

Legislative Bill Drafting Commission
11287-03-9

S. -----
 Senate

IN SENATE--Introduced by Sen

--read twice and ordered printed,
and when printed to be committed
to the Committee on

----- A.
Assembly

IN ASSEMBLY--Introduced by M. of A.

with M. of A. as co-sponsors

--read once and referred to the
Committee on

VEHITRLA
(Relates to implementing various
supplemental fees and taxes for the
metropolitan commuter transportation
district; repealer)

V & T L. MTA fees and taxes

AN ACT

to amend the vehicle and traffic
law, in relation to supplemental
learners permits (Part A); to amend
the vehicle and traffic law, in
relation to the metropolitan commu-
ter transportation district suppl-
emental registration fee (Part B); to
amend the tax law and the adminis-
trative code of the city of New
York, in relation to the metropol-
itan commuter transportation mobili-
ty tax; and to repeal certain
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provisions of the tax law relating
thereto (Part C); to amend the tax
law, in relation to the metropolitan
commuter transportation district
transportation surcharge (Part D);

to amend the tax law, in relation to a supplemental tax on passenger car rentals (Part E); to amend the state finance law, in relation to the metropolitan transportation authority financial assistance fund (Part F); and to amend the public authorities law, in relation to metropolitan transportation authority reporting requirements, in relation to authorizing the merger of the positions of executive director and chair of the metropolitan transportation authority, in relation to the promotion and use of TransitChek, in relation to project labor agreements, in relation to legislative oversight of the metropolitan transportation authority, in relation to regulation of metropolitan transportation authority finances, in relation to the independent audit of the metropolitan transportation authority, and the publication of financial information, in relation to audits of the metropolitan transportation authority, in relation to directing the chairman of the metropolitan transportation authority to submit biennial reports to certain legislative committees on the condition of the metropolitan transportation authority, in relation to the fiduciary responsibility of board members, in relation to whistle blowers on contract projects of the metropolitan transportation authority, and in relation to the powers and duties of the metropolitan transportation authority capital program review board (Part G)

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

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1 Section 1. This act enacts into law major components of legislation

2 relating to the metropolitan transportation authority and the metropol-

3 itan commuter transportation district. Each component is wholly

4 contained within a Part identified as Parts A through G. The
effective

5 date for each particular provision contained within such Part is
set

6 forth in the last section of such Part. Any provision in any
section

7 contained within a Part, including the effective date of the Part,
which

8 makes reference to a section "of this act", when used in connection
with

9 that particular component, shall be deemed to mean and refer to
the

10 corresponding section of the Part in which it is found. Section three
of

11 this act sets forth the general effective date of this act.

12 PART A

13 Section 1. Subdivision 2 of section 503 of the vehicle and traffic
law

14 is amended by adding a new paragraph (b-1) to read as follows:

15 (b-1) Supplemental learner permit/license fee in the
metropolitan

16 commuter transportation district. (i) In the metropolitan
commuter

17 transportation district, established by section one thousand two
hundred

18 sixty-two of the public authorities law, upon passage of the
knowledge

19 test required to obtain a learner's permit, the applicant for a
commer-

20 cial driver's license shall be required to pay a supplemental fee of
two

21 dollars for each six months or portion thereof of the period of
validity

22 of a learner's permit or license which is or may be issued pursuant
to

23 the provisions of subparagraph (i) of paragraph (b) of this
subdivision.

24 (ii) In the metropolitan commuter transportation district,
established

25 by section one thousand two hundred sixty-two of the public
authorities

26 law, upon passage of the knowledge test required to obtain a
learner's

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1 permit, the applicant for a class C license which does not have an H,
P

2 or X endorsement or a class E license shall be required to pay a
supple-

3 ment fee of one dollar and twenty-five cents for each six months
or

4 portion thereof of the period of validity of a learner's permit
or

5 license which is or may be issued pursuant to the provisions of
subpara-

6 graph (ii) of paragraph (b) of this subdivision, and an applicant for
a

7 class D, DJ, M or MJ license shall be required to pay a supplemental
fee

8 of seventy-five cents for each six months or portion thereof of
the

9 period of validity of a learner's permit or license which is or may
be

10 issued pursuant to the provisions of subparagraph (ii) of paragraph
(b)

11 of this subdivision.

12 (iii) The fees collected pursuant to subparagraphs (i) and (ii)
of

13 this paragraph shall be deposited to the credit of the
metropolitan

14 transportation authority financial assistance fund established
pursuant

15 to section ninety-two-ff of the state finance law.

16 § 2. Subdivision 2 of section 503 of the vehicle and traffic law
is

17 amended by adding a new paragraph (c-3) to read as follows:

18 (c-3) Supplemental renewal fee in the metropolitan commuter
transportation

19 district. In the metropolitan commuter transportation
district,

20 established by section one thousand two hundred sixty-two of the
public

21 authorities law, in addition to the fees required to be paid pursuant
to

22 paragraph (c) of this subdivision supplemental fees for renewal of
a

23 license issued by the commissioner shall be as follows:

24 (i) For a commercial driver's license, two dollars for each six
months

25 or portion thereof.

26 (ii) For a class C license which does not have an H, P or X
endorse-

27 ment or a class E license, one dollar and twenty-five cents for each
six

28 months or portion thereof.

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1 (iii) For a class D, DJ, M or MJ license, seventy-five cents for
each

2 six months or portion thereof.

3 (iv) The fees collected pursuant to subparagraphs (i), (ii) and
(iii)

4 of this paragraph shall be deposited to the credit of the
metropolitan

5 transportation authority financial assistance fund established
pursuant

6 to section ninety-two-ff of the state finance law.

7 § 3. This act shall take effect September 1, 2009 and shall apply
to

8 licenses issued and renewed in the metropolitan commuter
transportation

9 district on and after such date.

10

PART B

11 Section 1. The vehicle and traffic law is amended by adding a
new

12 article 17-C to read as follows:

13

ARTICLE 17-C

14

METROPOLITAN COMMUTER TRANSPORTATION DISTRICT

15

SUPPLEMENTAL REGISTRATION FEE

16

Section 499. Definitions.

17 supple-

499-a. Metropolitan commuter transportation district

18

mental registration fee.

19

499-b. Collection of supplemental fee.

20

499-c. Calculation of supplemental registration fee.

21 fee.

499-d. Deposit and disposition of revenue from supplemental

22 § 499. Definitions. For the purposes of this article the
following

23 words and phrases shall have the meanings ascribed to them in
this

24 section except where another definition is specifically provided:

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1 1. Metropolitan commuter transportation district. The area of
the

2 state included in the district created and governed by section
twelve

3 hundred sixty-two of the public authorities law.

4 2. Owner. The term owner shall have the same meaning as that
provided

5 for in section one hundred twenty-eight of this chapter.

6 § 499-a. Metropolitan commuter transportation district
supplemental

7 registration fee. Upon the registration, reregistration, or renewal of
a

8 motor vehicle in the metropolitan commuter transportation
district,

9 there shall be imposed a supplemental registration fee to be paid to
the

10 commissioner or his or her agent in accordance with the provisions
of

11 this article.

12 § 499-b. Collection of supplemental fee. All owners of motor
vehicles

13 in the metropolitan commuter transportation district shall pay to
the

14 commissioner or his or her agent the supplemental registration
fee

15 provided for in this article upon registration, reregistration,
or

16 renewal of motor vehicles subject to registration fees pursuant to
the

17 following sections of this chapter: paragraph a of subdivision six
of

18 section four hundred one; schedules A, B, C, E, F, G, I and K of
subdi-

19 vision seven of section four hundred one; paragraph a of
subdivision

20 eight of section four hundred one; paragraph a of subdivision five
of

21 section four hundred ten; and section four hundred eleven-b.

22 § 499-c. Calculation of supplemental registration fee. The
supple-

23 mental registration fee to be charged to owners of motor vehicles
pursu-

24 ant to section four hundred ninety-nine-b of this article, shall
be

25 calculated at a rate of twenty-five dollars per annum for each year
that

26 such registration is valid. Where a registration or renewal, subject
to

27 the provisions of this article, is for a period of more or less than
one

28 calendar year, the annual supplemental registration fee as provided
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1 this section shall be increased or reduced proportionately on a
daily
2 computation basis, except that where the annual supplemental
registra-
3 tion fee for such vehicle would amount to ten dollars or less, the
fee
4 shall not be so prorated.

5 § 499-d. Deposit and disposition of revenue from supplemental fee.
All

6 funds derived from the collection of the supplemental fee
established
7 pursuant to this article are to be deposited to the credit of the
metro-

8 politan transportation authority financial assistance fund
established
9 pursuant to section ninety-two-ff of the state finance law.

10 § 2. This act shall take effect September 1, 2009 and shall apply
to
11 registrations issued and renewed in the metropolitan commuter
transporter-
12 tation district on and after such date.

13 PART C

14 Section 1. The tax law is amended by adding a new article 23 to
read

15 as follows:

16 ARTICLE 23

17 METROPOLITAN COMMUTER TRANSPORTATION

18 MOBILITY TAX

19 Section 800. Definitions.

20 801. Imposition of tax and rate.

21 802. Pass through of tax prohibited.

22 803. Exemption override.

23 804. Payment of tax.

24 805. Deposit and disposition of revenue.

25 806. Procedural provisions.

26 § 800. Definitions. For the purposes of this article:

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1 (a) Metropolitan commuter transportation district. The metropolitan

2 commuter transportation district ("MCTD") means the area of the state

3 included in the district created and governed by section twelve hundred

4 sixty-two of the public authorities law.

5 (b) Employer. Employer means an employer required by section six

6 hundred seventy-one of this chapter to deduct and withhold tax from

7 wages, that has a payroll expense in excess of two thousand five hundred

8 dollars in any calendar quarter; other than

9 (1) any agency or instrumentality of the United States;

10 (2) the United Nations; or

11 (3) an interstate agency or public corporation created pursuant to an

12 agreement or compact with another state or the Dominion of Canada.

13 (c) Payroll expense. Payroll expense means wages and compensation as

14 defined in sections 3121 and 3231 of the internal revenue code (without

15 regard to section 3121(a) (1) and section 3231(e) (2) (A) (i)), paid to all

16 covered employees.

17 (d) Covered employee. Covered employee means an employee who is

18 employed within the MCTD.

19 (e) Net earnings from self-employment. Net earnings from self-
employ-

20 ment has the same meaning as in section 1402 of the internal
revenue

21 code.

22 § 801. Imposition of tax and rate. (a) For the sole purpose of
provid-

23 ing an additional stable and reliable dedicated funding source for
the

24 metropolitan transportation authority and its subsidiaries and
affil-

25 iates to preserve, operate and improve essential transit and
transporta-

26 tion services in the metropolitan commuter transportation district,
a

27 tax is hereby imposed on (1) the payroll expense of every employer
who

28 engages in business within the MCTD and (2) the net earnings from
self-

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1 employment of individuals that are attributable to the MCTD if
such

2 earnings attributable to the MCTD exceed ten thousand dollars for
the

3 tax year. For those counties located within a city with a population
of

4 one million or more, and the counties of Nassau, Suffolk,
Westchester,

5 and Rockland, the tax shall be imposed at the rate of thirty-
four

6 hundredths (.34) percent. For the counties of Dutchess, Orange,
and

7 Putnam, the tax shall be imposed at the rate of twenty-five
hundredths

8 (.25) percent.

3 cle.

4 § 804. Payment of tax. (a) Employers with payroll expense. The
5 tax

6 imposed on the payroll expense of employers under section eight
7 hundred

8 one of this article for each calendar quarter must be paid quarterly
9 at

10 the same time as the statewide wage reporting system report is
11 required

12 under section one hundred seventy-one-a of this chapter;
13 provided,

14 however, that payment for the last calendar quarter must be made
15 by

16 January thirty-first of the succeeding year.

17 (b) Individuals with net earnings from self-employment.
18 Individuals

19 with earnings from self-employment must make estimated tax payments
20 of

21 the tax imposed by this article for the taxable year on the same
22 dates

23 specified in subsection (a) of this section for the quarterly
24 payments

25 of the tax imposed on the payroll expense of employers. In
26 addition,

27 these self-employed individuals must file a return for the taxable
28 year

29 by the thirtieth day of the fourth month following the close of
30 the

31 taxable year. Paragraph one of subsection (d) of section six
32 hundred

33 eighty-five of this chapter shall not apply to the estimated
34 tax

35 payments required by this subsection.

36 § 805. Deposit and disposition of revenue. All taxes, interest
37 and

38 penalties collected or received by the commissioner under this
39 article

23 shall be deposited and disposed of pursuant to the provisions of
section

24 one hundred seventy-one-a of this chapter, except that after
reserving

25 amounts in accordance with such section one hundred seventy-one-a
of

26 this chapter, the remainder shall be paid by the comptroller to
the

27 credit of the metropolitan transportation authority financial
assistance

28 fund established by section ninety-two-ff of the state finance law.

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1 § 806. Procedural provisions. All provisions of article twenty-two
of

2 this chapter will apply to the provisions of this article in the
same

3 manner and with the same force and effect as if the language of
article

4 twenty-two of this chapter had been incorporated in full into this
arti-

5 cle and had been specifically adjusted for and expressly referred to
the

6 tax imposed by this article, except to the extent that any provision
is

7 either inconsistent with a provision of this article or is not
relevant

8 to this article. Notwithstanding the preceding sentence, no
credit

9 against tax in article twenty-two of this chapter can be used to
offset

10 the tax due under this article. Notwithstanding any other law to
the

11 contrary, the commissioner may require that all filings of forms
or

12 returns under this article must be filed electronically and all
payments

13 of tax must be paid electronically.

14 § 2. Clause (i) of subparagraph 5 of paragraph (a) of subdivision 9
of

15 section 208 of the tax law, as amended by chapter 61 of the laws
of

16 1989, is amended to read as follows:

17 (i) any refund or credit of a tax imposed under this article,
article

18 **twenty-three,** or article thirty-two of this chapter, for which tax
no

19 exclusion or deduction was allowed in determining the taxpayer's
entire

20 net income under this article, **article twenty-three,** or [such]
article

21 thirty-two **of this chapter** for any prior year,

22 § 3. Paragraph (b) of subdivision 9 of section 208 of the tax law
is

23 amended by adding a new subparagraph 20 to read as follows:

24 **(20) The amount of any federal deduction for taxes imposed under**
arti-

25 **cle twenty-three of this chapter.**

26 § 4. Paragraph 2 of subdivision (a) of section 292 of the tax law,
as

27 added by chapter 1005 of the laws of 1970, is amended to read
as

28 follows:

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1 (2) There shall be subtracted from federal unrelated business
taxable

2 income the amount of any refund or credit for overpayment of a
tax

3 imposed under this article **or article twenty-three of this chapter.**

4 § 5. Subdivision (a) of section 292 of the tax law is amended
by

5 adding a new paragraph 8 to read as follows:

6 (8) There must be added to federal unrelated business taxable
7 income

8 the amount of any federal deduction for taxes imposed under
9 article

10 twenty-three of this chapter.

11 § 6. Subsection (b) of section 612 of the tax law is amended by
12 adding

13 a new paragraph 39 to read as follows:

14 (39) The amount of any federal deduction for taxes imposed under
15 arti-

16 cle twenty-three of this chapter.

17 § 7. Paragraph 7 of subsection (c) of section 612 of the tax law,
18 as

19 added by chapter 563 of the laws of 1960, is amended to read as
20 follows:

21 (7) The amount of any refund or credit for overpayment of income
22 taxes

23 imposed by this state, or any other taxing jurisdiction, and any
24 taxes

25 imposed by article twenty-three of this chapter, to the extent
26 properly

included in gross income for federal income tax purposes.

27 § 8. Subsection (c) of section 615 of the tax law is amended by
28 adding

29 a new paragraph 8 to read as follows:

30 (8) The amount of any federal deduction for taxes imposed under
31 arti-

32 cle twenty-three of this chapter.

33 § 9. Subsection 4 of section 618 of the tax law, as amended by
34 section

35 4 of part HH-1 of chapter 57 of the laws of 2008, is amended to read
36 as

37 follows:

38 (4) There shall be added or subtracted (as the case may be)
39 the

27 modifications described in paragraphs (6), (10), (17), (18), (19),
(20),

28 (21), (22), (23), (24), (25), (26), (27), (29) [**and**], (38) **and (39)**

of

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1 subsection (b) and in paragraphs (11), (13), (15), (19), (20),
(21),

2 (22), (23), (24), (25), (26) and (28) of subsection (c) of section
six

3 hundred twelve of this part.

4 § 10. Subsection (a) of section 686 of the tax law, as amended
by

5 section 10 of part R of chapter 60 of the laws of 2004, is amended
to

6 read as follows:

7 (a) General.-- The commissioner of taxation and finance, within
the

8 applicable period of limitations, may credit an overpayment of
income

9 tax and interest on such overpayment against any liability in respect
of

10 any tax imposed by this chapter, **including taxes imposed under**
article

11 **twenty-three of this chapter,** on the person who made the
overpayment,

12 against any liability in respect of any tax imposed pursuant to
the

13 authority of this chapter or any other law on such person if such tax
is

14 administered by the commissioner of taxation and finance and,
as

15 provided in sections one hundred seventy-one-c, one
hundred

16 seventy-one-d, one hundred seventy-one-e, one hundred seventy-one-f
and

17 one hundred seventy-one-l of this chapter, against past-due support,
a

18 past-due legally enforceable debt, a city of New York tax warrant
judg-

19 ment debt, and against the amount of a default in repayment of a
guaran-

20 teed student, state university or city university loan. The
balance

21 shall be refunded by the comptroller out of the proceeds of the
tax

22 retained by him for such general purpose. Any refund under this
section

23 shall be made only upon the filing of a return and upon a certificate
of

24 the commissioner [**of taxation and finance**] approved by the
comptroller.

25 The comptroller, as a condition precedent to the approval of such
a

26 certificate, may examine into the facts as disclosed by the return
of

27 the person who made the overpayment and other information and
data

28 available in the files of the commissioner [**of taxation and finance**].
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1 § 11. Subsection (b) of section 1453 of the tax law is amended
by

2 adding a new paragraph 15 to read as follows:

3 **(15) The amount of any federal deduction for taxes imposed under**
arti-
4 **cle twenty-three of this chapter.**

5 § 12. Subsection (d) of section 1453 of the tax law, as amended
by
6 chapter 267 of the laws of 1987, is REPEALED.

7 § 13. Subsection (d) of section 1453 of the tax law, as amended
by
8 chapter 817 of the laws of 1987, is amended to read as follows:

9 (d) Entire net income shall not include any refund or credit of a
tax

10 for which no exclusion or deduction was allowed in determining
the
11 taxpayer's entire net income under this article or articles [~~nine-~~
~~a,~~
12 ~~nine-b or nine-c~~] nine-A or twenty-three of this chapter for any
prior
13 year.

14 § 14. Subparagraph (C) of paragraph 1 of subdivision (b) of
section
15 1503 of the tax law, as amended by chapter 55 of the laws of 1982,
is
16 amended to read as follows:

17 (C) any refund or credit of a tax imposed under this article
or
18 section one hundred eighty-seven, or article twenty-three of this
chap-
19 ter heretofore in effect to the extent properly included as income
for
20 federal income tax purposes, for which no exclusion or deduction
was
21 allowed in determining the taxpayer's entire net income under this
arti-
22 cle for any prior year;

23 § 15. Paragraph 2 of subdivision (b) of section 1503 of the tax law
is
24 amended by adding a new subparagraph (V) to read as follows:

25 (V) The amount of any federal deduction for taxes imposed under
arti-
26 cle twenty-three of this chapter.

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1 § 16. Subparagraph 5 of paragraph (a) of subdivision 8 of
section
2 11-602 of the administrative code of the city of New York, as amended
by
3 chapter 241 of the laws of 1989, is amended to read as follows:

4 (5) any refund or credit of a tax imposed under this chapter,
or

5 imposed by article nine, nine-A, twenty-three, or thirty-two of the
tax

6 law, for which tax no exclusion or deduction was allowed in
determining

7 the taxpayer's entire net income under this subchapter or
subchapter

8 three of this chapter for any prior year;

9 § 17. Paragraph (b) of subdivision 8 of section 11-602 of the
adminis-

10 trative code of the city of New York is amended by adding a new
subpara-

11 graph 19 to read as follows:

12 **(19) The amount of any federal deduction for taxes imposed under**
arti-

13 **cle twenty-three of the tax law.**

14 § 18. Subdivision (b) of section 11-641 of the administrative code
of

15 the city of New York is amended by adding a new paragraph 16 to read
as

16 follows:

17 **(16) The amount of any federal deduction for taxes imposed under**
arti-

18 **cle twenty-three of the tax law.**

19 § 19. Subdivision (d) of section 11-641 of the administrative code
of

20 the city of New York, as amended by chapter 525 of the laws of 1988,
is

21 amended to read as follows:

22 (d) Entire net income shall not include any refund or credit of a
tax

23 for which no exclusion or deduction was allowed in determining
the

24 taxpayer's entire net income under this subchapter or subchapter two
of

25 this chapter, or imposed by article twenty-three of the tax law for
any

26 prior year.

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1 § 20. Subdivision (b) of section 11-1712 of the administrative code
of

2 the city of New York is amended by adding a new paragraph 35 to read
as

3 follows:

4 (35) The amount of any federal deduction for taxes imposed under
arti-

5 cle twenty-three of the tax law.

6 § 21. Paragraph 7 of subdivision (c) of section 11-1712 of the
admin-

7 istrative code of the city of New York, such section as renumbered
by

8 chapter 639 of the laws of 1986, is amended to read as follows:

9 (7) The amount of any refund or credit for overpayment of income
taxes

10 imposed by this city, [or] any other taxing jurisdiction, or any
taxes

11 imposed by article twenty-three of the tax law to the extent
properly

12 included in gross income for federal income tax purposes.

13 § 22. Subdivision 4 of section 11-1718 of the administrative code
of

14 the city of New York, as amended by section 11 of part HH-1 of
chapter

15 57 of the laws of 2008, is amended to read as follows:

16 (4) There shall be added or subtracted (as the case may be)
the

17 modifications described in paragraphs six, ten, seventeen,
eighteen,

18 nineteen, twenty, twenty-one, twenty-two, twenty-three, twenty-
four,

19 twenty-five, twenty-six, twenty-seven, twenty-nine [and], thirty-
four

20 and thirty-five of subdivision (b) and in paragraphs eleven,
thirteen,

21 fifteen, nineteen, twenty, twenty-one, twenty-two, twenty-three,
twen-

22 ty-four, twenty-five, twenty-six and twenty-eight of subdivision (c)
of

23 section 11-1712 of this subchapter.

24 § 23. Severability. If any provision of this act or the
application

25 thereof to any person or circumstances is held invalid, such
invalidity

26 shall not affect other provisions or applications of this act which
can

27 be given effect without the invalid provision or application, and
to

28 this end the provisions of this act are declared to be severable.

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1 § 24. This act shall take effect immediately; provided however that:

2 (a) the metropolitan commuter transportation district mobility
tax

3 enacted pursuant to section one of this act that is (i) imposed
on

4 employers, shall apply on or after January 1, 2009, and (ii) imposed
on

5 individuals with net earnings from self-employment shall apply to
taxa-

6 ble years beginning on or after January 1, 2009;

7 (b) the initial payment of such mobility tax enacted pursuant
to

8 section one of this act shall be made with the first quarterly
payment

9 due at least 60 days after the date this bill becomes a law, and
such

10 payment shall include the taxes owed for the period beginning on
January

11 1, 2009;

12 (c) no addition to tax under subsection (c) of section 685 of the
13 tax

13 law shall be imposed with respect to estimated tax payments of
14 the

14 metropolitan commuter transportation district mobility tax required
15 to

15 be filed prior to the due date of the initial payment of the
16 mobility

16 tax as specified in subdivision (b) of this section, provided
17 the

17 taxpayer makes such estimated tax payments by such due date;

18 (d) the amendments to subsection 4 of section 618 of the tax law
19 made

19 by section nine of this act shall survive the expiration and
20 reversion

20 of such subsection as provided in section 8 of chapter 782 of the
21 laws

21 of 1988, as amended; and

22 (e) the amendments to subdivision 4 of section 11-1718 of the
23 adminis-

23 trative code of the city of New York made by section twenty-two of
24 this

24 act shall survive the expiration and reversion of such subdivision
25 as

25 provided in section 8 of chapter 782 of the laws of 1988, as amended.

26

PART D

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1 Section 1. The tax law is amended by adding a new article 29-A to
2 read

2 as follows:

3

ARTICLE 29-A

4

METROPOLITAN COMMUTER TRANSPORTATION DISTRICT

5

TRANSPORTATION SURCHARGE

6 Section 1280. Definitions.

7 1281. Imposition of surcharge and rate.

8 1282. Payment of surcharge.

9 1283. Deposit and disposition of revenue.

10 § 1280. Definitions. For the purposes of this article:

11 (a) Metropolitan commuter transportation district. The area of
12 the

13 state included in the district created and governed by section
14 twelve

15 hundred sixty-two of the public authorities law.

16 (b) Taxicab. Every motor vehicle, other than a bus, used in the
17 busi-

18 ness of transporting passengers for compensation, and operated in
19 such

20 business under a license or permit issued by a local authority.
21 Howev-

22 er, it shall not include vehicles which are rented or leased without
23 a

24 driver.

25 (c) Medallion taxicab. A motor vehicle for transportation of
26 passen-

27 gers which is duly licensed as a taxicab by the taxi and
28 limousine

29 commission of the city of New York and permitted to accept hails
30 from

31 passengers in the street.

32 (d) Transportation service. The service of transporting, carrying
33 or

34 conveying a person or persons by taxicab or medallion taxicab.

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1 § 1281. Imposition of surcharge and rate. (a) A surcharge is
2 hereby

3 imposed at a rate of one dollar per use of transportation
4 services

5 provided within the metropolitan commuter transportation district.

4 (b) (1) If a transportation service subject to the surcharge
under
5 this section is provided and the owner or lessor of the vehicle
leases
6 or rents the vehicle to an unrelated person who provides the
transporta-
7 tion service, then (i) the owner or lessor is deemed to provide
the
8 transportation service during the day or other period that the
unrelated
9 person uses the vehicle to provide the service, (ii) the owner or
lessor
10 is deemed to be the provider of the service provided by the
unrelated
11 person, (iii) the surcharge imposed by this section is deemed to
be
12 imposed on the unrelated person, and (iv) the owner or lessor,
as
13 provider, must collect the surcharge from the unrelated person.
14 (2) Notwithstanding any law to the contrary:
15 (i) Any municipality or public corporation that establishes or regu-
regu-
16 lates transportation services must adjust those fares to include
therein
17 the surcharge imposed by this section and must require that any
meters
18 or other devices in the vehicles or otherwise that measure fares
be
19 adjusted to include this surcharge.
20 (ii) Any person that provides the services described in this
section
21 must adjust any meters or other devices in the vehicles or
otherwise
22 that measure fares so that they timely reflect any change in the rate
of
23 the surcharge described in subdivision (a) of this section. Neither
the

24 failure of a municipal or other public corporation to adjust fares
nor

25 the failure of any person to adjust the meters or devices will
relieve

26 any person from the obligation to collect such surcharge timely, at
the

27 correct rate.

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1 § 1282. Payment of surcharge. The surcharge imposed under this
article

2 shall be paid in the same manner and shall be subject to same
adminis-

3 trative provisions as provided in article twenty-eight of this
chapter.

4 The commissioner shall promulgate rules and regulations to assist
the

5 taxpayer in the remittance of the surcharge.

6 § 1283. Deposit and disposition of revenue. All taxes, fees,
interest

7 and penalties collected or received by the commissioner under
this

8 section shall be deposited and disposed of pursuant to the provisions
of

9 section one hundred seventy-one-a of this chapter. However,
fifty

10 percent of those taxes, interest and penalties shall be deposited to
the

11 credit of the metropolitan transportation authority financial
assistance

12 fund established under section ninety-two-ff of the state finance
law

13 and the balance thereof shall be deposited to the credit of the
dedi-

14 cated highway and bridge trust fund established pursuant to
section

15 eighty-nine-b of the state finance law.

16 § 2. This act shall take effect June 1, 2009.

17 PART E

18 Section 1. The tax law is amended by adding a new section 1166-a
to

19 read as follows:

20 § 1166-a. Special supplemental tax on passenger car rentals. (a)
On

21 and after June first, two thousand nine, in addition to the tax
imposed

22 under section eleven hundred sixty of this chapter and in addition
to

23 any tax imposed under any other article of this chapter, there is
hereby

24 imposed and there shall be paid a tax of five percent upon the
receipts

25 from every rental of a passenger car which is a retail sale of
such

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1 passenger car within the metropolitan commuter transportation
district

2 as defined in subdivision (a) of section eight hundred of this chapter.

3 (b) Except to the extent that a passenger car rental described
in

4 subdivision (a) of this section has already been or will be subject
to

5 the tax imposed under such paragraph and except as otherwise
exempted

6 under this article, there is hereby imposed on every person and
there

7 shall be paid a use tax for the use within this state on and after
June

8 first, two thousand nine of any passenger car rented by the user
within

9 the metropolitan commuter transportation district as defined in
subdivi-

10 sion (a) of section eight hundred of this chapter, which is a
purchase

11 at retail of such passenger car, but not including any lease of
a
12 passenger car to which subdivision (i) of section eleven hundred
eleven
13 of this chapter applies. For purposes of this paragraph, the tax
shall
14 be at the rate of five percent of the consideration given or
contracted
15 to be given for such property, or for the use of such property,
includ-
16 ing any charges for shipping or delivery as described in paragraph
three
17 of subdivision (b) of section eleven hundred one of this chapter,
but
18 excluding any credit for tangible personal property accepted in
part
19 payment and intended for resale.

20 § 2. Section 1167 of the tax law, as added by section 3 of part D
of

21 chapter 85 of the laws of 2002, is amended to read as follows:

22 § 1167. Deposit and disposition of revenue. All taxes, interest
and

23 penalties collected or received by the commissioner under this
article

24 shall be deposited and disposed of pursuant to the provisions of
section

25 one hundred seventy-one-a of this chapter, except that after
reserving

26 amounts in accordance with such section one hundred seventy-one-a
of

27 this chapter, the remainder shall be paid by the comptroller to
the

28 credit of the highway and bridge trust fund established by
section

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1 eighty-nine-b of the state finance law, provided, however,
collections

2 made pursuant to section eleven hundred sixty-six-a of this
3 article

4 shall be paid to the credit of the metropolitan transportation
5 authority

6 financial assistance fund established by section ninety-two-ff of
7 the

8 state finance law.

9 § 3. This act shall take effect June 1, 2009.

10 PART F

11 Section 1. The state finance law is amended by adding a new
12 section

13 92-ff to read as follows:

14 § 92-ff. Metropolitan transportation authority financial
15 assistance

16 fund. 1. There is hereby established in the joint custody of the
17 commis-

18 sioner of taxation and finance and the state comptroller a special
19 fund

20 to be known as the "metropolitan transportation authority
21 financial

22 assistance fund".

23 2. Moneys in the metropolitan transportation authority
24 financial

25 assistance fund shall be kept separately from and shall not be
26 commin-

27 gled with any other moneys in the joint or sole custody of the
28 state

29 comptroller or the commissioner of taxation and finance.

30 3. Such fund shall consist of the revenues derived from the
31 metropol-

32 itan commuter transportation mobility tax imposed by article
33 twenty-

34 three of the tax law; revenues derived from the special supplemental
35 tax

36 on passenger car rentals imposed by section eleven hundred sixty-six-
37 a

23 of the tax law; revenues derived from the transportation
surcharge

24 imposed by article twenty-nine-A of the tax law; the supplemental
regis-

25 tration fees imposed by article seventeen-C of the vehicle and
traffic

26 law; and the supplemental metropolitan commuter transportation
district

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1 license fees imposed by section five hundred three of the vehicle
and

2 traffic law.

3 4. Moneys of the fund shall, following appropriation by the
legisla-

4 ture, be utilized for the operations of and improvements to transit
and

5 transportation services provided by the metropolitan
transportation

6 authority.

7 § 2. This act shall take effect immediately.

8 PART G

9 Section 1. Subdivision 11 of section 553-e of the public
authorities

10 law, as amended by chapter 929 of the laws of 1986, is amended to
read

11 as follows:

12 11. The aggregate principal amount of bonds and notes issued
and

13 outstanding at any time to finance projects authorized by
paragraphs

14 (m), (n), (o), (p) and (r) of subdivision nine of section five
hundred

15 fifty-three of this title shall not exceed one billion one
hundred

16 million dollars through December thirty-first, nineteen hundred
eighty-

17 six and three billion two hundred million dollars thereafter,
provided

18 however that such latter amount shall not exceed two billion two
hundred

19 million dollars for all bonds and notes other than those issued
pursuant

20 to section five hundred fifty-three-d of this title. This
limitation

21 shall not include (i) bonds and notes issued to refund or
otherwise

22 repay bonds or notes theretofore issued for such purposes, (ii)
bonds

23 issued to fund any reasonably required debt service reserve fund
for

24 bonds and notes, and (iii) an amount equal to any original
issue

25 discount from the [~~principal~~] principal amount of any bonds or
notes

26 issued and then outstanding. From the proceeds of the bonds and
notes

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1 provided for in the first sentence of this subdivision, other than
bonds

2 or notes authorized by section five hundred fifty-three-d of this
title,

3 the authority shall not expend more than one billion three hundred
twen-

4 ty million dollars for transit projects as defined in section
twelve

5 hundred sixty-six-c of this chapter nor more than eight hundred
eighty

6 million dollars for transportation facilities as such term is defined
in

7 subdivision [~~fourteen~~] seventeen of section twelve hundred sixty-one
of

8 this chapter other than marine or aviation facilities. For the
purposes

9 of this subdivision, facilities under the jurisdiction of the
Staten

10 Island rapid transit operating authority shall be considered
transit

11 projects.

12 § 2. Section 1261 of the public authorities law, as added by
chapter

13 324 of the laws of 1965, subdivision 7 as amended by chapter 415 of
the

14 laws of 1966, subdivision 8 as amended by chapter 569 of the laws
of

15 1973, subdivision 14 as amended by section 20 and subdivisions 19 and
20

16 as added by section 21 of part 0 of chapter 61 of the laws of
2000,

17 subdivisions 16 and 17 as added by chapter 717 of the laws of 1967,
and

18 subdivision 18 as added by chapter 427 of the laws of 1983, is
amended

19 to read as follows:

20 § 1261. Definitions. As used or referred to in this title, unless
a

21 different meaning clearly appears from the context:

22 1. "Authority" shall mean the corporation created by section
twelve

23 hundred sixty-three of this title.

24 2. "Authority facilities" shall mean the authority's railroad,
omni-

25 bus, marine and aviation facilities and operations pursuant to
joint

26 service arrangements.

27 **3. "Budget" shall mean the preliminary, final proposed and**
adopted

28 **final plans of the authority, and each of its agencies.**

1 [3.] 4. "Comptroller" shall mean the comptroller of the state of
New
2 York.

3 [4.] 5. "Equipment" shall mean rolling stock, omnibuses,
vehicles,
4 air, marine or surface craft, motors, boilers, engines, wires,
ways,
5 conduits and mechanisms, machinery, tools, implements,
materials,
6 supplies, instruments and devices of every nature whatsoever used
or
7 useful for transportation purposes or for the generation or
transmission
8 of motive power including but not limited to all power houses, and
all
9 apparatus and all devices for signalling, communications and
ventilation
10 as may be necessary, convenient or desirable for the operation of
a
11 transportation facility.

12 [5.] 6. "Federal government" shall mean the United States of
America,
13 and any officer, department, board, commission, bureau, division,
corpo-
14 ration, agency or instrumentality thereof.

15 7. "Gap" shall mean the difference between projected revenues
and
16 expenses for any given fiscal year based on the existing fare
structure.

17 8. "Gap-closing initiative" shall mean any action to reduce a
project-
18 ed gap.

19 [6.] 9. "Governor" shall mean the governor of the state of New York.

20 [7.] 10. "Joint service arrangements" shall mean agreements between
or
21 among the authority and any common carrier or freight forwarder,
the

22 state, any state agency, the federal government, any other state
or

23 agency or instrumentality thereof, any public authority of this or
any

24 other state, or any political subdivision or municipality of the
state,

25 relating to property, buildings, structures, facilities,
services,

26 rates, fares, classifications, divisions, allowances or charges
(includ-

27 ing charges between operators of railroad, omnibus, marine and
aviation

28 facilities), or rules or regulations pertaining thereto, for or
in

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1 connection with or incidental to transportation in part in or upon
rail-

2 road, omnibus, marine or aviation facilities located within the
district

3 and in part in or upon railroad, omnibus, marine or aviation
facilities

4 located outside the district.

5 [8.] 11. "Marine and aviation facilities" shall mean equipment
and

6 craft for the transportation of passengers, mail and cargo
between

7 points within the district or pursuant to joint service arrangements,
by

8 marine craft and aircraft of all types including but not limited
to

9 hydrofoils, ferries, lighters, tugs, barges, helicopters,
amphibians,

10 seaplanes or other contrivances now or hereafter used in navigation
or

11 movement on waterways or in the navigation of or flight in airspace.
It

12 shall also mean any marine port or airport facility within the
transportation district but outside the port of New York district as defined
in chapter one hundred fifty-four of the laws of nineteen hundred
twenty-one, including but not limited to terminals, docks, piers,
bulkheads, ramps or any facility or real property necessary, convenient or
desirable for the accommodation of passengers and cargo or the docking,
sailing, landing, taking off, accommodation or servicing of such
marine craft or aircraft.

20 [9.] 12. "Omnibus facilities" shall mean motor vehicles, of the
type operated by carriers subject to the jurisdiction of the public
service commission, engaged in the transportation of passengers and
their baggage, express and mail between points within the district or
pursuant to joint service arrangements, and equipment, property,
buildings, structures, improvements, loading or unloading areas, parking areas
or other facilities, necessary, convenient or desirable for the
accommodation of such motor vehicles or their passengers, including but
not limited to buildings, structures and areas notwithstanding that

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1 may not be devoted to any omnibus purpose other than the production
of revenues available for the costs and expenses of all or any
facilities

3 of the authority.

4 [10.] 13. "Railroad facilities" shall mean right of way and
related

5 trackage, rails, cars, locomotives, other rolling stock, signal,
power,

6 fuel, communication and ventilation systems, power plants,
stations,

7 terminals, storage yards, repair and maintenance shops, yards,
equipment

8 and parts, offices and other real estate or personalty used or held
for

9 or incidental to the operation, rehabilitation or improvement of
any

10 railroad operating or to operate between points within the district
or

11 pursuant to joint service arrangements, including but not limited
to

12 buildings, structures, and areas notwithstanding that portions
thereof

13 may not be devoted to any railroad purpose other than the production
of

14 revenues available for the costs and expenses of all or any
facilities

15 of the authority.

16 [11.] 14. "Real property" shall mean lands, structures, franchises
and

17 interests in land, waters, lands under water, riparian rights and
air

18 rights and any and all things and rights included within said term
and

19 includes not only fees simple absolute but also any and all
lesser

20 interests including but not limited to easements, rights of way,
uses,

21 leases, licenses and all other incorporeal hereditaments and
every

22 estate, interest or right, legal or equitable, including terms for
years

23 and liens thereon by way of judgments, mortgages or otherwise.

24 [12.] 15. "State" shall mean the state of New York.

25 [13.] 16. "State agency" shall mean any officer, department,
board,

26 commissioner, bureau, division, public benefit corporation, agency
or

27 instrumentality of the state.

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1 [14.] 17. "Transportation facility" shall mean any transit,
railroad,

2 omnibus, marine or aviation facility and any person, firm,
partnership,

3 association or, corporation which owns, leases or operates any
such

4 facility or any other facility used for service in the transportation
of

5 passengers, United States mail or personal property as a common
carrier

6 for hire and any portion thereof and the rights, leaseholds or
other

7 interest therein together with routes, tracks, extensions,
connections,

8 parking lots, garages, warehouses, yards, storage yards, maintenance
and

9 repair shops, terminals, stations and other related facilities
thereof,

10 the devices, appurtenances, and equipment thereof and power plants
and

11 other instrumentalities used or useful therefor or in connection
there-

12 with.

13 [15.] 18. "Transportation district" and "district" shall mean
the

14 metropolitan commuter transportation district created by section
twelve

15 hundred sixty-two of this title.

16 [16.] 19. "New York city transit authority" shall mean the
corporation

17 created by section twelve hundred one of this chapter.

18 [17.] 20. "Triborough bridge and tunnel authority" shall mean
the

19 corporation created by section five hundred fifty-two of this chapter.

20 [18.] 21. "Inspector general" shall mean the metropolitan
transporta-

21 tion authority inspector general.

22 [19.] 22. "Revenues." All monies received by the authority or
its

23 subsidiaries, or New York city transit authority or its subsidiaries,
or

24 Triborough bridge and tunnel authority, as the case may be, from
whatev-

25 er source, derived directly or indirectly from or in connection with
the

26 operations of the respective entity.

27 [20.] 23. "Transit facility." Transit facility as defined in
subdivi-

28 sion fifteen of section twelve hundred of this article.

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1 24. "Utilization" shall mean public usage of the authority's
subway,

2 bus, railroad and paratransit ridership, and bridge and tunnel
crossings

3 as reflected in empirical data.

4 § 3. Subparagraph 1 of paragraph (a) of subdivision 1 of section
1263

5 of the public authorities law, as amended by chapter 549 of the laws
of

6 1994, is amended to read as follows:

7 (1) There is hereby created the "metropolitan transportation
authori-

8 ty." The authority shall be a body corporate and politic constituting
a

9 public benefit corporation. The authority shall consist of a
chairman,

10 [~~sixteen~~] eighteen other voting members, and two non-voting and
four

11 alternate non-voting members, as described in subparagraph two of
this

12 paragraph appointed by the governor by and with the advice and
consent

13 of the senate. Four of the [~~sixteen~~] eighteen voting members other
than

14 the chairman shall be appointed on the written recommendation of
the

15 mayor of the city of New York; one of the eighteen voting members
other

16 than the chairman shall be appointed on the written recommendation
of

17 the temporary president of the senate; one of the eighteen
voting

18 members other than the chairman shall be appointed on the written
recom-

19 mendation of the speaker of the assembly; and each of seven other
voting

20 members other than the chairman shall be appointed after selection
from

21 a written list of three recommendations from the chief executive
officer

22 of the county in which the particular member is required to
reside

23 pursuant to the provisions of this subdivision. Of the members
appointed

24 on recommendation of the chief executive officer of a county, one
such

25 member shall be, at the time of appointment, a resident of the county
of

26 Nassau[;], one a resident of the county of Suffolk[;], one a resident
of

27 the county of Westchester[; **and**], one a resident of the county of Dutch-

28 ess, one a resident of the county of Orange, one a resident of the coun-

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1 ty of Putnam and one a resident of the county of Rockland, provided that

2 the term of any member who is a resident of a county that has withdrawn

3 from the metropolitan commuter transportation district pursuant to

4 section twelve hundred seventy-nine-b of this article shall terminate

5 upon the effective date of such county's withdrawal from such district.

6 Of the five voting members, other than the chairman, appointed by the

7 governor without recommendation from any other person, three shall be,

8 at the time of appointment, residents of the city of New York and two

9 shall be, at the time of appointment, residents of such city or of any

10 of the aforementioned counties in the metropolitan commuter transporta-

11 tion district. The chairman and each of the members shall be appointed

12 for a term of six years, provided however, that the chairman first

13 appointed shall serve for a term ending June thirtieth, nineteen hundred

14 eighty-one, and the sixteen other members first appointed shall serve

15 for the following terms: The members from the counties of Nassau and

16 Westchester shall each serve for a term ending June thirtieth, nineteen

17 hundred eighty-five; the members from the county of Suffolk and from
the
18 counties of Dutchess, Orange, Putnam and Rockland shall each serve for
a
19 term ending June thirtieth, nineteen hundred ninety-two; two of
the
20 members appointed on recommendation of the mayor of the city of New
York
21 shall each serve for a term ending June thirtieth, nineteen
hundred
22 eighty-four and, two shall each serve for a term ending June
thirtieth,
23 nineteen hundred eighty-one; two of the members appointed by the
gover-
24 nor without the recommendation of any other person shall each serve
for
25 a term ending June thirtieth, nineteen hundred eighty-two, two
shall
26 each serve for a term ending June thirtieth, nineteen hundred eighty
and
27 one shall serve for a term ending June thirtieth, nineteen
hundred
28 eighty-five. The two non-voting and four alternate non-voting
members
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1 shall serve until January first, two thousand one. The members from
the
2 counties of Dutchess, Orange, Putnam and Rockland shall cast one
collec-
3 tive vote.

4 § 4. Paragraph (a) of subdivision 4 of section 1263 of the
public
5 authorities law, as amended by chapter 766 of the laws of 2005,
is
6 amended to read as follows:

7 (a) **[On recommendation of the chairman, the authority shall]**
Notwith-

8 standing subdivision three of section twenty-eight hundred twenty-
four

9 of this chapter or any other provision of law to the contrary,
the

10 chairman shall be the chief executive officer of the authority and
shall

11 be responsible for the discharge of the executive and
administrative

12 functions and powers of the authority. The chairman may appoint an
exec-

13 utive director [who shall be responsible for the] and such other
offi-

14 cial and employees as shall in his or her judgment be needed
to

15 discharge [of] the executive and administrative functions and powers
of

16 the authority[, including the administration and the day-to-day
oper-

17 ations of the authority and who shall not be a member of the
authority].

18 § 5. The public authorities law is amended by adding a new
section

19 1268-a to read as follows:

20 § 1268-a. Promotion of qualified transportation fringes. The
authori-

21 ty shall promote the broad use of qualified transportation
fringes,

22 under section 132(f) of the internal revenue code, in order to
increase

23 the number of participating companies and employees in such
program.

24 The authority shall also study and report on ways in which programs
may

25 be improved so as to increase public participation.

26 § 6. Subdivisions 2, 3 and 7 of section 1269-b of the public
authori-

27 ties law, as added by chapter 314 of the laws of 1981, the opening
para-

28 graph of subdivision 3 as amended by chapter 637 of the laws of
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1 and paragraph (a) of subdivision 7 as amended by chapter 929 of the
laws

2 of 1986, are amended and a new subdivision 2-a is added to read
as

3 follows:

4 2. Each plan shall itemize the capital elements included in
each

5 section of the plan under the following categories of expenditure:
(a)

6 rolling stock and buses; (b) passenger stations; (c) track; (d)
line

7 equipment; (e) line structures; (f) signals and communications;
(g)

8 power equipment, emergency power equipment and substations; (h)
shops,

9 yards, maintenance facilities, depots and terminals; (i) service
vehi-

10 cles; (j) security systems; (k) electrification extensions; [and]
(l)

11 [unspecified, miscellaneous and emergency] minority and women's
business

12 development; and (m) unspecified, miscellaneous and emergency.

13 2-a. At least sixty days before it submits its capital program
plans

14 to the metropolitan transportation authority capital program
review

15 board for the ensuing five-year period, in accordance with paragraph
(a)

16 of subdivision one of this section, the authority shall provide
draft

17 copies of them to the speaker of the assembly, the temporary
president

18 of the senate, and the joint corporation and transportation
committees

19 of the senate and assembly. Within thirty days after such receipt of
the
20 proposed five-year capital program plans, the legislature may strike
any
21 capital elements from the plans, but shall not add any capital
elements
22 to them. After and in accordance with such legislative action, if
any,
23 or the conclusion of the thirty-day period, whichever shall come
first,
24 the authority shall reformulate the plans as appropriate, and
submit
25 them to the metropolitan transportation authority capital program
review
26 board.

27 3. A plan may only be approved by the metropolitan
transportation

28 authority capital program review board in two ways: (i) a plan
shall

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1 only be approved by the board by a unanimous vote of the members
enti-

2 tled to vote thereon and within ninety days or by September
fifteenth,

3 nineteen hundred ninety-six in the case of a plan submitted during
the

4 period described in paragraph (b) of subdivision one of this section,
of

5 the submission of a plan the metropolitan transportation authority
capi-

6 tal program review board may notify the authority of its approval of
the

7 same; or (ii) if the plan is not approved by the board within such
nine-

8 ty day period or by September fifteenth, nineteen hundred ninety-six,
as

9 the case may be, and no individual member of the board who is entitled

10 to vote thereon has notified the authority in writing of his disapproval

11 within such period, the plan shall be deemed to have been approved.

12 If the plan is not approved, the authority may thereafter reformulate

13 and resubmit such plan at any time. Within thirty days of the submission

14 of such reformulated plan the board may notify the authority of its

15 approval of the same by the unanimous vote of the members entitled to

16 vote thereon, or, if the reformulated plan is not approved and no indi-

17 vidual member of the board who is entitled to vote on such reformulated

18 plan has notified the authority in writing of his disapproval within

19 such period, the reformulated plan shall be deemed to have been

20 approved.

21 In disapproving a plan, or in anticipation of not attaining approval

22 of a plan, the metropolitan transportation authority capital program

23 review board may indicate to the authority within thirty days after

24 submission of the plan that it disapproves only of specifically identi-

25 fied capital elements in the plan proposed by the authority, and that

26 the metropolitan transportation authority capital program review board

27 will approve the plan if those elements are removed or are satisfactori-

28 ly reformulated in the manner expressly described by the metropolitan

9

1 transportation authority capital program review board.
2 Notwithstanding

3 the foregoing, the metropolitan transportation authority capital
4 program

5 review board shall not condition its approval of the plan on the
6 addi-

7 tion to such plan by the authority of capital elements not
8 contained

9 therein.

10 7. (a) The authority may from time to time submit to the
11 metropolitan

12 transportation authority capital program review board amendments
13 or

14 modifications to any five-year plan theretofore submitted, and
15 shall

16 submit such an amendment or modification (i) if the estimated cost
17 of

18 any capital element for which a specified dollar amount was proposed
19 to

20 be expended exceeds the amount set forth in the approved plan for
21 such

22 element by more than ten percent, (ii) if with respect to a
23 particularly

24 described capital element for which only an estimate of projected
25 cost

26 has been provided in the plan there is a material change in
27 the

28 description of such element from that contained in the approved
29 plan,

30 (iii) if a capital element not previously included in the approved
31 plan

32 is proposed to be undertaken and its cost, together with the cost
33 of

34 other elements included in category (1) of the plan, exceeds by
35 ten

19 percent the amount provided for such category (l) elements, (iv) if
the
20 authority shall propose to change by more than one year the time
when
21 any capital element is proposed to be initiated or the effect of
such
22 change will be to increase the estimated amount of capital
funding
23 required in any year covered by the plan by more than twenty percent,
or
24 (v) if the availability of funding sources changes to the degree
to
25 which the authority or the Triborough bridge and tunnel authority
are
26 precluded from exercising the authorization provided in subdivision
six
27 of this section and the authority wishes to do so.

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1 (b) An amendment or modification may only be approved in two ways:
(i)
2 an amendment or modification shall only be approved by the board by
a
3 unanimous vote of the members entitled to vote thereon and within
thirty
4 days of the submission of an amendment or modification the
metropolitan
5 transportation authority capital program review board may notify
the
6 authority of its approval of the same; or (ii) if the amendment
or
7 modification is not approved by the board within such thirty day
period
8 and no individual member of the board who is entitled to vote
thereon,
9 has notified the authority in writing of his disapproval within
such
10 period, the amendment or modification shall be deemed to have
been

11 approved.

12 (c) In disapproving an amendment or modification to any five-year
13 plan
14 theretofore submitted, or in anticipation of not attaining approval
15 of
16 such amendment or modification, the metropolitan transportation
17 authori-
18 ty capital program review board may indicate to the authority
19 within
20 twenty days after submission of the amendment or modification that
21 it
22 disapproves only of specifically identified elements of the amendment
23 or
24 modification proposed by the authority, and that the metropolitan
25 trans-
26 portation authority capital program review board will approve
27 the
28 amended or modified plan if those elements are satisfactorily
29 reformu-
30 lated in the manner expressly described by the metropolitan
31 transporta-
32 tion authority capital program review board. Notwithstanding the
33 forego-
34 ing, the metropolitan transportation authority capital program
35 review
36 board shall not condition its approval of an amendment or
37 modification
38 of the plan on the addition to such plan by the authority of
39 capital
40 elements not previously contained therein.

27 § 7. The public authorities law is amended by adding four new sections

28 1269-e, 1269-f, 1269-g and 1269-h to read as follows:
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1 § 1269-e. Financial and operational reports. 1. The authority
2 shall

2 submit to the governor, the temporary president of the senate and
the
3 speaker of the assembly, no later than thirty days following
the
4 submission of the annual independent audit report pursuant to
section
5 twenty-eight hundred two of this chapter, and the authority shall
post
6 on its website a complete, detailed report or reports in plain
English
7 explaining:
8 (a) its financial reports, including:
9 (i) audited financials in accordance with all applicable
regulations
10 and generally accepted accounting principles as defined in
subdivision
11 ten of section two of the state finance law;
12 (ii) grant and subsidy programs;
13 (iii) distinct operating and financial risks;
14 (iv) current ratings of its bonds issued by municipal bond
rating
15 agencies and any changes in such ratings; and
16 (v) long-term liabilities, leases and employee benefit plans; and
17 (b) an assessment of the effectiveness of its internal control
struc-
18 ture and procedures, including its code of ethics and a listing of
mate-
19 rial changes in internal operations and programs during the
reporting
20 year; and
21 (c) its analysis of the current state of the authority, including
its
22 budgets, projects currently being undertaken, projected costs and
reven-
23 ues, expenses, contracts, ridership, personnel, minority and women
owned

24 business enterprises, and other relevant information as requested by
the
25 respective legislative committees.

26 2. Oral testimony. Upon submission of each annual report, or as
other-

27 wise directed by the respective legislative leaders, the chairman
shall

28 provide oral testimony as requested to the appropriate
legislative

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1 committees regarding the reports submitted and the analysis
relative

2 thereto.

3 3. Within sixty days after the effective date of this section, and
at

4 such times thereafter as it shall determine to be appropriate and
neces-

5 sary, and subject to other applicable laws, the legislature may
commis-

6 sion an auditing firm not employed by the authority to conduct for
the

7 legislature an independent audit of financial statements of the
authori-

8 ty, any subsidiary thereof or any other entity created by the
authority.

9 The scope of the audit commissioned by the legislature shall be
deter-

10 mined by it from time to time, and may include financial,
operational

11 and other matters concerning the activities and management of
the

12 authority. The authority, the state comptroller and any
professionals,

13 contractors or consultants retained by the authority shall furnish
to

14 the auditing firm retained by the legislature such books, records
and

15 documents as are requested by such firm, and shall render
cooperation

16 and assistance to the audit.

17 § 1269-f. Mission statement and measurement report. The
authority

18 shall submit to the governor, the temporary president of the senate
and

19 the speaker of the assembly, on or before March thirty-first each
year,

20 and post on its website a proposed authority mission statement
and

21 proposed measurements of the authority's satisfactory completion
there-

22 of. The proposed mission statement and proposed measurements shall
have

23 the following components: a statement expressing the purpose and
goals

24 of the authority; a description of the stakeholders of the authority
and

25 its understanding of their reasonable expectations, which
stakeholders

26 shall include at least the residents and taxpayers of the area of
the

27 state served by the authority, the persons that use the
services

28 provided by the authority, and the employees of the authority and
any

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1 employee organization; the goals of the authority in response to
the

2 needs of each group of stakeholders; and a list of measures by which
the

3 performance of the authority and the achievement of its goals may
be

4 evaluated.

5 § 1269-g. Project labor agreements. The authority shall require
a

6 contractor awarded a contract, subcontract, lease, grant, bond,
covenant

7 or other agreement where the total cost to the authority is twenty-
five

8 million dollars or more to enter into a project labor agreement for
the

9 work whenever the authority in its sole discretion shall determine
that

10 the interests of the public in obtaining the best work at the
lowest

11 price, preventing favoritism, fraud and corruption, and other
pertinent

12 considerations such as the impact of delay, can be best met by a
project

13 labor agreement as defined in section two hundred twenty-two of
the

14 labor law.

15 § 1269-h. Requirements for certain authority contracts and
related

16 subcontracts. 1. Where any person or business organization,
including

17 any contractor or subcontractor, is paid or is to be paid by the
author-

18 ity, or with funds originating from the authority, or with funds
for

19 performance on a project financed by the authority, more than
five

20 hundred thousand dollars during any calendar year, such person or
busi-

21 ness organization shall:

22 (a) post information conforming to the provisions of subdivision
two

23 of this section in one or more conspicuous places at each major
work-

24 place site where persons who perform work on the contract or
subcon-

25 tract, including management, are most likely to see such
postings;

26 provided that, this requirement may be satisfied by the displaying
of

27 such information with other notices that inform persons of rights
under

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1 federal or state laws or rules, human resource policies, or
collective

2 bargaining agreements;

3 (b) post information conforming to the provisions of subdivision
two

4 of this section on the home page of an internet and intranet website,
if

5 any, of that person or business organization; provided that,
this

6 requirement may be satisfied by providing on such website a
conspicuous

7 hyperlink to the authority website maintained pursuant to
subdivision

8 three of this section, which hyperlink shall be labeled "Protections
for

9 Reporting Fraud in New York";

10 (c) distribute information specified in subdivision two of
this

11 section to those persons, including employees and managers, who
perform

12 work on the contract; provided that, this requirement may be
satisfied

13 by distributing such information in an employee handbook or through
a

14 specific electronic communication containing the information to a
known

15 electronic mail address maintained by the person; and

16 (d) comply with the provisions of this subdivision, and provide to
the

17 authority satisfactory evidence of such compliance, within ninety days.

18 2. The disclosures required by subdivision one of this section shall:

19 (a) provide the telephone numbers and addresses to report
information

20 of fraud or other illegal activity to the appropriate officers of
the

21 inspector general of the authority and the attorney-general of
the

22 state;

23 (b) describe in detail conduct prohibited by section one
hundred

24 eighty-nine of the state finance law, and the role of that act
in

25 preventing and detecting fraud and abuse in work paid for by the
author-

26 ity or with funds originating from the authority;

27 (c) notify prospective qui tam plaintiffs on how to file a qui
tam

28 action, including the necessity to contact private counsel skilled
in

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1 filing such actions and of the potential for cash rewards in
such

2 actions based on the percentage of the funds recovered by the
govern-

3 ment; and

4 (d) describe prohibitions on employer retaliation against persons
who

5 file or assist actions under article thirteen of the state finance
law

6 (the New York false claims act) pursuant to section one hundred
ninety-

7 one of the state finance law, or who report illegal conduct that
threat-

8 ens the health or safety of the public pursuant to section seven
hundred

9 forty of the labor law.

10 3. No later than forty-five days after the effective date of
this
11 section, the authority shall establish and continuously maintain on
its
12 public website and its intranet site a page that shall provide
the
13 information specified in subdivision two of this section, and that
shall
14 also provide sample statements, displays and other materials
suitable
15 for insertion in employee handbooks or posting at workplaces or
on
16 websites that would satisfy the disclosure requirements of this
section.

17 4. On and after the effective date of this section, the
authority
18 shall not enter into any contract described in subdivision one of
this
19 section that does not incorporate the terms of this section.

20 5. Compliance by a covered person or business organization with
this
21 section shall be a material condition of payment for the provision
of
22 goods or services.

23 6. The authority is authorized to adopt such rules and regulations
as
24 are necessary to effect the purposes of this section.

25 § 8. The public authorities law is amended by adding a new
section

26 1270-g to read as follows:

27 § 1270-g. Regulation of certain authority expenditures. The
authority

28 shall, pursuant to article two of the state administrative
procedure

1 act, promulgate and implement rules and regulations to minimize
unwar-

2 ranted expenses and to protect against abuses in connection with (i)
the

3 granting of any privileges or benefits having financial value,
other

4 than wage payments or expense reimbursements, to members or staff of
the

5 authority, or any subsidiary or other authority created by the
authori-

6 ty; (ii) the full-time and part-time assignment and use of
automobiles

7 owned or leased by the authority, or any subsidiary or other
authority

8 created by the authority, and the use by authority employees and
board

9 members of livery vehicles, as defined in section one hundred
twenty-

10 one-e of the vehicle and traffic law; and (iii), the
selection,

11 retention and compensation of outside legal counsel and other
profes-

12 sionals by and for the authority, or any subsidiary or other
authority

13 created by the authority, where total charges under the
retainer

14 contract may exceed one-half million dollars, with sufficient detail
to

15 identify the firms engaged; the distinct matter or matters and
purposes

16 for which they are engaged; the hourly or other rates charged by
all

17 professionals to the authority; and the total charges billed by and
paid

18 to such firms by the authority, in the current reporting period
and

19 since the inception of the matter or matters. In connection
therewith,

20 and on at least an annual basis hereafter, the authority shall
make
21 publicly available on its website detailed information with respect
to
22 the authority's use and costs for such services, including the
specific
23 information required hereinabove.

24 § 9. The public authorities law is amended by adding three
new

25 sections 1276-b, 1276-c and 1276-d to read as follows:

26 § 1276-b. Comptroller audit. The state comptroller may from time
to
27 time, upon the request of the governor, the temporary president of
the
28 senate or the speaker of the assembly or on his or her own
initiative,

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1 examine the books, records and accounts of the authority, and any
other
2 matters relating to its financial operations, including, but not
limited
3 to, the authority's basis for any fee or toll increase, and report
the
4 results of each examination to the governor, the temporary president
of
5 the senate, the speaker of the assembly, the chairs of the senate
and
6 assembly committees on corporations, authorities and commissions and
the
7 chairs of the senate and assembly committees on transportation.

8 § 1276-c. Authority budget and financial plan. 1. In addition to
the
9 requirements of section twenty-eight hundred two of this chapter,
each
10 authority budget and plan shall be posted on its website and shall:
(a)

11 present information relating to the authority and each of its
agencies

12 in a clear and consistent manner and format; (b) be prepared in
accord-

13 ance with generally accepted accounting principles; (c) be based
on

14 reasonable assumptions and methods of estimation; (d) include
estimates

15 of projected operating revenues and expenses; (e) identify any
planned

16 transaction that would shift resources, from any source, from one
fiscal

17 year to another, and the amount of any reserves; and (f) contain
a

18 summary in plain English of the principal information in the budget
and

19 conclusions to be drawn from it.

20 2. Supporting documentation. The authority shall prepare and
make

21 available for public inspection on its website information that
details

22 the sources of data and the assumptions and methods of estimation
used

23 to calculate all operating and capital budget projections,
consistent

24 with generally accepted budgetary practices.

25 3. The authority shall establish at least annually the
quarterly

26 revenue and expense targets for the authority, and for each
subsidiary

27 or other authority created by the authority itself and for which
it

28 reports financial data.

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1 4. Monitoring the budget and financial plan. The authority
shall

2 prepare and make available for public inspection on its website:
(a)
3 within sixty days of the release of the adopted budget and any
updates
4 to the budget (except updates released within ninety days of the
close
5 of the fiscal year), monthly projections for the current fiscal year
of
6 all revenues and expenses, staffing for the authority and each of
its
7 agencies, and utilization for each of the authority's agencies
that
8 operate transportation systems, including bridges and tunnels; and
(b),
9 within thirty days after the close of each quarter, (i) a comparison
of
10 actual revenues and expenses, actual staffing and actual utilization
to
11 planned or projected levels for each of the authority's agencies
that
12 operate transportation systems, including bridges and tunnels, with
an
13 explanation of each material variance and its budgetary impact; (ii)
the
14 status of each gap-closing initiative with a projected value
greater
15 than one million dollars in any given fiscal year; and (iii) the
status
16 of capital projects by capital element, including but not limited
to
17 commitments, expenditures and completions, and an explanation of
materi-
18 al variances from the plan, cost overruns and delays.
19 5. Strategic operation plan. Financial information required to
be
20 submitted by the authority pursuant to paragraphs d and e of
subdivision

21 one of section twelve hundred sixty-nine-d of this title shall
be
22 presented in a format consistent with the budget and plan, in
downloada-
23 ble, searchable format, in the same level of detail as is provided
to
24 staff and members of the authority.

25 § 1276-d. Independent audit of authority. The independent
auditor
26 retained by the authority shall not provide to the authority,
contempo-
27 raneously with the audit services, any non-audit service of any
kind,

28 including, but not limited to:

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- 1 1. routine bookkeeping or other services;
- 2 2. financial information systems design and implementation;
- 3 3. appraisal or valuation services, fairness opinions, or
contribu-
- 4 tion-in-kind reports;
- 5 4. actuarial services;
- 6 5. outsourcing services;
- 7 6. authority management functions or human resources;
- 8 7. broker or dealer, investment advisor or investment
banking
- 9 services;
- 10 8. legal services and expert services unrelated to the audit;
- 11 9. any service that would present a conflict of interest or
the
- 12 appearance of a conflict of interest.

13 § 10. The public authorities law is amended by adding a new
section

14 1279-c to read as follows:

15 § 1279-c. The office of legislative and community input. 1. The
chair-
16 man of the authority shall establish the office of legislative
and
17 community input for the purpose of communicating information to,
and
18 receiving comments, concerns and recommendations from, members of
the
19 legislature, and members of the permanent citizens advisory committee
to
20 the authority composed of the members of the New York city
transit
21 authority advisory council, the members of the Long Island rail
road
22 commuter's council, and the members of the metro-north commuter
council,
23 on the operations of the rapid transit, omnibus and commuter rail
line
24 facilities of the authority, including, but not limited to:
25 (a) the quality and frequency of service provided on the
authority's
26 mass transit facilities;
27 (b) the maintenance and condition of the authority's mass
transit
28 facilities, including, but not limited to, rapid transit and
commuter
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1 rail stations, railcars, buses, rail lines, fare collection systems
and
2 sound systems; and
3 (c) proposed service changes, including any reductions or expansion
of
4 services, as it relates to the authority's mass transit facilities.
5 2. The office shall establish a process to ensure timely
notification
6 of the receipt of, and response to, comments, concerns, and
recommenda-

7 tions by members of the legislature or members of the permanent
citizens

8 advisory committee to the authority which shall be taken into
consider-

9 ation in the development of each capital program plan and/or any
amend-

10 ment to such plan.

11 3. The office shall prepare a report containing a compilation of
the

12 comments, concerns, and recommendations received by the office, and
how

13 these comments, concerns or recommendations were or will be addressed.

14 Such report shall be submitted on a biennial basis, commencing
Septem-

15 ber first, two thousand nine, to the governor, the temporary
president

16 of the senate and the speaker of the assembly, be posted on the
authori-

17 ty's website and be made readily available to the public.

18 § 11. Subdivision 1 of section 2824 of the public authorities law,
as

19 added by chapter 766 of the laws of 2005, is amended to read as
follows:

20 1. Board members of state and local authorities shall (a)
execute

21 direct oversight of the authority's [**chief executive**] chairman and
other

22 senior management in the effective and ethical management of the
author-

23 ity; (b) understand, review and monitor the implementation of
fundamen-

24 tal financial and management controls and operational decisions of
the

25 authority; (c) establish policies regarding the payment of
salary,

26 compensation and reimbursements to, and establish rules for the time
and

27 attendance of, the chief executive and senior management; (d) adopt
a

28 code of ethics applicable to each officer, director and employee
that,

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1 at a minimum, includes the standards established in section seventy-
four

2 of the public officers law; (e) establish written policies and
proce-

3 dures on personnel including policies protecting employees from retali-

4 ation for disclosing information concerning acts of wrongdoing, miscon-

5 duct, malfeasance, or other inappropriate behavior by an employee
or

6 board member of the authority, investments, travel, the acquisition
of

7 real property and the disposition of real and personal property and
the

8 procurement of goods and services; [and] (f) adopt and maintain in
force

9 a defense and indemnification policy [and disclose such plan to any
and

10 all prospective board members] of insurance for board members;
(g)

11 discharge each of their duties as board members in good faith and
with

12 that degree of independence, diligence, care and skill which an
ordinar-

13 ily prudent person would exercise under similar circumstances in a
like

14 position, provided, however, that any otherwise lawful and proper
action

15 taken by a board member after disclosure of such member's conflict
of

16 interest based on his or her public office shall not be considered
a

17 failure to fulfill his or her fiduciary duties; and (h) at the time
that
18 the member takes and subscribes his or her oath of office, or
within
19 sixty days after the effective date of this paragraph if the member
has
20 already taken and subscribed his or her oath of office, execute
an
21 acknowledgment that the board member understands his or her
independence
22 and fiduciary duties, including loyalty and care to the organization
and
23 commitment to the authority's mission.

24 § 12. Section 1266-c of the public authorities law is amended
by
25 adding a new subdivision 15 to read as follows:

26 15. (a) In the performance of projects pursuant to this title
the
27 authority shall, to the extent practicable and consistent with
federal

28 law:
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1 (1) purchase goods and services that are produced or manufactured
in
2 New York state; and

3 (2) require any contractor doing business with the authority
to
4 purchase goods and services that are produced or manufactured in
New
5 York state.

6 (b) The authority shall within one hundred twenty days after
the
7 effective date of this subdivision promulgate rules and regulations
to
8 effect the purposes of this subdivision.

2 the applicable effective date of Parts A through G of this act shall
be

3 as specifically set forth in the last section of such Parts.
