STATE OF NEW YORK

3263

2025-2026 Regular Sessions

IN SENATE

January 24, 2025

Introduced by Sen. PALUMBO -- read twice and ordered printed, and when printed to be committed to the Committee on Investigations and Government Operations

AN ACT to amend the tax law, in relation to the definition of the metropolitan commuter transportation district for the purposes of the metropolitan commuter transportation mobility tax; and to amend the public authorities 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. Pursuant to chapter 25 of the laws of 2009, the legislature did enact the metropolitan mobility tax within the twelve county region constituting the metropolitan transportation district. The legislature hereby finds that the residents of the towns of Brookhaven, East Hampton, Riverhead, Shelter Island, Southold and Southampton in the county of Suffolk receive minimal mass transit services from the metropolitan transportation authority. Further, these towns already pay substantial taxes to the MTA for these minimal services, including increased sales taxes and mortgage recording taxes. It has been estimated these six towns contribute more than $60 million annually to the MTA than they receive back in service.

In the interest of tax fairness and to avoid such additional inequitable taxation on these towns, it is the purpose of this act to exempt such towns from the newly adopted metropolitan commuter transportation mobility tax.

§ 2. Subsection (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

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

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included in the district created and governed by section twelve hundred sixty-two of the public authorities law**, except that for the purposes of this article, the towns of Brookhaven, East Hampton, Riverhead, Shelter Island, Southampton and Southold in Suffolk County shall be excluded from the 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 twenty-seven**.

§ 3. Section 1266 of the public authorities law is amended by adding a new subdivision 20 to read as follows:

20. The authority is required by March thirty-first, two thousand twenty-seven 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 year two thousand nine; 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.

§ 4. This act shall take effect immediately.