

# STATE OF NEW YORK

6299

2025-2026 Regular Sessions

## IN ASSEMBLY

March 3, 2025

Introduced by M. of A. JACOBSON, EACHUS, KAY, BRABENEC, MAHER -- read once and referred to the Committee on Corporations, Authorities and Commissions

AN ACT to amend the public authorities law, in relation to withdrawing Orange county from the metropolitan commuter transportation district

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

1 Section 1. Section 1279-b of the public authorities law, as added by  
2 chapter 669 of the laws of 1986 and the opening paragraph of subdivision  
3 1, the opening paragraph of paragraph (a) of subdivision 1, and subdivi-  
4 sions 3 and 5 as amended by chapter 670 of the laws of 1986, is amended  
5 to read as follows:

6 § 1279-b. Transition--election to withdraw from the metropolitan  
7 commuter transportation district. 1. The counties of Dutchess, Orange  
8 and Rockland shall have an option to withdraw from the metropolitan  
9 commuter transportation district and have such withdrawal take effect on  
10 either: (a) January first, nineteen hundred eighty-seven. If any such  
11 county plans to withdraw from the district on January first, nineteen  
12 hundred eighty-seven, it shall (i) no later than seventy-five days after  
13 the effective date of this section, furnish the commissioner of trans-  
14 portation, and [~~chairman~~] chair of the authority and the other counties  
15 which have an option to withdraw, a resolution adopted by the county  
16 legislature providing notice of intent to withdraw, (ii) on or before  
17 October first, nineteen hundred eighty-six, furnish to the commissioner  
18 of transportation, the [~~chairman~~] chair of the authority and other coun-  
19 ties which have an option to withdraw, a resolution adopted by the coun-  
20 ty legislature providing for a public transportation plan. For the  
21 purposes of this section, a "public transportation plan" shall mean a  
22 plan that maintains adequate and continuous public transportation  
23 services from the withdrawing county to the city of New York or any  
24 terminus previously served, provides a reasonable level of rail passen-

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

LBD07870-01-5

1 ger service, provides a schedule for implementing such service, protects  
2 the public investment in the rail transportation system and any other  
3 criteria deemed necessary by the commissioner of transportation. Prior  
4 to withdrawal pursuant to this paragraph or paragraph (b) of this subdivi-  
5 sion, a county must receive approval of its public transportation plan  
6 pursuant to paragraph (c) of this subdivision, (iii) on or before Decem-  
7 ber fifteenth, nineteen hundred eighty-six, furnish the commissioner of  
8 transportation, a copy of an agreement with the authority or an operator  
9 of rail passenger service for the provision of rail passenger service to  
10 and from such county and the city of New York or any terminus previously  
11 served.

12 If a county planning to withdraw on January first, nineteen hundred  
13 eighty-seven is unable to withdraw because it could not meet the  
14 requirements of this paragraph, it may elect to withdraw pursuant to  
15 paragraph (b) of this subdivision hereafter.

16 (b) January first, nineteen hundred eighty-eight or January first,  
17 nineteen hundred eighty-nine. If any such county plans to withdraw on  
18 either January first, nineteen hundred eighty-eight or January first,  
19 nineteen hundred eighty-nine, it shall (i) no later than ninety days  
20 after the first of January of the year immediately preceding the year in  
21 which such county plans to withdraw from the district, furnish the  
22 commissioner of transportation, the [chairman] chair of the authority  
23 and the other counties which have an option to withdraw, a resolution  
24 adopted by the county legislature providing notice of intent to withdraw  
25 from the district, (ii) no later than one hundred twenty days after the  
26 first of January of the year immediately preceding the year in which  
27 such county plans to withdraw from the district furnish to the commis-  
28 sioner of transportation, the [chairman] chair of the authority and the  
29 counties which have an option to withdraw a resolution adopted by the  
30 county legislature providing a public transportation plan as described  
31 in this section, (iii) on or before October first of the year immediate-  
32 ly preceding the year in which such county plans to withdraw from the  
33 district, furnish to the commissioner a copy of an agreement with the  
34 authority or an operator of rail passenger service for the provision of  
35 rail passenger service to and from such county and the city of New York  
36 or any terminus previously served.

37 (c) No later than thirty days after receipt of the public transporta-  
38 tion plan the commissioner of transportation shall, in writing, either  
39 approve such plan as conforming with the requirements heretofore  
40 described or disapprove such plan as failing to meet such requirements  
41 and the reasons therefor. Disapproval of a plan shall not prohibit a  
42 county from resubmitting a public transportation plan and such resubmit-  
43 ted plan shall be approved or disapproved no later than fifteen days  
44 after receipt by the commissioner of transportation. The public trans-  
45 portation plan shall be subject to any state or federal public hearing  
46 requirements which the authority would be subject to if the authority  
47 made the changes proposed by such plan.

48 (d) Any such county which plans to withdraw from the district must  
49 meet the requirements of this section prior to the effective date of  
50 withdrawal, and no withdrawal for the purposes of this section shall  
51 take effect unless such county furnishes the resolutions and agreement  
52 prior to the effective date of withdrawal.

53 (e) Notwithstanding the foregoing provisions of this subdivision, the  
54 county of Orange shall hereafter be deemed to have planned to and with-  
55 drawn from the metropolitan commuter transportation district for

1 purposes of this article within one year of the effective date of this  
2 paragraph.

3 2. (a) The authority and any subsidiary corporation of the authority  
4 shall enter into an agreement or agreements with a county that plans to  
5 withdraw from the district to transfer and assign to such county all  
6 authority and subsidiary railroad facilities and operations, rights and  
7 obligations, and contract rights and obligations, including operating  
8 contract rights and obligations, which are owned, operated, maintained  
9 or used directly or by contract or which are otherwise involved in the  
10 provision of railroad services to such counties. Such agreement shall  
11 provide, in the event a facility, operation, right or obligation is  
12 necessary and material to the provision of rail passenger service in the  
13 district or is not assignable under applicable bond covenants or  
14 contracts or the parties agree that it should not be assigned, that the  
15 authority or subsidiary thereof shall continue to hold and be responsi-  
16 ble for such facility, operation, right or obligation and that such  
17 county shall reimburse to the authority that portion of the cost to the  
18 authority or subsidiary of its retention of such facility, operation,  
19 right or obligation that is allocable to such county. If the parties  
20 agree that the authority or subsidiary thereof shall operate the rail-  
21 road facilities in a county after the effective date of such county's  
22 withdrawal, the agreement also shall provide for the terms and condi-  
23 tions of the operation of such service.

24 (b) With respect to a withdrawal made pursuant to paragraph (e) of  
25 subdivision one of this section, the authority and/or any relevant  
26 subsidiary corporation of the authority shall negotiate in good faith  
27 any agreement required by this section for withdrawal from the district.  
28 Such negotiations shall commence not later than forty-five days after  
29 the authority and any subsidiary corporation provides the updated writ-  
30 ten statement pursuant to subdivision three of this section. In no event  
31 shall a county be required to negotiate with both the authority and a  
32 subsidiary authority. The negotiations conducted by and the actions of  
33 the authority or subsidiary authority shall be binding. If after sixty  
34 days from the commencement of such negotiations or at any time thereaft-  
35 er the authority or any subsidiary corporation of the authority and a  
36 county are unable to reach an agreement required by this section for  
37 such withdrawal, either party may make application to a justice of the  
38 supreme court presiding in Orange county for appointment of a special  
39 referee. Each party shall submit to the justice a list containing the  
40 names and qualifications of five persons to serve as special referee.  
41 The justice shall select one person from among the names submitted by  
42 the parties to serve as special referee. The special referee shall medi-  
43 ate the negotiations for withdrawal for a period of no longer than sixty  
44 days. If, at the end of said sixty day period, the parties are not able  
45 to reach agreement, the special referee shall, within thirty days there-  
46 after, recommend the terms of the withdrawal to the justice. The justice  
47 shall review the recommendations of the referee and the positions of the  
48 parties thereon and shall issue an order setting forth the terms of the  
49 withdrawal. Notwithstanding the entry of such order, a county shall have  
50 fifteen days from the entry of such order to terminate such proceeding.  
51 Upon the timely exercise of such right to terminate, such proceeding  
52 shall be deemed null and void and of no further effect. If a county has  
53 not exercised its right to terminate, said order shall be subject to  
54 appellate review in accordance with the civil practice law and rules,  
55 provided that any appeal from the order shall be granted expedited  
56 status.

1 3. Within forty-five days of the effective date of this section, the  
2 authority and any subsidiary corporation of the authority shall provide  
3 to the counties of Dutchess, Orange and Rockland a written statement,  
4 including cost estimates and the useful life, if any, of all of its  
5 facilities, operations, rights and obligations relating to the provision  
6 of rail service in such counties. Provided further that within forty-  
7 five days of the effective date of paragraph (e) of subdivision one of  
8 this section, the authority and any subsidiary corporation of the  
9 authority shall provide to the counties of Dutchess, Orange, Rockland  
10 and Putnam an updated written statement, including updated cost esti-  
11 mates and the useful life, if any, of all of its facilities, operations,  
12 rights and obligations relating to the provision of rail service in such  
13 counties.

14 4. The authority and any subsidiary corporation of the authority is  
15 authorized to enter into an agreement or agreements with a county that  
16 plans to withdraw from the district, pursuant to which the authority or  
17 subsidiary thereof will provide technical assistance to such county  
18 prior to, during and after the withdrawal, with respect to the transfer  
19 of ownership, operation, maintenance and use of railroad facilities  
20 within such county. Such agreement may provide that the county reimburse  
21 the authority or its subsidiary for the cost to the authority and its  
22 subsidiary for the provision of such technical assistance.

23 5. (a) The authority shall have no obligation to undertake or continue  
24 any project or part thereof in a current or future capital program plan  
25 which pertains to railroad facilities within or services to a county  
26 that withdraws from the district on or after such date of withdrawal nor  
27 shall the authority enter into any contract for a project or part there-  
28 of which would increase liabilities pursuant to subdivision six of this  
29 section in a county after such county notifies the authority of its  
30 intent to withdraw as provided in subdivision one of this section,  
31 provided, however, that if the authority has executed a contract for the  
32 effectuation of a project or part thereof in a capital program plan in  
33 such county, it shall be assigned to such county in accordance with  
34 subdivision two of this section, unless the parties agree that it shall  
35 not be assigned and that the authority or its subsidiary shall continue  
36 to be responsible therefor, in which event the county shall reimburse  
37 the authority or its subsidiary in accordance with the provisions of  
38 subdivision two of this section.

39 (b) Notwithstanding the provisions of paragraph (a) of this subdivi-  
40 sion, the authority and its subsidiary shall continue to have its obli-  
41 gations to undertake and continue all projects and parts thereof in a  
42 current or future capital program plan which pertains to railroad facil-  
43 ities within or services to Orange county prior to the withdrawal of  
44 such county under paragraph (e) of subdivision one of this section and  
45 the authority and its subsidiary may enter into any contract for a  
46 project or part thereof which would increase liabilities pursuant to  
47 subdivision six of this section in Orange county after the withdrawal of  
48 such county under paragraph (e) of subdivision one of this section.  
49 Orange county shall not be required to reimburse the authority or its  
50 subsidiary in accordance with the provisions of subdivision two of this  
51 section for any contract executed prior to the withdrawal of such county  
52 under paragraph (e) of subdivision one of this section.

53 6. (a) Any county which withdraws from the district shall reimburse to  
54 the authority or its subsidiary, within the time period agreed to by the  
55 parties, any capital expenditures heretofore undertaken by the authority  
56 or its subsidiary for railroad facilities only within such county which

1 were financed by commuter railroad revenue bonds issued by the metropol-  
2 itan transportation authority pursuant to section twelve hundred sixty-  
3 nine of this article and are assigned to such county in accordance with  
4 the provisions of subdivision two of this section.

5 (b) Notwithstanding the provisions of paragraph (a) of this subdivi-  
6 sion, Orange county shall not be required to reimburse the authority or  
7 its subsidiaries for any capital expenditures heretofore undertaken for  
8 railroad facilities within Orange county which were financed by commuter  
9 railroad revenue bonds issued by the metropolitan transportation author-  
10 ity pursuant to section twelve hundred sixty-nine of this title prior to  
11 the withdrawal of such county under paragraph (e) of subdivision one of  
12 this section.

13 7. The obligations of a county that withdraws from the district to  
14 reimburse the authority and any subsidiary corporation of the authority  
15 for the costs of operation, maintenance and use of passenger stations  
16 pursuant to section twelve hundred seventy-seven of this [~~article~~]  
17 title, shall continue for any such costs incurred up to the effective  
18 date of the county's withdrawal from the district and for costs incurred  
19 thereafter that result from acts preceding such withdrawal, and the  
20 applicability of the payment provisions and procedures of such section  
21 twelve hundred seventy-seven to such county shall continue thereafter  
22 with respect to the aforesaid costs.

23 8. In the event of a county's failure to make payment of any monies  
24 determined by the authority to be owed and due it or any subsidiary  
25 corporation of the authority pursuant to the terms of any agreement  
26 entered into pursuant to this section, the authority is authorized to  
27 recover such payments in the same manner as in section twelve hundred  
28 seventy-seven of this [~~article~~] title and the state comptroller shall  
29 withhold and pay monies to the authority in accordance with the proce-  
30 dures set forth in that section. In the event that the county has paid  
31 more to the authority than the amount of services the authority has  
32 provided to the county, the authority shall make payment to the with-  
33 drawing county compensating for the difference in the amount of services  
34 received from the authority and monies paid by the county to the author-  
35 ity, and this payment shall be extrapolated over the previous five years  
36 from the date of withdrawal. If the authority fails to make such payment  
37 to the county, the amount owed shall be withheld by the state comp-  
38 troller from the authority and the monies shall be paid to the county.

39 9. The term of office of any resident of a county that withdraws from  
40 the district under this section, as a member of the board of the author-  
41 ity, the Metro-North rail commuter council or the management advisory  
42 board, which is based upon residence in such county, shall terminate  
43 upon the county's withdrawal and the office shall be deemed vacant and  
44 filled in the manner provided by law.

45 10. The provisions of this section and all agreements undertaken in  
46 accordance herewith shall be subject to the rights of the holders of any  
47 outstanding bonds or notes issued by the authority.

48 § 2. This act shall take effect immediately; provided that public  
49 works with requests for qualifications issued prior to the withdrawal  
50 contained under paragraph (e) of subdivision 1 of section 1279-b of the  
51 public authorities law shall be permitted to continue under this act  
52 notwithstanding such withdrawal, and nothing contained in this act shall  
53 limit the right or obligation of any entity to comply with the  
54 provisions of any existing contract or to award contracts as otherwise  
55 provided by law.