STATE OF NEW YORK

4122

2023-2024 Regular Sessions

IN ASSEMBLY

February 9, 2023

Introduced by M. of A. MAMDANI -- Multi-Sponsored by -- M. of A. ANDERSON, ARDILA, CARROLL, CUNNINGHAM, DE LOS SANTOS, DINOWITZ, EPSTEIN, FORREST, GALLAGHER, GIBBS, GONZALEZ-ROJAS, JACKSON, KIM, LEE, MITAYNES, RAGA, SEAWRIGHT, SEPTIMO, SHRESTHA, SIMONE, TAPIA, WALKER -- read once and referred to the Committee on Corporations, Authorities and Commissions

AN ACT in relation to spending by the Metropolitan Transportation Authority; and requiring the Metropolitan Transportation Authority to freeze fares, increase service frequency and establish a permanent fare-free bus program

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

Section 1. Short title. This act shall be known and may be cited as the "MTA Freeze Fares, Fund Frequency and Free Bus Act," or the MTA "Formula 3 Act".

§ 2. Legislative findings and intent. The legislature hereby finds and declares the importance of the New York Metropolitan Transportation Authority (MTA) and affirms the duty of the legislature to ensure that the Authority operates effectively. The MTA provides an essential service: transporting millions of New Yorkers on billions of trips each year to and from their places of work, worship, and gathering. For many New Yorkers, however, the cost is prohibitive - particularly as inflation climbs, wages remain stagnant, and the cost of basic goods rises. At the same time, the MTA faces a fiscal crisis due to ridership declines from the COVID-19 pandemic, the exhaustion of federal COVID-19 relief, and the Authority's historically high debt loads. Accordingly, the legislature further finds and declares that it is the state's obligation to solve the MTA's budget crisis, while rejecting a fare hike, increasing service and making buses free. The state must intervene and fill the deficit, while also charting a sustainable future for the MTA. Simultaneously, it is the intent of the legislature to enhance account-

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

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ability through reporting measures; establish prudent and accurate budget measures; and improve safety. All of these goals together will aid in providing safe, reliable and affordable transit service to riders.

§ 3. The MTA (the "Authority") shall allocate state funds received for the tax years 2023-2026 in the following ways:

a. $600,000,000 in the tax year 2023; $1,190,000,000 in the tax year 2024; $1,230,000,000 in the tax year 2025; and $1,622,000,000 in the tax year 2026 to fill their estimated deficit gap.

b. $114,000,000 in the tax year 2023; $193,000,000 in the tax year 2024; $313,000,000 in the tax year 2025; and $360,000,000 in the tax year 2026 to pay down the deficit without the implementation of fare increases. The Authority shall not increase fares with receipt of this funding for the duration of tax years 2023-2026.

c. $350,000,000 each year for tax years 2023-2026 to account for 73% return to ridership based on 2019 ridership totals. Upon receipt of such funding, the Authority shall issue a public report which shall include, but not be limited to, ridership numbers and fare revenue, with fare revenue inclusive of all subsidies paid on behalf of riders for discount programs. This report shall be released no later than 60 days after the end of each state fiscal year.

d. $150,000,000 each year for tax years 2023-2026 for MTA workers' contract wage increases. Upon receipt of such funding, the Authority shall issue a public report which shall include, but not be limited to, comparing raise percentages to actual salaries, including the effect of changes to steps, work rules or any other impactful policy.

e. $300,000,000 each year for tax years 2023-2026 to run subways and most buses at least every six minutes, every day of the week.

(i) As soon as practicable and without compromising the availability of express subway service or the reliability of subway and bus service, and upon receipt of such funding, the Authority shall operate subway service and bus service on the 100 most heavily used bus and all subway lines at least every six minutes at least 17 hours per day, seven days per week.

(ii) Until such time as the Authority is able to make any capital improvements necessary to operate subway lines and the 100 most heavily used city bus lines at least every six minutes during off-peak hours, the Authority shall provide on those lines the same frequency of service during off-peak, non-overnight hours, as it does during the peak or rush hour period.

(iii) Existing rush hour service and service on less heavily used bus lines shall not be reduced in order to fund additional service pursuant to this subdivision.

(iv) Upon receipt of such funding, the Authority shall issue a public report which shall include, but not be limited to, cost and schedule projections by line, with target timing for headways broken down by each line, and if spending targets are missed, explanation for missing targets.

f. $488,000,000 each year for tax years 2023-2026 to increase bus service across the system by 20%.

(i) Upon receipt of such funding, the Authority shall issue a public report which shall include, but not be limited to, cost and schedule projections by line funded by this increase.

(ii) The Authority shall conduct a study to identify routes included in both the fulfillment of the six minute headways policy and the 20% increase across the bus system in order to identify duplicate routes. It must then report on the savings from eliminating said

duplications, and allocate the cost savings of said routes to pay off applicable, outstanding debts with no prepayment penalties.

§ 4. The Authority shall implement a permanent fare-free bus program for buses operated by its subsidiary entities commencing no later than January 1, 2024. From January 1, 2024 until December 31, 2024 the Authority shall implement an initial phase of the program in the Bronx including identified bus routes with a cumulative operating cost of no more than $147,800,000. From January 1, 2025 until December 31, 2025 the Authority shall implement a phase of the program in Brooklyn including identified bus routes with a cumulative operating cost of no more than $342,300,000. From January 1, 2026 until December 31, 2026 the Authority shall implement a phase of the program in Queens including identified bus routes with a cumulative operating cost of no more than $575,700,000. From January 1, 2027 until December 31, 2027 the Authority shall implement a phase of the program in Manhattan and Staten Island including identified bus routes with a cumulative operating cost of no more than $778,000,000. The Authority shall promulgate any rules and regulations to implement the program.

Upon receipt of such funding, the Authority shall issue a public report which shall include, but not be limited to, ridership, a break-down of operating costs for the program, selected routes, and cost and schedule projections by line.

§ 5. $500,000,000 in the tax year 2023 for one-time operating money to cover associated costs with increased subway and bus service, including but not limited to, personnel needs, rolling stock procurement and facility costs.

§ 6. Should ridership in any tax year from 2023-2026 be greater than 73% of 2019 ridership totals or should MTA workers' contracts be less than the 3.5% of the projected raise accounted for in subdivision d of section three of this act, the excess monies shall be used to pay off applicable, outstanding debts with no prepayment penalties.

§ 7. The Authority shall henceforth be required to only issue bonds with level debt service payments, with exception of expansion projects; provided, however, that this exception shall only be granted if the Authority puts forth a proposal for approval to the state comptroller that the project qualifies for an expansion project.

§ 8. This act shall take effect immediately.