STATE OF NEW YORK

4203--A

2025-2026 Regular Sessions

IN SENATE

February 3, 2025

Introduced by Sen. COMRIE -- read twice and ordered printed, and when printed to be committed to the Committee on Local Government -- recommitted to the Committee on Local Government in accordance with Senate Rule 6, sec. 8 -- committee discharged, bill amended, ordered reprinted as amended and recommitted to said committee

AN ACT to amend the general municipal law, in relation to adjusting value capture mechanisms for New York city and the metropolitan transportation authority, including transparency requirements; and to amend part PP of chapter 54 of the laws of 2016 amending the general municipal law relating to the New York transit authority and the metropolitan transportation authority, in relation to extending such value capture mechanisms and transparency requirements

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

Section 1. Paragraph f of subdivision 1 of section 119-r of the general municipal law, as added by section 2 of part PP of chapter 54 of the laws of 2016, is amended to read as follows:

f. The making of a contract with the metropolitan transportation authority, by itself or with one or more other municipal corporations to assist the authority in meeting its capital or operating expenses in providing mass transportation services of benefit to all or part of such municipal corporation, including undertaking a mass transportation capital project in or near the municipal corporation. Such a municipal corporation may, according to the terms of the contract with the authority, establish, levy and collect taxes, assessments, and/or charges and may conditionally or unconditionally grant or pledge a portion of its revenues allocated according to [~~subdivision~~] **paragraph** e of this [~~section~~] **subdivision**.

(i) For any mass transportation capital project located in the city of New York, the municipal corporation or metropolitan transportation authority shall notify in writing the community board or boards, any

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

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part of whose district or districts would be contained within a proposed mass transportation capital project district, at least forty-five days prior to conducting the public hearing as required by this section. Upon request from such board or boards the municipal corporation or authority shall, at a date convenient to such board or boards, present information regarding the proposed mass transportation capital project and also allow for public comment. For any proposed mass transportation capital project, the municipal corporation or metropolitan transportation authority shall notify in writing the municipal, state, and congressional elected representatives, any part of whose district or districts would be contained within a proposed mass transportation capital project district, at least forty-five days prior to conducting the public hearing as required by this paragraph. Such municipal corporation may designate mass transportation capital project districts that a municipal corporation finds, after conducting a public hearing, will benefit from an identified mass transportation capital project.

(ii) Upon designating [~~such~~] a mass transportation capital project district, the municipal corporation may allocate a portion of its revenues from the district according to terms it designs or has agreed to by contract. The municipal corporation may, in allocating and collecting revenues from the district, make use of one or more methods to capture the value created by a mass transportation capital project, including, but not limited to:

[~~(i)~~] (1) tax increment financing, meaning the allocation of an increment of property tax revenues in excess of the amount levied at the time prior to planning of a mass transportation capital project;

[~~(ii)~~] (2) a special transportation assessment imposed upon benefited real property in proportion to the benefit received by such property from a mass transportation capital project, which shall not constitute a tax;

[~~(iii)~~] (3) land value taxation, meaning the allocation of an increment of tax revenues gained from levying taxes on the assessed value of taxable land at a higher rate than the improvements, as defined in subdivision twelve of section one hundred two of the real property tax law; and

[~~(iv)~~] (4) some combination of the above or other methods of gaining revenues that the municipal corporation is empowered to use, provided that the total amount of all taxes, assessments, fees, charges, or rates levied on each parcel or lot under this section shall be limited to a proportionate amount as near as possible to the actual benefit which each lot or parcel will derive from the mass transportation capital project; and

[~~(v)~~] (5) for purposes of this paragraph the term municipal corporation shall include only those cities, towns, villages and counties described in section twelve hundred sixty-two of the public authorities law.

(iii) For any mass transportation capital project in which a municipal corporation would use the methods authorized by this paragraph, at least forty-five days prior to conducting the public hearing as required by this paragraph the municipal corporation shall produce and publish on its website two separate analyses that include, without limitation:

(1) revenue projections for the mass transportation capital project district based on factors, including but not limited to, historic property, sales, mortgage recording tax data, business and income taxes, and analysis that the fair market value of properties and projected sales, business, income, and mortgage recording taxes within such district are

expected to increase as a result of the improvement, by more than would have occurred in the absence of the improvement after accounting for the entire capital cost of the mass transportation capital project being financed, as well as analogous projections for the community board district or districts or city, town, village or county not wholly contained within a city surrounding the proposed mass transportation capital project district;

(2) transportation engineering analysis showing how the public would be served by the mass transportation capital project in such district or area;

(3) explanation from the relevant assessing body on the amount of the projected special transportation assessment or increased levy on a property or parcel;

(4) projected cost of the mass transportation capital project and proposed funding sources;

(5) explanation from the relevant assessing body on how the proposed mass transportation capital project would impact a property or parcel's assessed land value, in addition to how the proposed mass transportation capital project would impact school district and special district tax levies within the county or city not wholly contained within a county where the proposed mass transportation project district would be created; and

(6) any incentives or expenditures planned to induce commercial activity in the mass transportation capital project district, including without limitation payments in lieu of taxes, payments in lieu of sales taxes, payments in lieu of mortgage recording taxes, state grants, loans, loan guarantees, loan interest subsidies, subsidies, tax credits, tax exemptions, reduced tax rates or other tax incentives which are applied for and preapproved or certified by a state or municipal agency or authority, and industrial development agency or local development corporation assistance. Such analyses shall include accompanying data in a machine-readable, tabular format, and an explanation of the methodology and specific assumptions used in each analysis. The public shall have the opportunity to submit written comments on the analyses provided, and the municipal corporation and/or the metropolitan transportation authority shall respond to public comments received in writing and/or at such public hearing in a report that is posted on the public facing portion of such municipal corporation's website no later than one month after such hearing.

§ 2. Section 3 of part PP of chapter 54 of the laws of 2016 amending the general municipal law relating to the New York transit authority and the metropolitan transportation authority, as amended by section 1 of part I of chapter 58 of the laws of 2025, is amended to read as follows:

§ 3. This act shall take effect immediately; provided that the amendments to subdivision 1 of section 119-r of the general municipal law made by section two of this act shall expire and be deemed repealed April 1, [~~2026~~] 2031, and provided further that such repeal shall not affect the validity or duration of any contract entered into before that date pursuant to paragraph f of such subdivision.

§ 3. This act shall take effect immediately and shall be deemed to have been in full force and effect on and after April 1, 2026; provided, however, that the amendments to paragraph f of subdivision 1 of section 119-r of the general municipal law made by section one of this act shall not affect the expiration of such subdivision and shall expire therewith.