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

7516

I N S E N A T E

May 30, 2012

Introduced by Sens. SALAND, BONACIC, BALL -- read twice and ordered printed, and when printed to be committed to the Committee on Investigations and Government Operations

AN ACT to amend the tax law, the vehicle and traffic law and the public authorities law, in relation to the metropolitan commuter transportation mobility tax

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

Section 1. Section 801 of the tax law is amended by adding a new subsection (d) to read as follows:

(D) FOR THE PURPOSES OF IMPOSING THE TAX AUTHORIZED WITHIN THIS SECTION IT IS HEREBY PROVIDED THAT:

(I) FOR CALENDAR YEAR TWO THOUSAND THIRTEEN SAID TAX FOR EMPLOYERS WITHIN THE COUNTIES OF DUTCHESS, ORANGE, PUTNAM AND ROCKLAND SHALL BE IMPOSED AT A RATE OF FIFTY PERCENT OF THAT OTHERWISE AUTHORIZED UNDER SUBSECTION (A) OF THIS SECTION;

(II) FOR CALENDAR YEAR TWO THOUSAND FOURTEEN SAID TAX FOR EMPLOYERS WITHIN THE COUNTIES OF DUTCHESS, ORANGE, PUTNAM, ROCKLAND, WESTCHESTER, NASSAU AND SUFFOLK SHALL BE IMPOSED AT A RATE OF FIFTY PERCENT OF THAT OTHERWISE AUTHORIZED UNDER SUBSECTION (A) OF THIS SECTION;

(III) FOR CALENDAR YEAR TWO THOUSAND FIFTEEN SAID TAX FOR EMPLOYERS WITHIN THE COUNTIES OF DUTCHESS, ORANGE, PUTNAM, ROCKLAND, WESTCHESTER, NASSAU AND SUFFOLK SHALL BE IMPOSED AT A RATE OF TWENTY PERCENT OF THAT OTHERWISE AUTHORIZED UNDER SUBSECTION (A) OF THIS SECTION AND FURTHER SAID TAX FOR EMPLOYERS WITHIN THE CITY OF NEW YORK SHALL BE IMPOSED AT A RATE OF SEVENTY-FOUR PERCENT OF THAT OTHERWISE AUTHORIZED UNDER SUBSECTION (A) OF THIS SECTION;

(IV) FOR CALENDAR YEAR TWO THOUSAND SIXTEEN AND CALENDAR YEARS THEREAFTER NO TAX SHALL BE IMPOSED UNDER THIS SECTION FOR EMPLOYERS WITHIN THE COUNTIES OF DUTCHESS, ORANGE, PUTNAM, ROCKLAND, WESTCHESTER, NASSAU AND SUFFOLK;

(V) FOR CALENDAR YEAR TWO THOUSAND SIXTEEN SAID TAX FOR EMPLOYERS WITHIN THE CITY OF NEW YORK SHALL BE IMPOSED AT A RATE OF FIFTY-SIX

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

LBD15901-02-2

PERCENT OF THAT OTHERWISE AUTHORIZED UNDER SUBSECTION (A) OF THIS SECTION;

(VI) FOR CALENDAR YEAR TWO THOUSAND SEVENTEEN SAID TAX FOR EMPLOYERS WITHIN THE CITY OF NEW YORK SHALL BE IMPOSED AT A RATE OF TWENTY-NINE PERCENT OF THAT OTHERWISE AUTHORIZED UNDER SUBSECTION (A) OF THIS SECTION; AND

(VII) FOR CALENDAR YEAR TWO THOUSAND EIGHTEEN AND CALENDAR YEARS THEREAFTER NO TAX SHALL BE IMPOSED UNDER THIS SECTION FOR EMPLOYERS WITHIN THE CITY OF NEW YORK.

S 2. Paragraph (b-1) of subdivision 2 of section 503 of the vehicle and traffic law is amended by adding a new subparagraph (iii) to read as follows:

(III) FOR THE PURPOSES OF IMPOSING THE SUPPLEMENTAL FEE AUTHORIZED WITHIN THIS SUBDIVISION IT IS HEREBY PROVIDED THAT:

A. FOR CALENDAR YEAR TWO THOUSAND THIRTEEN SAID SUPPLEMENTAL FEE FOR APPLICANTS WHO RESIDE WITHIN THE COUNTIES OF DUTCHESS, ORANGE, PUTNAM, ROCKLAND, WESTCHESTER, NASSAU AND SUFFOLK SHALL BE IMPOSED AT A RATE OF TWENTY-FIVE PERCENT OF THAT OTHERWISE AUTHORIZED UNDER THIS SUBDIVISION AND FURTHER FOR APPLICANTS RESIDING WITHIN THE CITY OF NEW YORK SAID SUPPLEMENTAL FEE SHALL BE IMPOSED AT A RATE OF SEVENTY PERCENT OF THAT OTHERWISE AUTHORIZED UNDER THIS SUBDIVISION;

B. FOR CALENDAR YEAR TWO THOUSAND FOURTEEN AND CALENDAR YEARS THEREAFTER NO SUPPLEMENTAL FEE SHALL BE IMPOSED FOR APPLICANTS WHO RESIDE WITHIN THE COUNTIES OF DUTCHESS, ORANGE, PUTNAM, ROCKLAND, WESTCHESTER, NASSAU AND SUFFOLK;

C. FOR CALENDAR YEAR TWO THOUSAND FOURTEEN SAID SUPPLEMENTAL FEE FOR APPLICANTS WHO RESIDE WITHIN THE CITY OF NEW YORK SHALL BE IMPOSED AT A RATE OF THIRTY-FIVE PERCENT OF THAT OTHERWISE AUTHORIZED UNDER THIS SUBDIVISION;

D. FOR CALENDAR YEAR TWO THOUSAND FIFTEEN AND CALENDAR YEARS THEREAFTER NO SUPPLEMENTAL FEE SHALL BE IMPOSED FOR APPLICANTS WHO RESIDE WITHIN THE CITY OF NEW YORK.

S 3. Section 499-c of the vehicle and traffic law, as added by section 1 of part B of chapter 25 of the laws of 2009, is amended to read as follows:

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. FOR THE PURPOSES OF IMPOSING THE SUPPLEMENTAL FEE AUTHORIZED WITHIN THIS SECTION IT IS HEREBY PROVIDED THAT:

(I) FOR CALENDAR YEAR TWO THOUSAND THIRTEEN SAID SUPPLEMENTAL FEE CHARGED TO REGISTRANTS WHO RESIDE WITHIN THE COUNTIES OF DUTCHESS, ORANGE, PUTNAM, ROCKLAND, WESTCHESTER, NASSAU AND SUFFOLK SHALL BE IMPOSED AT A RATE OF TWENTY-FIVE PERCENT OF THAT OTHERWISE AUTHORIZED UNDER THIS SECTION AND FURTHER FOR REGISTRANTS RESIDING WITHIN THE CITY OF NEW YORK SAID SUPPLEMENTAL FEE SHALL BE IMPOSED AT A RATE OF SEVENTY PERCENT OF THAT OTHERWISE AUTHORIZED UNDER THIS SECTION;

(II) FOR CALENDAR YEAR TWO THOUSAND FOURTEEN AND CALENDAR YEARS THEREAFTER NO SUPPLEMENTAL FEE SHALL BE IMPOSED FOR REGISTRANTS WHO RESIDE WITHIN THE COUNTIES OF DUTCHESS, ORANGE, PUTNAM, ROCKLAND, WESTCHESTER, NASSAU AND SUFFOLK;

(III) FOR CALENDAR YEAR TWO THOUSAND FOURTEEN SAID SUPPLEMENTAL FEE FOR REGISTRANTS WHO RESIDE WITHIN THE CITY OF NEW YORK SHALL BE IMPOSED AT A RATE OF THIRTY-FIVE PERCENT OF THAT OTHERWISE AUTHORIZED UNDER THIS SECTION;

(IV) FOR CALENDAR YEAR TWO THOUSAND FIFTEEN AND CALENDAR YEARS THEREAFTER NO SUPPLEMENTAL FEE SHALL BE IMPOSED FOR REGISTRANTS WHO RESIDE WITHIN THE CITY OF NEW YORK.

S 4. (a) For the purposes of this section total operating expense shall mean the metropolitan transportation authority's annual total operating expense before depreciation, subsidies and debt service and shall additionally exclude operating expenses related to pensions, other post-employment benefits, retroactive arbitration agreements and operating expenses related directly to system expansion which are not offset by a corresponding increase in system revenue. Any reductions in transit aid authorized within this act attributable to reductions in the metropolitan commuter transportation mobility tax authorized under article 23 of the tax law, the supplemental learner permit/license fee in the metropolitan commuter district region authorized under article 19 of the vehicle and traffic law and the metropolitan commuter transportation district supplemental registration fee authorized under article 17-C of the vehicle and traffic law shall be offset by limiting the growth of the metropolitan transportation authority's annual total operating expense over the preceding fiscal year equal to the product of the total operating expense for the preceding fiscal year and the lesser of one hundred twenty percent of the inflation rate or two percent. Inflation rate shall mean the annual percentage change in the consumer price index, all urban, as published by the bureau of labor statistics, or any successor agency. Such limitation in total operating expense shall begin in calendar year 2012 and continue in each fiscal year thereafter, provided however, that actual realized savings for 2012 shall be equal to one-twelfth of that otherwise anticipated under the limitations of growth as set forth in this section and further provided that total operating expense for 2012 shall include reductions already approved within the metropolitan transportation authority's 2012 total operating budget related to metropolitan transportation authority initiatives and policy actions totaling sixty-three million dollars.

(b) Beginning in 2012 and thereafter, all revenues resulting from the savings related to limiting the growth in the metropolitan transportation authority's annual total operating expense shall be deposited in the metropolitan transportation authority finance fund authorized by section 1270-h of the public authorities law, provided however, that revenues resulting from the savings pursuant to this section in excess of those savings required to offset any reductions in transit aid authorized within this act attributable to reductions in the metropolitan commuter transportation mobility tax authorized under article 23 of the tax law, the supplemental learner permit/license fee in the metropolitan commuter district region authorized under article 19 of the vehicle and traffic law and the metropolitan commuter transportation district supplemental registration fee authorized under article 17-C of the vehicle and traffic law shall be deposited in the metropolitan transportation authority finance fund authorized by section 1270-h of the public authorities law within a separate subaccount and shall be used exclusively to reduce the seven and one-half percent 2013 fare increase currently contained within the metropolitan transportation authority's 2012 approved operating budget to an increase of five and one-half percent.

S 5. Subdivisions 2 and 3 of section 1270-h of the public authorities law, as added by section 16 of part H of chapter 25 of the laws of 2009, are amended to read as follows:

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 transportation 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. IN ADDITION TO SAID FUNDS, THE METROPOLITAN TRANSPORTATION AUTHORITY SHALL DEPOSIT INTO THE METROPOLITAN TRANSPORTATION AUTHORITY FINANCE FUND ALL REVENUES RESULTING FROM LIMITING THE GROWTH OF THE METROPOLITAN TRANSPORTATION AUTHORITY'S ANNUAL TOTAL OPERATING EXPENSE PURSUANT TO THE PROVISIONS OF SECTION FOUR OF THE CHAPTER OF THE LAWS OF TWO THOUSAND TWELVE WHICH AMENDED THIS SUBDIVISION, PROVIDED HOWEVER THAT REVENUES DEPOSITED PURSUANT TO SECTION FOUR OF THE CHAPTER OF THE LAWS OF TWO THOUSAND TWELVE WHICH AMENDED THIS SUBDIVISION WHICH ARE IN EXCESS OF THOSE REQUIRED TO OFFSET ANY REDUCTIONS IN TRANSIT AID AUTHORIZED WITHIN SUCH CHAPTER OF THE LAWS OF TWO THOUSAND TWELVE ATTRIBUTABLE TO REDUCTIONS IN THE METROPOLITAN COMMUTER TRANSPORTATION MOBILITY TAX AUTHORIZED UNDER ARTICLE TWENTY-THREE OF THE TAX LAW, THE SUPPLEMENTAL LEARNER PERMIT/LICENSE FEE IN THE METROPOLITAN COMMUTER DISTRICT REGION AUTHORIZED UNDER ARTICLE NINETEEN OF THE VEHICLE AND TRAFFIC LAW AND THE METROPOLITAN COMMUTER TRANSPORTATION DISTRICT SUPPLEMENTAL REGISTRATION FEE AUTHORIZED UNDER ARTICLE SEVENTEEN-C OF THE VEHICLE AND TRAFFIC LAW SHALL BE DEPOSITED WITHIN A SEPARATE TWO THOUSAND THIRTEEN FARE INCREASE REDUCTION SUBACCOUNT AND SHALL BE USED EXCLUSIVELY TO REDUCE THE SEVEN AND ONE-HALF PERCENT TWO THOUSAND THIRTEEN FARE INCREASE CURRENTLY CONTAINED WITHIN THE METROPOLITAN TRANSPORTATION AUTHORITY'S TWO THOUSAND TWELVE APPROVED OPERATING BUDGET TO AN INCREASE OF FIVE AND ONE-HALF PERCENT.

3. Moneys in the fund EXCEPT THOSE DEPOSITED WITHIN THE TWO THOUSAND THIRTEEN FARE INCREASE REDUCTION SUBACCOUNT 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.

S 6. This act shall take effect immediately.