICE UNTIL THE POSITION OF CHAIRMAN IS FILLED BY APPOINTMENT BY THE GOVERNOR UPON THE ADVICE AND CONSENT OF THE SENATE AND THE TERM OF SUCH NEW CHAIRMAN SHALL TERMINATE JUNE THIRTIETH, TWO THOUSAND FIFTEEN. 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 1 of section 1263 of the public authorities law, as amended by chapter 929 of the laws of 1986, is amended to read as follows:

(a) 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 and sixteen other members appointed by the governor by and with the advice and consent of the senate. ANY MEMBER APPOINTED TO A TERM COMMENCING ON OR AFTER JUNE THIRTIETH, TWO THOUSAND NINE SHALL HAVE EXPERIENCE IN ONE OR MORE OF THE FOLLOWING AREAS OF EXPERTISE: TRANSPORTATION, PUBLIC ADMINISTRATION, BUSINESS MANAGEMENT, FINANCE, ACCOUNTING, LAW, ENGINEERING, LAND USE, URBAN AND REGIONAL PLANNING, MANAGEMENT OF LARGE CAPITAL PROJECTS, LABOR RELATIONS, OR HAVE EXPERIENCE IN SOME OTHER AREA OF ACTIVITY CENTRAL TO THE MISSION OF THE AUTHORITY. Four of the sixteen members other than the chairman shall be appointed on the written recommendation of the mayor of the city of New York; and each of seven other 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 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] PROVIDED THAT THIRTY DAYS AFTER THE EFFECTIVE DATE OF THE CHAPTER OF THE LAWS OF TWO THOUSAND NINE WHICH AMENDED THIS PARAGRAPH, THE TERM OF THE CHAIRMAN SHALL EXPIRE; PROVIDED, FURTHER, THAT SUCH CHAIRMAN MAY CONTINUE TO DISCHARGE THE DUTIES OF HIS OFFICE UNTIL THE POSITION OF CHAIRMAN IS FILLED BY APPOINTMENT BY THE GOVERNOR UPON THE ADVICE AND CONSENT OF THE SENATE AND THE TERM OF SUCH NEW CHAIRMAN SHALL TERMINATE JUNE THIRTIETH, TWO THOUSAND FIFTEEN. 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 members from the counties of Dutchess, Orange, Putnam and Rockland shall cast one collective vote.

S 5. 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, and a new paragraph (d) is added 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 JUDGEMENT 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].

(D) NOTWITHSTANDING PARAGRAPH (C) OF SUBDIVISION ONE OF SECTION TWENTY-EIGHT HUNDRED TWENTY-FOUR OF THIS CHAPTER OR ANY OTHER PROVISION OF LAW TO THE CONTRARY, THE CHAIRMAN SHALL NOT PARTICIPATE IN ESTABLISHING AUTHORITY POLICIES REGARDING THE PAYMENT OF SALARY, COMPENSATION AND REIMBURSEMENT TO, NOR ESTABLISH RULES FOR THE TIME AND ATTENDANCE OF, THE CHIEF EXECUTIVE OFFICER. THE SALARY OF THE CHAIRMAN, AS DETERMINED

PURSUANT TO SUBDIVISION TWO OF THIS SECTION, SHALL ALSO BE COMPENSATION FOR ALL SERVICES PERFORMED AS CHIEF EXECUTIVE OFFICER.

S 6. Subdivision 2 of section 1201 of the public authorities law, as amended by chapter 766 of the laws of 2005, is amended to read as follows:

2. The chairman of such board shall be the chairman of metropolitan transportation authority, serving ex officio, and, PROVIDED THAT THERE IS AN EXECUTIVE DIRECTOR OF THE METROPOLITAN TRANSPORTATION AUTHORITY, the executive director of the authority shall be the executive director of the metropolitan transportation authority, serving ex officio. 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 AND executive director, IF ANY, EACH shall be empowered to delegate his or her [function] FUNCTIONS and [power to appoint, discipline and remove officers and employees] POWERS to one or more officers or employees designated by him or her.

S 7. Subdivision 1 of section 552 of the public authorities law, as amended by chapter 766 of the laws of 2005, is amended to read as follows:

1. A board, to be known as "Triborough bridge and tunnel authority" is hereby created. Such board shall be a body corporate and politic constituting a public benefit corporation. It shall consist of seventeen members, all serving ex officio. Those members shall be the persons who from time to time shall hold the offices of chairman and members of metropolitan transportation authority. The chairman of such board shall be the chairman of metropolitan transportation authority, serving ex officio, and, PROVIDED THAT THERE IS AN EXECUTIVE DIRECTOR OF THE METROPOLITAN TRANSPORTATION AUTHORITY, the executive director of the authority shall be the executive director of the metropolitan transportation authority, serving ex officio. 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 AND executive director, IF ANY, EACH shall be empowered to delegate his or her [function] FUNCTIONS and [power to appoint, discipline and remove officers and employees] POWERS to the executive officer of the Triborough bridge and tunnel authority or to such person as may succeed to the powers and duties of said executive officer. The chairman and other members of the board hereby created, and the executive director, IF ANY, shall not be entitled to compensation for their services hereunder but shall be entitled to reimbursement for their actual and necessary expenses incurred in the performance of their official duties.

S 7-a. Subdivision 7 of section 1263 of the public authorities law, as added by chapter 324 of the laws of 1965, is amended to read as follows:

7. The governor may remove any member for inefficiency, neglect of duty, BREACH OF FIDUCIARY DUTY or misconduct in office after giving [him] THE MEMBER a copy of the charges against [him] THE MEMBER and an opportunity to be heard, in person or by counsel in [his] THE MEMBER'S defense, upon not less than ten days' notice. If any member shall be so removed, the governor shall file in the office of the department of

state a complete statement of charges made against such member, and his findings thereon, together with a complete record of the proceedings.

S 8. Subdivision 5 of section 1266 of the public authorities law, as amended by section 23 of part O of chapter 61 of the laws of 2000, is amended to read as follows:

5. The authority may acquire, hold, own, lease, establish, construct, effectuate, operate, maintain, renovate, improve, extend or repair any transportation facilities through, and cause any one or more of its powers, duties, functions or activities to be exercised or performed by, one or more wholly owned subsidiary corporations of the authority, or by New York city transit authority or any of its subsidiary corporations in the case of transit facilities and may transfer to or from any such corporations any moneys, real property or other property for any of the purposes of this title upon such terms and conditions as shall be agreed to and subject to such payment or repayment obligations as are required by law or by any agreement to which any of the affected entities is subject. The directors or members of each such subsidiary corporation of the authority corporation shall be the same persons holding the offices of members of the authority. THE CHAIRMAN OF THE BOARD OF EACH SUCH SUBSIDIARY SHALL BE THE CHAIRMAN OF THE AUTHORITY, SERVING EX OFFICIO AND, PROVIDED THAT THERE IS AN EXECUTIVE DIRECTOR OF THE METROPOLITAN TRANSPORTATION AUTHORITY, THE EXECUTIVE DIRECTOR OF SUCH SUBSIDIARY SHALL BE THE EXECUTIVE DIRECTOR OF THE METROPOLITAN TRANSPORTATION AUTHORITY, SERVING EX OFFICIO. 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 EACH SUCH SUBSIDIARY AND SHALL BE RESPONSIBLE FOR THE DISCHARGE OF THE EXECUTIVE AND ADMINISTRATIVE FUNCTIONS AND POWERS OF EACH SUCH SUBSIDIARY. THE CHAIRMAN AND EXECUTIVE DIRECTOR, IF ANY, SHALL BE EMPOWERED TO DELEGATE HIS OR HER FUNCTIONS AND POWERS TO ONE OR MORE OFFICERS OR EMPLOYEES OF EACH SUCH SUBSIDIARY DESIGNATED BY HIM OR HER. Each such subsidiary corporation of the authority and any of its property, functions and activities shall have all of the privileges, immunities, tax exemptions and other exemptions of the authority and of the authority's property, functions and activities. Each such subsidiary corporation shall be subject to the restrictions and limitations to which the authority may be subject. Each such subsidiary corporation of the authority shall be subject to suit in accordance with section twelve hundred seventy-six of this title. The employees of any such subsidiary corporation, except those who are also employees of the authority, shall not be deemed employees of the authority.

If the authority shall determine that one or more of its subsidiary corporations should be in the form of a public benefit corporation, it shall create each such public benefit corporation by executing and filing with the secretary of state a certificate of incorporation, which may be amended from time to time by filing, which shall set forth the name of such public benefit subsidiary corporation, its duration, the location of its principal office, and any or all of the purposes of acquiring, owning, leasing, establishing, constructing, effectuating, operating, maintaining, renovating, improving, extending or repairing one or more facilities of the authority. Each such public benefit subsidiary corporation shall be a body politic and corporate and shall have all those powers vested in the authority by the provisions of this title which the authority shall determine to include in its certificate of incorporation except the power to contract indebtedness.

Whenever any state, political subdivision, municipality, commission, agency, officer, department, board, division or person is authorized and empowered for any of the purposes of this title to co-operate and enter into agreements with the authority such state, political subdivision, municipality, commission, agency, officer, department, board, division or person shall have the same authorization and power for any of such purposes to co-operate and enter into agreements with a subsidiary corporation of the authority.

S 9. Intentionally omitted.

S 10. The public authorities law is amended by adding a new section 1266-i to read as follows:

S 1266-I. THE PERMANENT CITIZENS ADVISORY COMMITTEE. THERE IS HEREBY ESTABLISHED A PERMANENT CITIZENS ADVISORY COMMITTEE. THE MEMBERS OF THE COMMITTEE SHALL CONSIST OF THE FOLLOWING MEMBERS: THE LONG ISLAND RAIL ROAD COMMUTER'S COUNCIL, THE METRO-NORTH COMMUTER COUNCIL, AND THE NEW YORK CITY TRANSIT AUTHORITY ADVISORY COUNCIL, AS DEFINED IN SECTION TWELVE HUNDRED FOUR-E OF THIS CHAPTER.

S 11. 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 PROGRAMS. THE AUTHORITY MAY ALSO STUDY AND REPORT ON WAYS IN WHICH PROGRAMS MAY BE IMPROVED SO AS TO INCREASE PUBLIC PARTICIPATION.

S 11-a. Section 1269-b of the public authorities law is amended by adding a new subdivision 2-a to read as follows:

2-A. A COPY OF ANY PROPOSED CAPITAL PROGRAM PLAN THAT HAS BEEN DISTRIBUTED TO ONE OR MORE COMMITTEES OF THE AUTHORITY SHALL BE SIMULTANEOUSLY PROVIDED, FOR INFORMATIONAL PURPOSES, TO THE MEMBERS OF THE METROPOLITAN TRANSPORTATION AUTHORITY CAPITAL PROGRAM REVIEW BOARD. PROVISION OF SUCH A PROPOSED CAPITAL PROGRAM PLAN TO THE CAPITAL PROGRAM REVIEW BOARD PURSUANT TO THIS PROVISION FOR INFORMATIONAL PURPOSES SHALL NOT CONSTITUTE THE SUBMISSION OF A CAPITAL PROGRAM PLAN FOR CAPITAL PROGRAM REVIEW BOARD APPROVAL.

S 12. Paragraph (c) of subdivision 1 of section 1269-b of the public authorities law, as amended by chapter 384 of the laws of 2007, is amended to read as follows:

(c) on or before October first, two thousand thirteen and every fifth year thereafter, the authority shall submit to the metropolitan transportation authority capital program review board two capital program plans for the five-year period commencing January first of the following year. SUCH PLANS SHALL INCLUDE METHODS TO MAXIMIZE PARTICIPATION BY MINORITY AND WOMEN-OWNED BUSINESS ENTERPRISES.

S 13. The public authorities law is amended by adding three new sections 1269-e, 1269-f and 1269-g to read as follows:

S 1269-E. FINANCIAL AND OPERATIONAL REPORTS. 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, A COMPLETE DETAILED REPORT OR REPORTS SETTING FORTH, TO THE EXTENT SUCH MATTERS ARE NOT FULLY ADDRESSED IN THE ANNUAL INDEPENDENT AUDIT REPORT, THE FOLLOWING:

1. ITS FINANCIAL REPORTS, INCLUDING:

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

B. GRANT AND SUBSIDY PROGRAMS;

C. OPERATING AND FINANCIAL RISKS;

D. CURRENT RATINGS OF ITS BONDS ISSUED BY RECOGNIZED MUNICIPAL BOND RATING AGENCIES AND NOTICE CHANGES IN SUCH RATINGS; AND

E. LONG-TERM LIABILITIES, INCLUDING LEASES AND EMPLOYEE BENEFIT PLANS; AND

2. AN ASSESSMENT OF THE EFFECTIVENESS OF ITS INTERNAL CONTROL STRUCTURE AND PROCEDURES, INCLUDING:

A. DESCRIPTIONS OF THE AUTHORITY AND ITS MAJOR UNITS AND SUBSIDIARIES;

B. THE NUMBER OF EMPLOYEES, AND MINORITY AND WOMEN EMPLOYEES, FOR EACH;

C. AN ORGANIZATIONAL CHART;

D. ITS CHARTER, IF ANY AND BY-LAWS;

E. THE EXTENT OF PARTICIPATION BY MINORITY AND WOMEN OWNED ENTERPRISES IN AUTHORITY CONTRACTS AND SERVICES IN ACCORDANCE WITH ARTICLE FIFTEEN-A OF THE EXECUTIVE LAW; AND

F. A LISTING OF MATERIAL CHANGES IN INTERNAL OPERATIONS AND PROGRAMS DURING THE REPORTING YEAR.

S 1269-F. MISSION STATEMENT AND MEASUREMENT REPORT. 1. THE AUTHORITY SHALL SUBMIT TO THE GOVERNOR, THE TEMPORARY PRESIDENT OF THE SENATE AND THE SPEAKER OF THE ASSEMBLY, ON OR BEFORE OCTOBER THIRTY-FIRST, TWO THOUSAND NINE, A PROPOSED AUTHORITY MISSION STATEMENT AND PROPOSED MEASUREMENTS. THE PROPOSED MISSION STATEMENT AND PROPOSED MEASUREMENTS SHALL HAVE THE FOLLOWING COMPONENTS: A BRIEF MISSION STATEMENT EXPRESSING THE PURPOSE AND GOALS OF THE AUTHORITY; A DESCRIPTION OF THE STAKEHOLDERS OF THE AUTHORITY AND THEIR REASONABLE EXPECTATIONS FROM THE AUTHORITY, WHICH STAKEHOLDERS SHALL INCLUDE AT A MINIMUM: 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 PERFORMANCE OF THE AUTHORITY AND THE ACHIEVEMENT OF ITS GOALS MAY BE EVALUATED.

2. THE AUTHORITY SHALL THEREAFTER REEXAMINE ITS MISSION STATEMENT AND MEASUREMENTS ON AN ANNUAL BASIS, AND PUBLISH ON ITS WEBSITE SELF EVALUATIONS BASED ON THE STATED MEASURES.

S 1269-G. REQUIREMENTS FOR CERTAIN AUTHORITY CONTRACTS AND RELATED SUBCONTRACTS. 1. ANY CONTRACTOR OR SUBCONTRACTOR SUBJECT TO THE POSTING REQUIREMENTS OF PARAGRAPH A OF SUBDIVISION THREE-A OF SECTION TWO HUNDRED TWENTY OF THE LABOR LAW WITH RESPECT TO A PUBLIC WORKS CONTRACT OF THE AUTHORITY 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 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. MATERIAL COMPLIANCE BY A COVERED PERSON OR BUSINESS ORGANIZATION THAT HAS CONTRACTED WITH THE AUTHORITY UNDER A CONTRACT THAT INCORPORATES THE TERMS OF 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 14. Subdivision 1 of section 1270-a of the public authorities law, as amended by section 29 of part O of chapter 61 of the laws of 2000, is amended to read as follows:

1. The authority shall create and establish a fund to be known as the "metropolitan transportation authority special assistance fund" which shall be kept separate from and shall not be commingled with any other moneys of the authority. The special assistance fund shall consist of three separate accounts: (i) the "transit account", (ii) the "commuter railroad account" and (iii) the "corporate transportation account".

The authority shall make deposits in the transit account and the commuter railroad account of the moneys received by it pursuant to the provisions of subdivision one of section two hundred sixty-one of the tax law in accordance with the provisions thereof, and shall make deposits in the corporate transportation account of the moneys received by it pursuant to the provisions of subdivision two of section two hundred sixty-one OF THE TAX LAW AND SECTION NINETY-TWO-FF of [such] THE STATE FINANCE law.

S 15. Subdivision 4 of section 1270-a of the public authorities law is amended by adding a new paragraph (e) to read as follows:

(E) NOTWITHSTANDING THE FOREGOING PROVISIONS OF THIS SUBDIVISION, ANY MONEYS IN THE CORPORATE TRANSPORTATION ACCOUNT THAT ARE RECEIVED BY THE AUTHORITY PURSUANT TO THE PROVISIONS OF SECTION NINETY-TWO-FF OF THE STATE FINANCE LAW MAY BE PLEDGED BY THE AUTHORITY, OR PLEDGED TO THE TRIBOROUGH BRIDGE AND TUNNEL AUTHORITY, TO SECURE BONDS, NOTES OR OTHER OBLIGATIONS OF THE AUTHORITY OR THE TRIBOROUGH BRIDGE AND TUNNEL AUTHORITY, AS THE CASE MAY BE, AND, IF SO PLEDGED TO THE TRIBOROUGH BRIDGE AND TUNNEL AUTHORITY, SHALL BE PAID TO THE TRIBOROUGH BRIDGE AND TUNNEL AUTHORITY IN SUCH AMOUNTS AND AT SUCH TIMES AS NECESSARY TO PAY OR TO REIMBURSE THAT AUTHORITY FOR ITS PAYMENT OF DEBT SERVICE AND RESERVE REQUIREMENTS, IF ANY, ON THAT PORTION OF SPECIAL TRIBOROUGH BRIDGE AND TUNNEL AUTHORITY BONDS AND NOTES ISSUED BY THAT AUTHORITY PURSUANT TO SECTION FIVE HUNDRED FIFTY-THREE-D OF THIS CHAPTER. SUBJECT TO THE PROVISIONS OF ANY SUCH PLEDGE, OR IN THE EVENT THERE IS NO SUCH PLEDGE, ANY MONEYS IN THE CORPORATE TRANSPORTATION ACCOUNT RECEIVED BY THE AUTHORITY PURSUANT TO THE PROVISIONS OF SECTION NINETY-TWO-FF OF THE STATE FINANCE LAW MAY BE USED BY THE AUTHORITY FOR PAYMENT OF OPERATING COSTS OF, AND CAPITAL COSTS, INCLUDING DEBT SERVICE AND RESERVE REQUIREMENTS, IF ANY, OF OR FOR THE AUTHORITY, THE NEW YORK CITY TRANSIT AUTHORITY AND THEIR SUBSIDIARIES AS THE AUTHORITY SHALL DETERMINE. NO MONEYS IN THE CORPORATE TRANSPORTATION ACCOUNT THAT ARE RESERVED BY THE AUTHORITY PURSUANT TO THE PROVISIONS OF SECTION NINETY-TWO-FF OF THE STATE FINANCE LAW MAY BE USED FOR MAKING ANY PAYMENT TO THE DUTCHESS, ORANGE AND ROCKLAND FUND CREATED BY SECTION TWELVE HUNDRED SEVENTY-B OF THIS TITLE OR CONSIDERED IN CALCULATING THE AMOUNTS REQUIRED TO BE PAID INTO SUCH FUND.

S 16. The public authorities law is amended by adding two new sections 1270-g and 1270-h to read as follows:

S 1270-G. REGULATION OF CERTAIN AUTHORITY EXPENDITURES. THE AUTHORITY SHALL IMPLEMENT POLICIES AS APPROPRIATE 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; AND (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.

S 1270-H. METROPOLITAN TRANSPORTATION AUTHORITY FINANCE FUND. 1. THE AUTHORITY SHALL ESTABLISH A FUND TO BE KNOWN AS THE "METROPOLITAN TRANSPORTATION AUTHORITY FINANCE FUND" WHICH SHALL BE KEPT SEPARATE FROM AND SHALL NOT BE COMMINGLED WITH ANY OTHER MONEYS OF THE AUTHORITY.

2. THE COMPTROLLER SHALL DEPOSIT MONTHLY, PURSUANT TO APPROPRIATION, INTO THE METROPOLITAN TRANSPORTATION AUTHORITY FINANCE FUND THE MONEYS DEPOSITED IN THE MOBILITY TAX TRUST ACCOUNT OF THE METROPOLITAN TRANS-

PORTATION AUTHORITY FINANCIAL ASSISTANCE FUND PURSUANT TO ARTICLE TWENTY-THREE OF THE TAX LAW, AND ANY OTHER PROVISION OF LAW DIRECTING OR PERMITTING THE DEPOSIT OF MONEYS IN SUCH FUND.

3. MONEYS IN THE FUND MAY BE (A) PLEDGED BY THE AUTHORITY TO SECURE AND BE APPLIED TO THE PAYMENT OF THE BONDS, NOTES OR OTHER OBLIGATIONS OF THE AUTHORITY ISSUED ON OR AFTER THE EFFECTIVE DATE OF THIS SECTION TO FINANCE CAPITAL PROJECTS OF THE AUTHORITY AND ITS SUBSIDIARIES AND THE NEW YORK CITY TRANSIT AUTHORITY AND ANY SUBSIDIARIES; OR (B) USED FOR PAYMENT OF CAPITAL COSTS, INCLUDING DEBT SERVICE, RESERVE REQUIREMENTS, IF ANY, THE PAYMENT OF AMOUNTS REQUIRED UNDER BOND AND NOTE FACILITIES OR AGREEMENTS RELATED THERETO, THE PAYMENT OF FEDERAL GOVERNMENT LOANS, SECURITY OR CREDIT ARRANGEMENTS OR OTHER AGREEMENTS RELATED THERETO, AND THE PAYMENT OF ALL COSTS RELATED TO SUCH OBLIGATIONS, OF OR FOR THE AUTHORITY, THE NEW YORK CITY TRANSIT AUTHORITY AND THEIR SUBSIDIARIES AS THE AUTHORITY SHALL DETERMINE. SUBJECT TO THE PROVISIONS OF ANY SUCH PLEDGE, OR IN THE EVENT THERE IS NO SUCH PLEDGE, ANY EXCESS MONEYS IN THIS FUND MAY BE USED BY THE AUTHORITY FOR PAYMENT OF OPERATING COSTS OF, AND CAPITAL COSTS, INCLUDING DEBT SERVICE AND RESERVE REQUIREMENTS, IF ANY, OF OR FOR THE AUTHORITY, THE NEW YORK CITY TRANSIT AUTHORITY AND THEIR SUBSIDIARIES AS THE AUTHORITY SHALL DETERMINE. TO THE EXTENT MONEYS IN THE FUND HAVE BEEN PLEDGED BY THE AUTHORITY TO SECURE AND PAY THE BONDS, NOTES OR OTHER OBLIGATIONS OF THE AUTHORITY ISSUED TO FINANCE CAPITAL PROJECTS OF THE AUTHORITY AND ITS SUBSIDIARIES AND THE NEW YORK CITY TRANSIT AUTHORITY AND ANY SUBSIDIARIES AS HEREIN PROVIDED, MONIES DEPOSITED INTO THE FUND SHALL BE DEPOSITED TO THE EXTENT NECESSARY TO SATISFY THE REQUIREMENTS OF ANY DEBT SERVICE OR RESERVE REQUIREMENTS, IF ANY, OF THE RESOLUTION AUTHORIZING SUCH BONDS, NOTES OR OTHER OBLIGATIONS.

4. ANY MONIES DEPOSITED IN THE FUND SHALL BE HELD IN THE FUND FREE AND CLEAR OF ANY CLAIM BY ANY PERSON ARISING OUT OF OR IN CONNECTION WITH ARTICLE TWENTY-THREE OF THE TAX LAW. WITHOUT LIMITING THE GENERALITY OF THE FOREGOING AND WITHOUT LIMITING THE RIGHTS AND DUTIES OF THE COMMISSIONER OF TAXATION AND FINANCE UNDER ARTICLE TWENTY-THREE OF THE TAX LAW, NO ENTITY PAYING A MOBILITY TAX UNDER ARTICLE TWENTY-THREE OF THE TAX LAW SHALL HAVE ANY RIGHT OR CLAIM AGAINST THE AUTHORITY, ANY OF THEIR BONDHOLDERS, ANY OF THE AUTHORITY'S OTHER SUBSIDIARIES OR THE NEW YORK CITY TRANSIT AUTHORITY OR ANY SUBSIDIARY TO ANY MONEYS IN OR DISTRIBUTED FROM THE FUND OR IN RESPECT OF A REFUND, REBATE, CREDIT OR REIMBURSEMENT OF TAXES PAID UNDER ARTICLE TWENTY-THREE OF THE TAX LAW.

S 17. 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. 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, EXCEPT AS OTHERWISE CONSENTED TO BY THE COMPTROLLER UPON GOOD CAUSE SHOWN; (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; (B) WITHIN SIXTY DAYS AFTER THE CLOSE OF EACH QUARTER, 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; AND (C) WITHIN NINETY DAYS AFTER THE CLOSE OF EACH QUARTER, THE STATUS OF EACH GAP-CLOSING INITIATIVE WITH A PROJECTED VALUE GREATER THAN ONE MILLION DOLLARS IN ANY GIVEN FISCAL YEAR; 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-C OF THIS TITLE SHALL BE PRESENTED IN A FORMAT CONSISTENT WITH THE BUDGET AND PLAN, IN DOWNLOADABLE, SEARCHABLE FORMAT.

S 1276-C. INDEPENDENT AUDIT OF AUTHORITY. THE INDEPENDENT AUDITOR RETAINED BY THE AUTHORITY SHALL NOT PROVIDE TO THE AUTHORITY, CONTEMPORANEOUSLY WITH THE AUDIT UNLESS IT SHALL HAVE PREVIOUSLY RECEIVED WRITTEN APPROVAL BY THE AUDIT COMMITTEE ANY NON-AUDIT SERVICE, INCLUDING:

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.

S 1276-D. INDEPENDENT AUDIT BY THE LEGISLATURE. AFTER THE SUBMISSION OF THE ANNUAL INDEPENDENT AUDIT REPORT TO THE LEGISLATURE PURSUANT TO SECTION TWO THOUSAND EIGHT HUNDRED TWO OF THIS CHAPTER, AND AFTER REVIEW OF SUCH REPORT, THE TEMPORARY PRESIDENT OF THE SENATE AND THE SPEAKER OF THE ASSEMBLY MAY COMMISSION AN AUDITING FIRM, EVERY TWO YEARS, AFTER THE YEAR TWO THOUSAND NINE, TO CONDUCT AN INDEPENDENT AUDIT OF THE AUTHORITY, INCLUDING ITS SUBSIDIARIES. THE TEMPORARY PRESIDENT OF THE SENATE AND THE SPEAKER OF THE ASSEMBLY SHALL SET THE SCOPE OF SUCH AUDIT, AND DETERMINE THE TERMS OF THE REQUEST FOR PROPOSAL FOR SUCH AUDIT. SUCH AUDIT SHALL BE PERFORMED FOR THE YEAR TWO THOUSAND NINE. THE AUTHORITY SHALL FULLY COOPERATE WITH AND ASSIST IN SUCH AN AUDIT.

S 18. 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 CHAIRPERSON 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, AS DEFINED IN SECTION TWELVE HUNDRED SIXTY-SIX-I OF THIS CHAPTER, ON THE FOLLOWING:

(A) THE OPERATIONS OF THE RAPID TRANSIT, OMNIBUS AND COMMUTER RAIL LINE FACILITIES OF THE AUTHORITY INCLUDING, BUT NOT LIMITED TO:

(I) THE QUALITY OF SERVICE PROVIDED ON ANY RAPID TRANSIT, OMNIBUS, AND COMMUTER RAIL LINE OR ROUTE;

(II) THE FREQUENCY OF OPERATING SERVICE ON THE AUTHORITY'S MASS TRANSIT FACILITIES;

(III) 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

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

(B) ANY PROPOSED, SUBMITTED AND/OR APPROVED CAPITAL PROGRAM PLAN, ITS COMPONENTS, ELEMENTS AND PROJECTS, AND ASSOCIATED EXPENDITURES. ANY SUCH COMMENTS, CONCERNS AND RECOMMENDATIONS RELATING TO THE CAPITAL PROGRAM PLAN, ITS COMPONENTS, ELEMENTS AND PROJECTS, AND ASSOCIATED EXPENDITURES SHALL BE TAKEN INTO CONSIDERATION IN THE DEVELOPMENT OF THE CURRENT AND EACH SUCCESSIVE CAPITAL PROGRAM PLAN AND/OR ANY AMENDMENT TO SUCH PLAN.

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.

3. THE CHAIR AND OFFICE SHALL PREPARE A REPORT CONTAINING THE FOLLOWING INFORMATION:

(A) A COMPILATION OF THE COMMENTS, CONCERNS, AND RECOMMENDATIONS RECEIVED BY THE OFFICE;

(B) HOW THESE COMMENTS, CONCERNS OR RECOMMENDATIONS WERE OR WILL BE ADDRESSED, SUCH AS THE AUTHORITY'S RESPONSE BY THE INCORPORATION OR INITIATION OF SYSTEM AND OPERATIONAL ADJUSTMENTS, IMPROVEMENTS OR EXPANSIONS IF APPLICABLE; AND

(C) HOW THESE COMMENTS, CONCERNS OR RECOMMENDATIONS WERE OR WILL BE ADDRESSED, SUCH AS THE AUTHORITY'S RESPONSE BY CHANGING OR AMENDING THE CAPITAL PLAN, AS WELL AS PROVIDING STATUS UPDATES ON THE PROGRESS OF SUCH PLAN.

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

S 19. The public authorities law is amended by adding a new section 1276-e to read as follows:

S 1276-E. REPORTING. THE AUTHORITY SHALL POST ON ITS WEBSITE ON OR BEFORE THE FIRST OF MAY, THE LAW FIRMS RETAINED BY THE AUTHORITY WHICH IN THE PAST YEAR RECEIVED PAYMENT FOR SERVICES IN SUCH YEAR.

S 20. Section 1266-c of the public authorities law is amended by adding a new subdivision 15 to read as follows:

15. (A) IN CONNECTION WITH THE PERFORMANCE OF PROJECTS PURSUANT TO THIS SECTION, THE AUTHORITY SHALL, TO THE EXTENT PRACTICABLE AND NOT INCONSISTENT WITH ANY FEDERAL LAW, REGULATION OR REQUIREMENT, PROMOTE THE MEANINGFUL PARTICIPATION OF SMALL BUSINESS AND NEW YORK STATE BUSINESS ENTERPRISES IN THE PROVISION OF GOODS AND SERVICES THAT ARE PRODUCED OR MANUFACTURED IN NEW YORK STATE AS PART OF PROCUREMENTS UNDERTAKEN BY THE AUTHORITY.

(B) THE AUTHORITY SHALL WITHIN ONE HUNDRED EIGHTY DAYS AFTER THE EFFECTIVE DATE OF THIS SUBDIVISION DEVELOP, AND REVIEW ANNUALLY THEREAFTER, A PLAN TO EFFECT THE PURPOSES OF THIS SUBDIVISION.

S 21. This act shall take effect immediately; provided, however, that: (a) the amendments to subparagraph (1) of paragraph (a) of subdivision 1 of section 1263 of the public authorities law made by section three of this act shall be subject to the expiration and reversion of such paragraph pursuant to section 3 of chapter 549 of the laws of 1994, as amended, when upon such date the provisions of section four of this act shall take effect;

(b) the amendments to subdivision 4 of section 1263 of the public authorities law made by section five of this act, subdivision 2 of section 1201 of the public authorities law made by section six of this act, subdivision 1 of section 552 of the public authorities law made by section seven of this act, and subdivision 5 of section 1266 of the public authorities law made by section eight of this act, shall take effect upon the date of the appointment by the governor with the advice and consent of the senate of a chair to the new term of office created pursuant to section three of this act. The governor's office of appointments shall notify the legislative bill drafting commission upon the appointment of a chairman to the new term provided for in section three of this act in order that the legislative bill drafting commission may maintain an accurate and timely effective database of the original text of the laws of the state of New York in furtherance of effectuating the provisions of section 44 of the legislative law and section 70-b of the public officers law; and

(c) paragraph c of subdivision 1 of section 1269-b of the public authorities law as amended by section twelve of this act shall not affect the expiration of such paragraph and shall be deemed to expire therewith.

S 3. 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 4. This act shall take effect immediately provided, however, that the applicable effective date of Parts A through H of this act shall be as specifically set forth in the last section of such Parts.