STATE OF NEW YORK

384

2017-2018 Regular Sessions

IN ASSEMBLY

January 9, 2017

Introduced by M. of A. GUNTHER, BARRETT, MONTESANO, RAIA -- Multi-Sponsored by -- M. of A. McDONOUGH, RIVERA -- read once and referred to the Committee on Corporations, Authorities and Commissions

AN ACT to amend the public authorities law, in relation to requiring the metropolitan commuter transportation authority to obtain approval from the state comptroller to increase fares

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

Section 1. Subdivision 1 of section 1205 of the public authorities law, as amended by chapter 717 of the laws of 1967, is amended to read as follows:

1. Notwithstanding the provisions of any other law, the terms of any contract or franchise, the authority shall have the power at all times to fix or adjust the rate or rates of fare to be charged for the use of any transit facility operated by the authority as may in the judgment of the authority be necessary to maintain the operations of the authority on a self-sustaining basis**, upon approval of the state comptroller pursuant to section twelve hundred sixty-five-c of this article**. The operations of the authority shall be deemed to be on a self-sustaining basis, as required by this title, when the authority is able to pay from revenue, from any funds granted or transferred to the authority pursuant to any provision of law, including funds granted pursuant to the provisions of section ninety-eight-b of the general municipal law, and from any other funds actually available to the authority, including the proceeds of borrowings for working capital purposes, the expenses of operation of the authority as the same shall become due.

§ 2. Section 1207-i of the public authorities law, as amended by section 17 of part O of chapter 61 of the laws of 2000, is amended to read as follows:

§ 1207-i. Rates of fare while bonds, notes and other obligations are outstanding. Notwithstanding the provisions of section twelve hundred

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

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five of this title or the provisions of any other law to the contrary, so long as the authority shall have outstanding and unpaid bonds, notes or other obligations issued pursuant to section twelve hundred seven-b of this title, or the metropolitan transportation authority or Triborough bridge and tunnel authority shall have outstanding and unpaid bonds, notes or other obligations secured by or payable from, in whole or in part, the revenues, assets or other monies of the authority or its subsidiary corporations, the authority shall have the power at all times to fix or adjust the rate or rates of fare to be charged for the use of any transit facility operated by the authority**, upon approval of the state comptroller pursuant to section twelve hundred sixty-five-c of this article,** as may, in the judgment of the board, be necessary to produce sufficient revenues to pay, as the same shall become due, the principal of and interest on such bonds, notes and other obligations of the authority, metropolitan transportation authority and Triborough bridge and tunnel authority, together with the maintenance of proper reserves therefor, in addition to paying as the same shall become due the expenses of operation of the authority. The authority, metropolitan transportation authority and Triborough bridge and tunnel authority, shall be authorized to contract with the holders of such bonds**,** notes and other obligations with respect to the exercise of the power authorized by this section. In furtherance of the mandate of the metropolitan transportation authority to develop and implement a unified mass transportation policy for the metropolitan commuter transportation district and the exercise of its powers, including the power to issue notes, bonds and other obligations secured in whole or in part by the revenues of the authority and its subsidiaries, metropolitan transportation authority and its subsidiaries, and the Triborough bridge and tunnel authority, the authority shall join with the metropolitan transportation authority in connection with the establishment, levy and collection of fares, tolls, rentals, rates, charges and other fees for the transportation of passengers on any transit facilities operated by authority and its subsidiaries, including any changes thereto.

§ 3. Subdivision 3 of section 1266 of the public authorities law, as amended by chapter 314 of the laws of 1981, is amended to read as follows:

3. [~~The~~] **Except as provided in section twelve hundred sixty-five-c of this title, the** authority may establish, levy and collect or cause to be established, levied and collected and, in the case of a joint service arrangement, join with others in the establishment, levy and collection of such fares, tolls, rentals, rates, charges and other fees as it may deem necessary, convenient or desirable for the use and operation of any transportation facility and related services operated by the authority or by a subsidiary corporation of the authority or under contract, lease or other arrangement, including joint service arrangements, with the authority. Any such fares, tolls, rentals, rates, charges or other fees for the transportation of passengers shall be established and changed only if approved by resolution of the authority adopted by not less than a majority vote of the whole number of members of the authority then in office, with the chairman having one additional vote in the event of a tie vote, **except as provided in section twelve hundred sixty-five-c of this title,** and only after a public hearing, provided however, that fares, tolls, rentals, rates, charges or other fees for the transportation of passengers on any transportation facility which are in effect at the time that the then owner of such transportation facility becomes a subsidiary corporation of the authority or at the time that operation of

such transportation facility is commenced by the authority or is commenced under contract, lease or other arrangement, including joint service arrangements, with the authority may be continued in effect without such a hearing. Such fares, tolls, rentals, rates, charges and other fees shall be established as may in the judgment of the authority be necessary to maintain the combined operations of the authority and its subsidiary corporations on a self-sustaining basis. The said operations shall be deemed to be on a self-sustaining basis as required by this title, when the authority is able to pay or cause to be paid from revenue and any other funds or property actually available to the authority and its subsidiary corporations (a) as the same shall become due, the principal of and interest on the bonds and notes and other obligations of the authority and of such subsidiary corporations, together with the maintenance of proper reserves therefor, (b) the cost and expense of keeping the properties and assets of the authority and its subsidiary corporations in good condition and repair, and (c) the capital and operating expenses of the authority and its subsidiary corporations. The authority may contract with the holders of bonds and notes with respect to the exercise of the powers authorized by this section. No acts or activities taken or proposed to be taken by the authority or any subsidiary of the authority pursuant to the provisions of this subdivision shall be deemed to be "actions" for the purposes or within the meaning of article eight of the environmental conservation law.

§ 4. The public authorities law is amended by adding a new section 1265-c to read as follows:

§ 1265-c. Approval of state comptroller. 1. The authority shall submit a written report to the state comptroller prior to the date of any increase in fares for the transportation of passengers takes effect. Such report shall include a justification for such proposed fare increase and the current financial condition of the authority. The state comptroller may require any additional data or information that he or she deems necessary in such report. No proposed fare increase shall take effect until approved by resolution of the authority pursuant to section twelve hundred sixty-six of this title and approved by the state comptroller.

2. This section shall not be deemed to adversely affect or diminish any public hearing requirements.

§ 5. This act shall take effect on the ninetieth day after it shall have become a law and shall apply to any fares increased on or after such effective date.