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

596--A

2011-2012 Regular Sessions

I N A S S E M B L Y

(PREFILED)

January 5, 2011

Introduced by M. of A. GUNTHER, JAFFEE, ZEBROWSKI, GALEF, CAHILL, MOLINARO, RABBITT, CALHOUN -- read once and referred to the Committee on Corporations, Authorities and Commissions -- committee discharged, bill amended, ordered reprinted as amended and recommitted to said committee

AN ACT to amend the public authorities law and the tax law, in relation to requiring the metropolitan transportation authority to renegotiate the joint service operating agreement with the state of Connecticut

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

Section 1. Legislative findings and intent. The legislature recognizes that transit riders within the counties of Dutchess, Orange, Putnam and Rockland comprise only one percent of the combined population of these counties; only ten percent of all Metro-North Commuter Railroad riders and only two tenths of one percent of New York city subway riders.

The legislature further recognizes that under chapter 25 of the laws of 2009, these four counties have been mandated to contribute more than ninety million dollars in added revenues to the metropolitan transportation authority to supplement the two hundred seventy-five million dollars in county payments already being made to the authority every year.

The legislature acknowledges that this level of payment totaling over three hundred sixty-five million dollars annually or close to thirty-two thousand dollars per transit rider reflects an unfair burden on residents of these counties in which the overwhelming majority of residents receive no transit services from the metropolitan transportation authority at all.

The legislature further recognizes that twenty-six percent of Metro-North Commuter Railroad transit riders are Connecticut residents who were not asked to contribute to the metropolitan transportation authority operating deficit bailout formulated under chapter 25 of the laws of 2009.

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

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It is not the intent of the legislature within this legislation to negatively impact the level of revenue flowing to the metropolitan transportation authority. It is however the legislature's intent to ensure fairness to the residents of the counties of Dutchess, Orange, Putnam and Rockland by eliminating the metropolitan commuter transportation tax imposed upon the residents of these four counties; requiring transit riders within these counties to pay increased fares of thirteen percent; and requiring the metropolitan transportation authority to renegotiate or terminate the joint service operating agreement between the authority and the state of Connecticut to reflect equity based on utilization.

S 2. Section 1266 of the public authorities law is amended by adding a new subdivision 19 to read as follows:

19. THE AUTHORITY IS REQUIRED BY MARCH THIRTY-FIRST, TWO THOUSAND TWELVE TO:

(A) RENEGOTIATE THE JOINT SERVICE AGREEMENT BETWEEN THE AUTHORITY AND THE STATE OF CONNECTICUT RELATED TO THE OPERATION OF THE METRO-NORTH NEW HAVEN LINE TO (I) REQUIRE CONNECTICUT TO SET NEW HAVEN LINE FARE INCREASES AT LEVELS NECESSARY TO SUSTAIN EQUIVALENT FARE LEVELS BETWEEN NEW YORK STATE RESIDENTS RIDING THE METRO-NORTH COMMUTER RAILROAD AND CONNECTICUT RESIDENTS RIDING THE METRO-NORTH COMMUTER RAILROAD, (II) REQUIRE THAT CONNECTICUT OPERATING DEFICIT SUBSIDY PAYMENTS SHALL BE BASED ON CONNECTICUT RESIDENT UTILIZATION OF THE METRO-NORTH COMMUTER RAILROAD AND CONNECTICUT RESIDENT UTILIZATION OF THE NEW YORK CITY TRANSIT AUTHORITY WITH SUCH SUBSIDIES TO BE DETERMINED BY MULTIPLYING THE CONNECTICUT RESIDENT UTILIZATION PERCENTAGES FOR THE METRO-NORTH COMMUTER RAILROAD AND THE NEW YORK CITY TRANSIT AUTHORITY BY THE RESPECTIVE BASELINE OPERATING DEFICIT OF THESE OPERATING ENTITIES PRIOR TO SUBSIDY ADJUSTMENTS AND PRIOR TO INCREASED REVENUES PROVIDED TO THE AUTHORITY BY NEW YORK STATE RESIDENTS PURSUANT TO PAYMENTS MANDATED BY CHAPTER TWENTY-FIVE OF THE LAWS OF TWO THOUSAND NINE, AND (III) PROVIDE FOR RETROACTIVE LUMP SUM PAYMENTS DUE FROM THE STATE OF CONNECTICUT RELATED TO CALENDAR YEARS TWO THOUSAND TEN AND TWO THOUSAND ELEVEN; OR

(B) REDUCE SERVICES AND EXPENSES RELATED TO THE METRO-NORTH NEW HAVEN LINE OPERATION BY AN AMOUNT WHICH PRODUCES RECURRING SAVINGS TO THE AUTHORITY WHICH ARE EQUIVALENT TO THE INCREASED JOINT SERVICE AGREEMENT PAYMENTS WHICH WOULD BE DETERMINED UNDER PARAGRAPH (A) OF THIS SUBDIVISION; OR

(C) NOTWITHSTANDING ANY PROVISION OF THIS SECTION OR ANY OTHER LAW TO THE CONTRARY, TERMINATE THE AMENDED AND RESTATED SERVICE AGREEMENT, DATED AS OF JUNE 21, 1985, AND ANY AMENDMENTS AND/OR MODIFICATIONS THERETO, INCLUDING BUT NOT LIMITED TO ANY AND ALL ARBITRATION OPINIONS AND AWARDS, PURSUANT TO ARTICLE TWELVE OF SAID AMENDED AND RESTATED SERVICE AGREEMENT.

S 3. Subdivision (a) of section 800 of the tax law, as added by section 1 of part C of chapter 25 of the laws of 2009, is amended to read as follows:

(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, PROVIDED HOWEVER, THAT THE COUNTIES OF DUTCHESS, ORANGE, PUTNAM AND ROCKLAND SHALL BE EXCLUDED FROM THIS DISTRICT FOR THE PURPOSES OF THIS ARTICLE AND ANY REVENUES PREVIOUSLY COLLECTED FROM WITHIN THESE COUNTIES SHALL BE REIMBURSED TO EACH PAYOR BY MARCH THIRTY-FIRST, TWO THOUSAND TWELVE.

S 4. This act shall take effect immediately.