



MEMO OF SUPPORT

[A3880 \(Dinowitz\) / S5119 \(Gianaris\)](#)

Exempts MTA from public authorities reimbursement fee

April 3, 2025

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.

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.

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.