

# STATE OF NEW YORK

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4024

2023-2024 Regular Sessions

## IN SENATE

February 2, 2023

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Introduced by Sens. GIANARIS, BRISPORT, GONZALEZ, SALAZAR -- read twice and ordered printed, and when printed to be committed to the Committee on Transportation

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:

1 Section 1. Short title. This act shall be known and may be cited as  
2 the "MTA Freeze Fares, Fund Frequency and Free Bus Act," or the MTA  
3 "Formula 3 Act".  
4 § 2. Legislative findings and intent. The legislature hereby finds and  
5 declares the importance of the New York Metropolitan Transportation  
6 Authority (MTA) and affirms the duty of the legislature to ensure that  
7 the Authority operates effectively. The MTA provides an essential  
8 service: transporting millions of New Yorkers on billions of trips each  
9 year to and from their places of work, worship, and gathering. For many  
10 New Yorkers, however, the cost is prohibitive - particularly as  
11 inflation climbs, wages remain stagnant, and the cost of basic goods  
12 rises. At the same time, the MTA faces a fiscal crisis due to ridership  
13 declines from the COVID-19 pandemic, the exhaustion of federal COVID-19  
14 relief, and the Authority's historically high debt loads. Accordingly,  
15 the legislature further finds and declares that it is the state's obli-  
16 gation to solve the MTA's budget crisis, while rejecting a fare hike,  
17 increasing service and making buses free. The state must intervene and  
18 fill the deficit, while also charting a sustainable future for the MTA.  
19 Simultaneously, it is the intent of the legislature to enhance account-  
20 ability through reporting measures; establish prudent and accurate budg-  
21 et measures; and improve safety. All of these goals together will aid in  
22 providing safe, reliable and affordable transit service to riders.

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

LBD05013-02-3

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

3 a. \$600,000,000 in the tax year 2023; \$1,190,000,000 in the tax year  
4 2024; \$1,230,000,000 in the tax year 2025; and \$1,622,000,000 in the tax  
5 year 2026 to fill their estimated deficit gap.

6 b. \$114,000,000 in the tax year 2023; \$193,000,000 in the tax year  
7 2024; \$313,000,000 in the tax year 2025; and \$360,000,000 in the tax  
8 year 2026 to pay down the deficit without the implementation of fare  
9 increases. The Authority shall not increase fares with receipt of this  
10 funding for the duration of tax years 2023-2026.

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

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

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

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

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

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

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

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

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

50 (ii) The Authority shall conduct a study to identify routes included  
51 in both the fulfillment of the six minute headways policy and the  
52 20% increase across the bus system in order to identify duplicate  
53 routes. It must then report on the savings from eliminating said  
54 duplications, and allocate the cost savings of said routes to pay off  
55 applicable, outstanding debts with no prepayment penalties.

1 § 4. The Authority shall implement a permanent fare-free bus program  
2 for buses operated by its subsidiary entities commencing no later than  
3 January 1, 2024. From January 1, 2024 until December 31, 2024 the  
4 Authority shall implement an initial phase of the program in the Bronx  
5 including identified bus routes with a cumulative operating cost of no  
6 more than \$147,800,000. From January 1, 2025 until December 31, 2025 the  
7 Authority shall implement a phase of the program in Brooklyn including  
8 identified bus routes with a cumulative operating cost of no more than  
9 \$342,300,000. From January 1, 2026 until December 31, 2026 the Authority  
10 shall implement a phase of the program in Queens including identified  
11 bus routes with a cumulative operating cost of no more than  
12 \$575,700,000. From January 1, 2027 until December 31, 2027 the Authority  
13 shall implement a phase of the program in Manhattan and Staten Island  
14 including identified bus routes with a cumulative operating cost of no  
15 more than \$778,000,000. The Authority shall promulgate any rules and  
16 regulations to implement the program.

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

21 § 5. \$500,000,000 in the tax year 2023 for one-time operating money to  
22 cover associated costs with increased subway and bus service, including  
23 but not limited to, personnel needs, rolling stock procurement and  
24 facility costs.

25 § 6. Should ridership in any tax year from 2023-2026 be greater than  
26 73% of 2019 ridership totals or should MTA workers' contracts be less  
27 than the 3.5% of the projected raise accounted for in subdivision d of  
28 section three of this act, the excess monies shall be used to pay off  
29 applicable, outstanding debts with no prepayment penalties.

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

35 § 8. This act shall take effect immediately.