§ 1270-c. Metropolitan transportation authority dedicated tax fund. 1. The authority shall establish a fund to be known as the "metropolitan transportation authority dedicated tax fund" which shall be kept separate from and shall not be commingled with any other moneys of the authority. The fund shall consist of a "pledged amounts account" and an "operating and capital costs account" and such other accounts and subaccounts as the authority may determine.

2. There shall be deposited, pursuant to appropriation, into the fund the moneys deposited in the dedicated mass transportation trust fund for payment to the metropolitan transportation authority dedicated tax fund pursuant to the provisions of subdivision (d) of section three hundred one-j of the tax law, paragraph two of subdivision (d) of section eleven hundred nine of the tax law, and any other moneys collected for or transferred to such fund pursuant to section eighty-eight-a of the state finance law and any other provision of law directing or permitting the deposit of moneys in such fund.

3. Moneys in the fund may be (a) pledged by the authority to secure and be applied to the payment of its bonds, notes or other obligations specified by the authority and issued to finance (i) transit projects undertaken for the New York city transit authority and its subsidiaries and (ii) transportation facilities undertaken for the authority and its subsidiaries and (b) used for payment of operating costs, and capital costs, including debt service, reserve requirements, if any, the payment of amounts required under bond and note facilities or agreements related thereto, the payment of federal government loans, security or credit arrangements or other agreements related thereto, and the payment of all costs related to such obligations, of or for the authority, the New York city transit authority and their subsidiaries as the authority shall determine. To the extent moneys in the fund have been pledged by the authority to secure and pay its bonds, notes or other obligations as herein provided, moneys deposited into the fund shall first be deposited into the pledged amounts account to the extent necessary to satisfy the requirements of any debt service or reserve requirements, if any, of the resolution authorizing such bonds, notes or other obligations. After satisfaction of such requirements of the resolution, or if the authority

has not so pledged the moneys in the fund, moneys deposited in the fund shall be directly deposited into the operating and capital costs account and, subject to the provisions of any resolutions of the authority not secured by the pledged amounts account, transferred forthwith to or for the benefit of the New York city transit authority and its subsidiaries and the Staten Island rapid transit operating authority (the "TA") and to and for the benefit of the Long Island Rail Road company and the Metro-North commuter rail road company (the "CRR") as provided in this section.

Moneys in the operating and capital costs account which were deposited in the fund pursuant to appropriation from moneys deposited in the dedicated mass transportation trust fund for payment to the metropolitan transportation authority dedicated tax fund pursuant to subdivision (d) of section three hundred one-j of the tax law or paragraph two of subdivision (d) of section eleven hundred nine of the tax law (the "remaining PBT amount") shall be distributed by the authority as follows: an amount equal to the debt service incurred in such calendar year as a result of obligations issued and secured by moneys in the fund, to the extent such debt service is to be paid from money deposited in the fund pursuant to appropriation from moneys deposited in the dedicated mass transportation trust fund for payment to the metropolitan transportation authority dedicated tax fund pursuant to subdivision (d) of section three hundred one-j of the tax law or paragraph two of subdivision (d) of section eleven hundred nine of the tax law ("PBT debt service"), shall be added to the remaining PBT amount. The sum of these figures shall then be allocated as follows: eighty-five per centum of such sum shall be allocated to the TA and fifteen per centum of such sum shall be allocated to the CRR. The amounts so allocated shall then be reduced respectively by the proportional amount of PBT debt service attributable to the payments for transit projects undertaken for the TA and transportation facility projects undertaken for the CRR. The remaining amounts shall constitute the respective distributable shares of the remaining PBT amount and shall be distributed to or for the benefit of the TA and the CRR.

Moneys in the operating and capital costs account which were deposited

in the fund pursuant to section eighty-eight-a of the state finance law (the "remaining MMTOA amount") shall be distributed by the authority as follows: an amount equal to the debt service incurred in such calendar year as a result of obligations issued and secured by money in the fund, to the extent such debt service is to be paid from money deposited in the fund pursuant to section eighty-eight-a of the state finance law ("MMTOA debt service"), shall be added to the remaining MMTOA amount. The sum of these figures shall then be allocated as follows: there shall be allocated (i) to the TA an amount of such sum which bears the same proportion to such sum as the amount appropriated and paid during such calendar year from the metropolitan mass transportation operating assistance account to the authority for the operating expenses of the TA bears to the total amounts so appropriated and paid from such operating assistance account during such calendar year to the TA and CRR combined and (ii) to the CRR an amount of such sum which bears the same proportion to such sum as the amount appropriated and paid during such calendar year from the metropolitan mass transportation operating assistance account to the CRR bears to the total amounts so appropriated and paid from such operating assistance account during such calendar year to the TA and CRR combined. The amounts so allocated shall then be reduced respectively by the proportional amount of MMTOA debt service attributable to the payments for transit projects undertaken for the TA and transportation facility projects undertaken for the CRR. The remaining amounts shall constitute the respective distributable shares of the remaining MMTOA amount and shall be distributed to or for the benefit of the TA and the CRR. In no event shall the authority utilize any measure or calculation for determining such distributable shares other than the formula prescribed herein nor shall the authority take any action which would result in the use of such money which is different from or inconsistent with the use prescribed in this section.

To the extent that amounts described in the preceding two paragraphs are distributed more frequently than annually, each such distribution shall be made as nearly as may be practicable in accordance with the allocations described above to the TA and the CRR. Within thirty days after the end of each calendar year, the authority shall certify to the director of the budget, the chairperson of the senate finance committee

and the chairperson of the assembly ways and means committee, the amount of money deposited in the fund pursuant to appropriation from moneys deposited in the dedicated mass transportation trust fund for payment to the metropolitan transportation authority dedicated tax fund pursuant to subdivision (d) of section three hundred one-j of the tax law, paragraph two of subdivision (d) of section eleven hundred nine of the tax law, and section eighty-eight-a of the state finance law, the amounts expended from the pledged amounts account for the benefit of the TA and the CRR, and the amounts of the remaining PBT amount and the remaining MMTOA amount distributed during the prior calendar year to the TA and the CRR and specifying in each case the appropriation or appropriations which was the source of such amounts.

4. Any money deposited in the fund shall be held in the fund free and clear of any claim by any person arising out of or in connection with article thirteen-A and article twenty-eight of the tax law. Without limiting the generality of the foregoing and without limiting the rights and duties of the commissioner of taxation and finance under article thirteen-A of the tax law, no petroleum business, as defined in section three hundred of the tax law, or any other person, including the state, shall have any right or claim against the authority, any of its bondholders, the TA or the CRR to any moneys in or distributed from the fund or in respect of a refund, rebate, credit or reimbursement of taxes paid under article thirteen-A and article twenty-eight of the tax law.