STATE OF NEW YORK

8566

2025-2026 Regular Sessions

IN SENATE

November 7, 2025

Introduced by Sen. RHOADS -- read twice and ordered printed, and when printed to be committed to the Committee on Rules

AN ACT to require the department of transportation to study the regional fairness of state funding for local roadway paving purposes; and providing for the repeal of such provisions upon expiration thereof

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

Section 1. Legislative intent. The legislature finds that communities across the state experience distinct transportation and roadway infrastructure needs due to factors such as population density, traffic volumes, freight movement, and overall roadway usage. The former Long Island and Hudson Valley suburban highway improvement programs (SHIPS), established under sections 10-f and 10-g of the highway law, provided targeted funding to address these types of regional infrastructure challenges. Since the program was exhausted in 1997, questions have arisen as to whether current funding streams, including the consolidated local street and highway improvement program (CHIPS), state touring routes, PAVE-NY, and other local roadway aid programs provide equitable and regionally fair support to localities in all parts of New York. It is therefore the intent of the legislature to direct the department of transportation to study the regional equity of existing local roadway aid formulas and programs, and to make recommendations as to whether adjustments are needed, including consideration of whether SHIPS, or a substantially similar program be reestablished and funded.

§ 2. Study. The department of transportation is hereby directed to conduct a comprehensive study on the fairness and adequacy of state aid provided to municipalities for local roadway paving and maintenance purposes, including, but not limited to, the consolidated local street and highway improvement program (CHIPS), state touring routes program, PAVE-NY, pave our potholes (POP), and other relevant programs. Such study shall include:

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

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(a) an evaluation of how current funding formulas are calculated, including a breakdown of all factors used, and whether those factors are transparent and understandable to local governments;

(b) an analysis of historical and current distributions of such funding by region, with a breakdown of per-lane-mile and per-capita aid, including Long Island, Hudson Valley, New York city, upstate urban areas, and rural regions;

(c) an assessment of whether the needs of regions with high traffic volumes, extreme weather impacts, aging infrastructure, higher construction or labor costs, or limited fiscal capacity are equitably addressed under the current funding formulas and allocations;

(d) a comparison of local roadway usage, traffic volumes, and infrastructure costs in all major regions relative to state aid received for roadway paving and maintenance;

(e) an identification of funding gaps, inequities, and the eligibility of project types or equipment expenses covered under existing aid programs;

(f) a consideration of annual inflationary adjustments to local roadway aid programs and whether current formulas adequately account for cost differentials between regions;

(g) a comparison to other states' funding for local road maintenance programs;

(h) opportunities to incorporate public input, including public hearings or stakeholder consultations in each major region of the state, and consideration of such input in the final study; and

(i) recommendations concerning whether changes to existing formulas, the creation of new funding streams, or the reinstatement of the Long Island and Hudson Valley suburban highway improvement programs (SHIPS) under sections 10-f and 10-g of the highway law, or a substantially similar program, would provide greater fairness and adequacy in meeting local roadway maintenance needs.

§ 3. Report. The commissioner shall deliver a written report on the findings of the study and recommendations to the governor, the temporary president of the senate, minority leader of the senate, the speaker of the assembly, minority leader of the assembly, the chair of the senate transportation committee, the ranking member of the senate transportation committee, the chair of the assembly transportation committee, the ranking member of the assembly transportation committee, the chair of the senate finance committee, the ranking member of the senate finance committee, the chair of the assembly ways and means committee, and the ranking member of the assembly ways and means committee no later than one year after the effective date of this act. Such report shall be publicly posted on the department of transportation and such committees' websites and shall include regional funding distribution tables, per-lane-mile and per-capita comparisons, and summaries of public input gathered through hearings or stakeholder consultations.

§ 4. This act shall take effect on the sixtieth day after it shall have become a law and shall expire and be deemed repealed one year after such effective date.