



NYPIRG  
**Straphangers  
Campaign**



**PCAC**  
PERMANENT CITIZENS  
ADVISORY COMMITTEE TO THE MTA



## MEMO OF SUPPORT

### **A7851(Dinowitz)/ S1267 Gianaris)**

#### *Exempting MTA from Public Authorities Reimbursement Fee*

June 2021

#### **TITLE OF BILL**

An act to amend the public authorities law, in relation to exempting the Metropolitan Transportation Authority from the requirement for public authorities to reimburse the state for services provided to such authorities.

#### **SUMMARY OF PROVISIONS**

Section 1 amends section 2975 of the public authorities law to exempt the Metropolitan Transportation Authority (MTA) from cost recovery provisions that allow the state to charge public authorities a fee as part of reimbursing the state for services, as determined by the Division of the Budget (DOB).

Section 2 sets the effective date as immediate.

#### **STATEMENT OF SUPPORT**

Under current law, the DOB may charge a state public authority up to \$65 million annually to reimburse the state for services. However, in practice this has been used as a devious way to transfer funding between state authorities. It was notoriously [used in 2016 when the MTA directly transferred funds to the Olympic Regional Development Authority](#) for three upstate ski resorts. This bizarre transfer of funds laid bare the reality that when money is taken by the state from one agency, it becomes fungible for whatever other priorities the state or Governor might have.

Our groups support this legislation because it will protect the MTA's operating budget from one form of raids by the state. Exempting the MTA from this "cost recovery" mechanism will help stop transit dollars from being diverted for other state purposes. Building off of this legislation, the legislature should consider removing this provision altogether for other public authorities, and protecting MTA dedicated funds by moving them off-budget.

*Groups in support:*

Reinvent Albany

Riders Alliance

Disabled In Action of Metropolitan NY

Downstate New York ADAPT

Permanent Citizens Advisory Committee to the MTA (PCAC)

NYPIRG Straphangers Campaign

Rise and Resist Elevator Action Group

StreetsPAC