2015-16 NEW YORK STATE EXECUTIVE BUDGET

TRANSPORTATION
ECONOMIC DEVELOPMENT AND
ENVIRONMENTAL CONSERVATION
ARTICLE VII LEGISLATION

MEMORANDUM IN SUPPORT
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MEMORANDUM IN SUPPORT

A BUDGET BILL submitted by the Governor in
Accordance with Article VII of the Constitution

AN ACT to amend part U1 of chapter 62 of the laws of 2003 amending the
vehicle and traffic law and other laws relating to increasing
certain motor vehicle transaction fees, in relation to the
effectiveness thereof; and to amend chapter 84 of the laws of
2002, amending the state finance law relating to the costs of the
department of motor vehicles, in relation to permanently
authorizing payment of department of motor vehicle costs from
the dedicated highway and bridge trust fund (Part A); to amend
the infrastructure investment act, in relation to expanding the
definition of authorized state entity and increasing the threshold
amounts for projects utilizing design-build contracts (Part B); to
amend the transportation law, in relation to fees for motor
carriers; and to repeal certain provisions of such law relating
thereto (Part C); to amend chapter 413 of the laws of 1999,
relating to providing for mass transportation payments, in
relation to including Ontario county to the Rochester-Genesee
Regional Transportation District (Part D); to amend the state
finance law, in relation to creating a transit assistance for capital
investments fund (Part E); authorizing the department of
transportation to defer reductions in service payments for two
years (Part F); to amend the public authorities law, the highway
law, and the public officers law, in relation to authorizing shared
services agreements between the department of transportation
and the New York state thruway authority (Part G); to amend
the vehicle and traffic law, in relation to overweight permits (Part
H); to amend the vehicle and traffic law, the criminal procedure
law and the transportation law, in relation to the issuance of
commercial learner's permits and the disqualification of
commercial driver's licenses and commercial learner's permits
(Part I); to amend public authorities law, in relation to
decreasing state responsibility for certain costs incurred by the
New York state thruway authority (Part J); to amend the public
authorities law, in relation to toll collection regulations; to amend
the public officers law, in relation to electronic toll collection
data; to amend the vehicle and traffic law, in relation to liability
of vehicle owners for toll collection violations; and to amend
chapter 774 of the laws of 1950, relating to agreeing with the
state of New Jersey with respect to rules and regulations
governing traffic on vehicular crossings operated by the port of
New York authority, in relation to tolls and other charges (Part
K); to amend the public authorities law, in relation to
procurements by the New York city transit authority and the
metropolitan transportation authority (Part L); to amend the New
York state urban development corporation act, in relation to
extending certain provisions relating to the empire state
economic development fund (Part M); to amend chapter 393 of
the laws of 1994, amending the New York state urban
development corporation act, relating to the powers of the New
York state urban development corporation to make loans, in
relation to the effectiveness thereof (Part N); to authorize and
direct the New York state energy research and development authority to make a payment to the general fund of up to $913,000 (Part O); to authorize the energy research and development authority to finance a portion of its research, development and demonstration and policy and planning programs, and to finance the department of environmental conservation's climate change program, from an assessment on gas and electric corporations (Part P); to amend the executive law, in relation to extending certain provisions relating to the minority- and women-owned business enterprise disparity study; and to amend chapter 261 of the laws of 1988 amending the state finance law and other laws relating to the New York infrastructure trust fund, in relation to the effectiveness of article 15-A of the executive law (Part Q); to authorize the department of health to finance certain activities with revenues generated from an assessment on cable television companies (Part R); to amend chapter 58 of the laws of 2012 amending the public authorities law relating to authorizing the dormitory authority to enter into certain design and construction management agreements, in relation to extending certain authority of the dormitory authority of the state of New York (Part S); to amend chapter 21 of the laws of 2003, amending the executive law relating to permitting the secretary of state to provide special handling for all documents filed or issued by the division of corporations and to permit additional levels of such expedited service, in relation to extending the expiration date thereof (Part T); to amend the real property law, in relation to eliminating certain fees charged for an apartment information vendor license (Part U); to amend the agriculture and markets law, in relation to eliminating certain license fees (Part V); to amend part B of chapter 173 of the laws of 2013 relating to the issuance of securitized restructuring bonds to refinance the outstanding debt of the Long Island power authority, in relation to the issuance of securitized restructuring bonds to refinance outstanding debt of the Long Island power authority (Part W); to amend the navigation law and the state finance law, in relation to license fees and surcharges for the transfer of petroleum between vessels, between facilities and vessels, and between facilities, whether onshore or offshore (Part X); to amend the environmental conservation law, in relation to operating permit program fees, state air quality control fees and state pollutant discharge elimination system program fees (Part Y); to amend the environmental conservation law, in relation to eliminating the registration fee for water well driller certification (Part Z); to amend the state finance law and the environmental conservation law, in relation to establishing a habitat conservation and access account; and to repeal certain provisions of the state finance law relating thereto (Part AA); and to amend the local finance law, in relation to establishing a ten year period of probable usefulness for municipally owned omnibus or surface transit motor vehicles (Part BB)
PURPOSE:

This bill contains provisions needed to implement the Transportation, Economic Development and Environmental Conservation portions of the 2015-16 Executive Budget.

This memorandum describes Parts A through BB the bill which are described wholly within the parts listed below.

Part A – Make permanent certain provisions of law relating to the revenues and expenses of the Dedicated Highway and Bridge Trust Fund and the Dedicated Mass Transportation Trust Fund

Purpose:

This bill would permanently extend the authorizations for: 1) the Dedicated Highway and Bridge Trust Fund (DHBTF) and Dedicated Mass Transportation Trust Fund (DMTTF) to receive approximately $235 million annually of Department of Motor Vehicles (DMV) and other revenues; and 2) the DHBTF to continue to disburse funds for the expenses of the DMV.

Summary of Provisions and Statement in Support:

This bill would permanently extend authority for the DHBTF and the DMTTF to continue to receive various DMV and other revenues that were initially increased and directed to the DHBTF and DMTTF in 2003 and 2005, and most recently in 2009, to extend to 2015. This bill amends Section 13 of Part U1 of Chapter 62 of the Laws of 2003, as amended, to extend authority to receive these revenues. Absent this extender, the DHBTF and DMTTF could lose $235 million in annual revenues.

The bill would also permanently extend authority for the DHBTF to continue to fund DMV operations, which began in 2002. This was also most recently extended in 2009 to 2015. This bill amends Section 2 of Part B of Chapter 84 of the Laws of 2002, as amended, to extend this ability to pay for DMV expenses.

Budget Implications:

Enactment of this bill is necessary to implement the 2015-16 Executive Budget to permanently extend the dedication of certain revenues to the DHBTF and the DMTTF, as well as extend the authorization to fund DMV from the DHBTF.

Effective Date:

This bill would take effect immediately.
Part B – Make the Infrastructure Investment Act permanent, expand the definition of authorized state entity, and increase threshold amounts for projects utilizing design-build contracts

Purpose:

This bill would make permanent the provisions of the Infrastructure Investment Act of 2011 (the Act) and would expand the definition of authorized State entity. In addition, the threshold amounts for projects utilizing design-build contracts would be increased.

Summary of Provisions and Statement in Support:

This bill would expand the provisions of the Act to enable all State agencies and public authorities to award a contract to a single entity for both the design and construction (design-build) aspects of a project in order to optimize quality, cost and efficiency. In addition, the threshold for projects utilizing a design-build contract would be increased from a minimum of $1.2 million to a minimum of $5 million. Projects in excess of $50 million would be required to prepare a project labor agreement feasibility study.

Since 2011, the Act has been used by the Department of Transportation to procure eleven contracts for bridge and deck replacements, and highway, bridge and rail station rehabilitation that resulted in 40 projects totaling $858 million. The Thruway Authority used the design-build procurement process for the $3.9 billion contract for the New NY Bridge, replacing the Tappan Zee Bridge, and the Bridge Authority awarded a $549,000 project to replace HVAC and perform asbestos abatement on two buildings at their Mid-Hudson Bridge facility.

Budget Implications:

Enactment of this bill is necessary to implement the 2015-16 Executive Budget because the Infrastructure Investment Act allows agencies to award a design and construction contract to a single entity for a project to optimize cost, quality and efficiency.

Effective Date:

This bill would take effect immediately.
Part C – Repeal the Intrastate Authority Application Fee and authorize the Department of Transportation to charge safety inspection fees for certain types of vehicles

Purpose:

This bill would repeal the Intrastate Authority Application fee. Additionally, the bill would authorize the Department of Transportation (DOT) to charge safety inspection fees for certain types of for-hire/for-profit passenger vehicles.

Summary of Provisions and Statement in Support:

Section 144 of Transportation Law would be repealed to eliminate the Intrastate Authority Application fee for carriers of passengers, property and household goods by motor vehicles. By eliminating this one-time $50 fee paid by new trucking companies, movers, ambulette providers and charter bus operators, a total of $40,000 will be saved annually by these operators beginning in FY 2016. Sections 153, 154, 155, 156, 173, 174, 175, 177, 192, 193 and 195 would also be amended to remove the reference to the application fee.

A new Section 144 of Transportation Law would be added to authorize DOT to charge for vehicle safety inspection fees to privately operated for-hire/for-profit passenger carriers for each inspection conducted. Vehicles used for school transportation or public transit are excluded. A new $100 fee would be charged to ambulette providers, motor coach operators and companies with private transit vans, double decker buses, limos and airport service vehicles for each inspection conducted. The annualized revenue collected of $3.5 million would defray DOT’s costs to conduct inspections.

Budget Implications:

Enactment of this bill is necessary to implement the 2015-16 Executive Budget to eliminate a burdensome fee that generates minimal revenue. Additionally, a new fee will be charged to defray the Department of Transportation’s costs of maintaining the vehicle safety inspection program.

Effective Date:

This bill would take effect immediately.
Part D – Include the Ontario County transit system within the Rochester-Genesee Regional Transportation Authority district

Purpose:

This bill would add the Ontario County transit system to the Rochester-Genesee Regional Transportation Authority (RGRTA) district, and thereby allow RGRTA to receive allocations from State Transit Operating Assistance (STOA) associated with the Ontario County transit system.

Summary of Provisions and Statement in Support:

In August of 2014, RGRTA assumed transit services in Ontario County, but was not eligible to receive STOA funds associated with this increased cost. This bill would allow RGRTA to receive essential State assistance for transit services in Ontario County.

Budget Implications:

Enactment of this bill is necessary to implement the 2015-16 Executive Budget because STOA funding is intended to provide state transit operating aid to each provider within a transit district. Since the takeover of Ontario County services, RGRTA has not yet been able to receive this assistance.

Effective Date:

This bill would take effect April 1, 2015.

Part E – Create the Transit Assistance for Capital Investments Fund

Purpose:

This bill would establish the Downstate Capital Account for capital expenses of both the Metropolitan Transportation Authority (MTA) as well as non-MTA transit systems.

Summary of Provisions and Statement in Support:

Surplus operating aid available to MTA and non-MTA downstate systems will be in part allocated to this new capital account. Funding in the first year for this account will total $121.5 million.

These funds will be available for capital expenses of the MTA and the non-MTA downstate transit systems for capital purposes, including, but not limited to the reconstruction, replacement, purchase, modernization, improvement, reconditioning,
preservation and maintenance of mass transit facilities, vehicles and rolling stock, pursuant to the operating aid allocation formula.

**Budget Implications:**

Enactment of this bill is necessary to implement portions of the 2015-16 Executive Budget related to transit capital project expenditures.

**Effective Date:**

This bill would take effect immediately.

**Part F – Authorize the Commissioner of Transportation to extend the “hold-harmless” provision of the Statewide Mass Transportation Operating Assistance program for one additional year**

**Purpose:**

This bill would extend the provisions implemented in FY 2015 to provide a "hold-harmless" for all recipients of Statewide Mass Transportation Operating Assistance (STOA) funding, in relation to changes in Medicaid reimbursement requirements.

**Summary of Provisions and Statement in Support:**

The recommended change supports the transition of Non-Emergency Medical Transportation (NEMT) trip assignment from municipally-sponsored upstate Demand Response and Route Deviation public transportation systems to regionally-administered Medicaid Transportation Management Services.

Demand Response and Route Deviation services support individuals in rural areas or areas of lower passenger demands where regularly scheduled public transportation service may not be viable. These services also support individuals who, because of their temporary or permanent disability, may be unable to independently use regularly scheduled, accessible buses.

This transitional assistance is part of a longer-term statewide effort underway between State agencies to ensure the coordination of Medicaid-related transportation with other State and community based transportation services.

**Budget Implications:**

Enactment of this bill is necessary to implement the 2015-16 Executive Budget in order to offset the immediate impact of Medicaid redesign on operating assistance to upstate public transportation systems.
Effective Date:

This bill would take effect April 1, 2014.

**Part G – Authorize the Department of Transportation and the New York State Thruway Authority to provide mutual aid and enter into shared services agreements with each other**

*Purpose:*

This bill would allow for mutual aid and shared services agreements between the Department of Transportation and the New York State Thruway Authority.

**Summary of Provisions and Statement in Support:**

This bill would authorize the Department of Transportation (DOT) and the New York State Thruway Authority (Thruway) to enter into agreements to provide mutual aid through the sharing of employees, services and resources where appropriate. The bill would provide indemnification for all claims, damages and liabilities and clarify the definition of employee as it relates to workers’ compensation claims or other settlements.

This will enable DOT and the Thruway to achieve greater efficiencies in the funding and operation of certain governmental functions provided by the two entities.

**Budget Implications:**

Enactment of this bill is necessary to implement the 2015-16 Executive Budget in order to allow the Department of Transportation and the New York State Thruway Authority to enter into shared service agreements.

**Effective Date:**

This bill takes effect immediately.

**Part H – Eliminate the requirement for registrants of overweight vehicles to amend their registration after having received an overweight permit from the NYS Department of Transportation**

*Purpose:*

This bill would eliminate the need for registrants of overweight vehicles to make a second visit to a Department of Motor Vehicles (DMV) office to amend their registration
after having received an overweight permit from the NYS Department of Transportation (DOT).

Summary of Provisions and Statement in Support:

Current law requires commercial carriers operating vehicles with a maximum gross weight in excess of 80,000 pounds to first register their vehicle at 80,000 pounds with DMV, then to apply to DOT for a temporary overweight permit, and then to return to DMV to obtain an amended registration that reflects the total allowed weight for that vehicle as identified on the DOT permit. The carrier must then go back to the DOT to receive a permanent overweight permit.

DMV estimates that approximately 3,500 carriers enrolled in the International Registration Plan (IRP) and 50,000 non-IRP registrants currently go through this multi-step process. These customers must return to the IRP office in Albany or to a DMV issuing office to have their registrations corrected. This is a time consuming process for both the customer and for DMV staff.

The bill would streamline this registration process by eliminating the need for the registrants of such vehicles to make an additional visit to a DMV office to correct the registration after having received a DOT overweight permit. This bill will benefit commercial carriers by saving them the time and cost of having to make another trip to a DMV office to have their registration document corrected.

Budget Implications:

Registrants returning to DMV to correct a registration are charged a $2.00 amendment fee. If these customers do not have to return to DMV after going to NYSDOT, DMV will lose the $2.00 per registration amendment totaling about $107,000 in registration fees. However, these lost revenues are offset by reduced DMV staff processing costs that would otherwise result from multiple office visits.

Effective Date:

The bill would take effect 90 days after receiving Executive approval.

Part I – Bring New York State into compliance with federal regulations regarding commercial learners’ permits

Purpose:

This bill would align New York State law with federal requirements regarding commercial learners’ permits.
Summary of Provisions and Statement in Support:

On May 9, 2011, the Federal Motor Carrier Safety Administration adopted a final rule regarding the issuance of commercial learners’ permits.

This bill would conform State law with federal regulations regarding commercial learners’ permits related to record retention periods, medical certifications, periods of validity and renewal, mandatory revocations and suspensions, disqualifications and downgrading, and employer responsibilities.

Budget Implications:

Enactment of this bill is necessary to implement the 2015-16 Executive Budget because if not in compliance with federal funding, the State will lose up to $43 million in federal highway funding.

Effective Date:

The bill would take effect on July 8, 2015.

Part J – Reduce funding for State expenses previously paid by the Thruway Authority

Purpose:

This bill would reduce a $24 million authorization for State operations support to the Thruway Authority by $2.5 million, in anticipation of management improvements and cost savings at the Authority.

Summary of Provisions and Statement in Support:

The provisions of this bill would amend Section 357-a of the Public Authorities Law to authorize the State to assume $21.5 million in annual Thruway operating costs incurred on its behalf, as specified in an agreement between the Thruway and the Director of the Division of the Budget, rather than the $24 million as per the original law enacted in 2013.

Budget Implications:

Enactment of this bill is necessary to implement the 2015-16 Executive Budget by allowing the State to share in management improvements and cost savings at the Thruway.
Effective Date:

This bill would take effect immediately and shall be deemed to have been in full force and effect on and after January 1, 2015.

Part K – Increase fines and penalties for toll evasion on all roads, bridges and tunnels operated by public authorities

Purpose:

This bill intends to capture revenue lost to all tolling systems through toll evasion across the State. The bill will help ensure that the proper tolls are collected by increasing the monetary penalties and other consequences of toll evasion and streamlining enforcement procedures.

Summary of Provisions and Statement in Support:

This bill allows public authorities that operate toll highways, bridges, and tunnels to prosecute those who evade tolls, and thereby cost these systems revenue. The bill sets forth penalties for toll evasion as follows:

- first violation, no more than $100 (currently $50) or twice the toll evaded, whichever is greater;
- second violation, both within eighteen months, no more than $200 (currently $100) or five times the toll evaded, whichever is greater; and
- third or subsequent violation thereof, all within eighteen months, no more than $300 dollars (currently $150) or ten times the toll evaded, whichever is greater.

Budget Implications:

Enactment of this bill is necessary to implement the 2015-16 Executive Budget as it allows public authorities that collect tolls on their facilities to receive revenues and increased penalties associated with toll evasion.

Effective Date:

This bill take would take effect on the one hundred twentieth day after it shall have become a law.
Part L – Extend for four years various procurement rules of the Metropolitan Transportation Authority, and the New York City Transit Authority

Purpose:

This bill would extend for four years statutes that allow the Metropolitan Transportation Authority (MTA) and the New York City Transit Authority (NYCT) to procure goods and services in ways that save time and money and allow NYCT to consider, in certain cases, New York State-content when procuring subway cars.

Summary of Provisions and Statement in Support:

This bill extends the sunset dates for Public Authorities Law §§ 1265-a and 1209, thereby permitting MTA and NYCT to continue to use procurement methods, such as competitive Request for Proposals (RFP), to procuring systems and construction contracts. MTA and NYCT use competitive RFPs on a large scale. RFPs incorporate new technology such as rolling stock, communications, signaling systems and communication based train control. Continuing innovations in these fields require the flexibility provided by competitive negotiation that is not available through sealed bidding.

This extension will maintain the existing threshold above which MTA and NYCT must solicit purchases via sealed bids at $15,000. If this law were not extended, the threshold would revert to $10,000. Permitting the threshold to be reduced would delay certain MTA and NYCT procurements due to the additional administrative requirements of procuring by sealed bid.

Budget Implications:

Enactment of this bill is necessary to implement the 2015-16 Executive Budget as RFP procurement methods are vital to the implementation of the 2015-2019 capital program.

Effective Date:

This bill would take effect immediately.

Part M – Extend the authorization of the New York State Urban Development Corporation to administer the Empire State Economic Development Fund

Purpose:

This bill would extend the authorization of the New York State Urban Development Corporation (UDC) to administer the Empire State Economic Development Fund (EDF) for an additional year.
Summary of Provisions and Statement in Support:

Section 16-m of the UDC Act authorizes UDC to provide financial assistance through the EDF. This authorization has been renewed annually since 2012 and is currently set to expire on July 1, 2015.

The bill would provide for the smooth administration of the EDF, UDC’s primary economic development program. Extending the sunset date until July 1, 2016 will permit UDC to fulfill prior commitments made through the EDF and to make new assistance available to businesses and other stakeholders throughout the State without interruption.

Budget Implications:

Enactment of this bill is necessary to implement the 2015-16 Executive Budget, which includes new appropriations and reappropriations to support the EDF.

Effective Date:

This bill would take effect immediately.

Part N – Extend the general loan powers of the New York State Urban Development Corporation

Purpose:

This bill would extend the general loan powers of the New York State Urban Development Corporation (UDC) for an additional year.

Summary of Provisions and Statement in Support:

Chapter 393 of the Laws of 1994 provides UDC with the general power to make loans. This authorization has been renewed annually since 1997 and is currently set to expire on July 1, 2015.

Absent enactment of this bill, UDC will be authorized to make loans only in connection with certain State-funded economic development programs that grant statutory loan authorization.

Budget Implications:

Enactment of this bill is necessary to implement the 2015-16 Executive Budget, which assumes that UDC will provide certain economic development assistance through
loans. Absent this legislation, the UDC could not fund approved loans made through economic programs lacking specific statutory authorization.

Effective Date:

This bill would take effect April 1, 2015.

Part O – Authorize and direct the Comptroller to receive for deposit to the credit of the General Fund a payment of up to $913,000 from the New York State Energy Research and Development Authority

Purpose:

This bill would authorize and direct the Comptroller to receive for deposit to the credit of the General Fund a payment of up to $913,000 from the New York State Energy Research and Development Authority (NYSERDA).

Statement in Support, Summary of Provisions:

This bill would authorize and direct the Comptroller to receive for deposit to the credit of the General Fund a payment of up to $913,000 from NYSERDA from unrestricted corporate funds. The $913,000 transfer would help offset New York State’s debt service requirements related to the Western New York Nuclear Service Center (West Valley). Chapter 57 of the Laws of 2014 provided a similar one year authorization.

Budget Implications:

The $913,000 transfer authorized by this legislation is necessary to implement the 2015-16 Executive Budget and State Financial Plan.

Effective Date:

This bill would take effect immediately.
Part P – Authorize the New York State Energy Research and Development Authority to finance a portion of its research, development and demonstration, and policy and planning programs, and to finance the Department of Environmental Conservation’s climate change program, from an assessment on gas and electric corporations

**Purpose:**

This bill would authorize the New York State Energy Research and Development Authority (NYSERDA) to obtain revenue for certain programs from a special assessment on gas and electric corporations.

**Statement in Support, Summary of Provisions:**

The bill would authorize NYSERDA to finance its research, development and demonstration program, policy and planning program, and Fuel NY program, and to finance the Department of Environmental Conservation’s (DEC) climate change program, from a special assessment on gas corporations and electric corporations. This special assessment is in addition to the assessment under Section 18-a of the Public Service Law which the Department of Public Service is authorized to assess gas and electric corporations for expenses related to administering Public Service Law programs. A similar bill has been proposed annually as an Article VII provision, and was last enacted as Part K of Chapter 57 of the Laws of 2014. Without this authorization, NYSERDA and DEC could not continue to implement necessary programs in the 2015-16 State Fiscal Year.

**Budget Implications:**

Enactment of this bill is necessary to implement the 2015-16 Executive Budget because it would authorize collection of an amount not to exceed $19.7 million in assessments to fund NYSERDA’s research, development and demonstration, and policy and planning programs, and DEC’s climate change program.

**Effective Date:**

This bill would take effect immediately.
Part Q – Extend the authorization for the Minority and Women-owned Business Enterprise statutes and the due date of the Disparity Study

Purpose:

This bill would extend for one year the authorization of Article 15-A of the Executive Law and the due date of the Minority and Women-owned Business Enterprise (MWBE) Disparity Study.

Summary of Provisions and Statement in Support:

Article 15-A, Section 312-a of the Executive Law authorizes the Department of Economic Development’s Division of Minority and Women-owned Business Development to conduct a Disparity Study regarding the participation of MWBEs in State contracts. In order to complete a legally defensible study, this bill would extend the due date of the Disparity Study by one year. In connection with the extension of the due date of the Disparity Study, this bill would also extend the sunset for the authorization of Article 15-A of the Executive Law by one year.

Budget Implications:

Enactment of this bill is necessary to implement the 2015-16 Executive Budget, which includes reappropriations to support the MWBE Disparity Study.

Effective Date:

This bill would take effect immediately.

Part R – Authorize the Department of Health to finance certain activities with revenues generated from an assessment on cable television companies

Purpose:

This bill would authorize the Department of Health (DOH) to finance public service education activities with revenues generated from an assessment on cable television companies.

Statement in Support, Summary of Provisions:

The bill would authorize certain expenditures of DOH as eligible expenses of the Department of Public Service (DPS). Section 217 of the Public Service Law authorizes DPS to assess cable television companies for DPS costs associated with the regulation of cable television companies. This Article VII bill would make DOH public service education expenses that are charged to the special revenue cable television account
eligible for these funds. Chapter 57 of the Laws of 2014 provided similar authorization for State Fiscal Year 2014-15.

Budget Implications:

Enactment of this bill is necessary to implement the 2015-16 Executive Budget which presumes the recovery of public service education expenses incurred by DOH.

Effective Date:

This bill would take effect immediately.

Part S – Extend the authorization for the Dormitory Authority of the State of New York to enter into certain design and construction management agreements

Purpose:

This bill would extend for two years the authority of the Dormitory Authority of the State of New York (DASNY) to enter into a design and construction management agreement with the Department of Environmental Conservation (DEC) and the Office of Parks, Recreation and Historic Preservation (OPRHP).

Summary of Provisions and Statement in Support:

Currently, DASNY is authorized to enter into management agreements with DEC and OPRHP to provide design and construction services. This bill would extend the sunset for the authorization from April 1, 2015 to April 1, 2017.

Budget Implications:

Enactment of this bill is necessary to implement the 2015-16 Executive Budget, portions of which appropriate funding to DEC and Parks for capital purposes requiring DASNY services.

Effective Date:

This bill would take effect immediately.
Part T – Extend for one year the authority of the Secretary of State to charge increased fees for expedited handling of documents

Purpose:

This bill would extend for one year provisions of law permitting the Secretary of State to charge increased fees for the expedited handling of documents issued by or requested from the Department's Division of Corporations. The increased fees for expedited handling are necessary to reimburse the Department of State for increased administrative costs associated with expedited handling.

Statement in Support, Summary of Provisions:

The Executive Law currently authorizing the Secretary of State to charge increased fees for expedited handling expires on March 31, 2015. Historically, this statute has been extended annually to coincide with the enactment of the Budget.

Budget Implications:

Enactment of this bill is necessary to implement the 2015-16 Executive Budget. The 2015-16 Executive Budget assumes that expedited handling fees will be enacted since the costs associated with expedited handling are greater than traditional requests. Failure to enact this legislation will result in annual revenue losses of approximately $4.5 million, forcing the Department to bear the additional costs related to expedited services without supporting revenues.

Effective Date:

This bill would take effect immediately.

Part U – Eliminate the fee associated with licensing apartment information vendors/sharing agents

Purpose:

This bill would eliminate the fee associated with the licensure of apartment information vendors and sharing agents.

Summary of Provisions and Statement in Support:

An apartment information vendor is any person who collects an advance fee from a customer in exchange for furnishing information concerning the location and availability of properties. A sharing agent, however, is a person who facilitates a meeting of an owner of an available property with a potential customer. In 2014, there were only 19
licensees registered through the Department of State’s Division of Licensing. Repealing this fee would ease the burden on New York State vendors.

**Budget Implications:**

Enactment of this bill is necessary to implement the 2015-16 Executive Budget because this fee is part of an overall proposal to repeal 59 other “nuisance” fees, which would save taxpayers approximately $3 million annually while retaining the necessary licensing requirements associated with the fee. Annual revenue losses to the Department of State related to this fee total approximately $9,000.

**Effective Date:**

This bill would take effect immediately.

**Part V – Repeal nuisance fees and restructure license periods for certain licenses administered by the Department of Agriculture and Markets**

**Purpose:**

This bill would eliminate nuisance license fees and restructure license periods associated with certain programs administered by the Department of Agriculture and Markets (DAM) to minimize burdens on the Department and regulated persons.

**Summary of Provisions and Statement in Support:**

This bill would eliminate fees associated with DAM’s administration of seven licenses (Food Salvager, Refrigerated Warehouse and/or Locker Plant, Disposal Plant or Transportation Service, Commercial Feed Manufacturer; Agricultural Liming Materials, Soil and Plant Inoculants, and Farm Products Dealer) which generate very little revenue. DAM would continue to license and inspect these persons, but the corresponding fees would be eliminated. This bill would also restructure the license period for two licenses (Commercial Fertilizer and Retail Food Stores) to minimize the burden on DAM and regulated persons.

The collection of the license fees for the seven licenses generates little revenue for DAM; therefore, the elimination of the fee would not impact DAM’s overall mission and core functions. The elimination of these fees as well as the restructuring of certain licenses would provide relief to applicants and licensees and create a more business friendly environment in the State.

**Budget Implications:**

Enactment of this bill is necessary to implement the 2015-16 Executive Budget. While this bill would have little State fiscal impact, eliminating these nuisance fees charged by
DAM would save New Yorkers approximately $30,000 annually beginning in FY 2015-16.

Effective Date:

This bill would take effect immediately.

Part W – Reduce the cost of Long Island Power Authority's debt

Purpose:

This bill would amend Part B of Chapter 173 of the Laws of 2013 as it relates to the issuance of securitized restructuring bonds by the Long Island Power Authority (LIPA), to permit the issuance of additional securitized restructuring bonds.

Statement in Support, Summary of Provisions, Existing Law, and Prior Legislative History:

In 2013, the LIPA Reform Act authorized a single issuance of securitized restructuring bonds by LIPA. LIPA has approximately $7.5 billion of outstanding debt, including $2 billion of debt issued in December 2013 by the Utility Debt Securitization Authority (UDSA) that refinanced LIPA bonds at a lower cost which led to direct ratepayer savings. LIPA has up to $2.5 billion of additional bonds that may be refinanced for savings using securitization bonds by 2016.

This bill would remove the provision in the LIPA Reform Act which prohibits more than one issuance of restructuring bonds, and would limit the aggregate principal amount of outstanding restructuring bonds at any time to $4.5 billion. This bill would also create a second UDSA to be utilized only if it is determined that higher credit ratings, and thus increased ratepayer savings, would be achieved through its use.

If additional securitization bonds were authorized to be issued by the UDSA, these bonds would have the highest credit ratings and would reduce the interest paid on LIPA's debt, thereby lowering the cost of electric utility service from what would otherwise be in place starting in 2016.

Budget Implications:

Enactment of this bill is necessary to implement the 2015-16 Executive Budget. Without this legislation, LIPA would not be able to achieve savings from the lower cost of securitization debt that is authorized by this bill in its three year rate plan for 2016, 2017 and 2018.
Effective Date:

This bill would take effect immediately.

Part X – Increase license fees and surcharges for major facilities which store or transfer petroleum and shift the administration of the Environmental Protection and Spill Compensation Fund from the Office of the State Comptroller to the Department of Environmental Conservation

Purpose:

This bill would increase license fees and surcharges for major petroleum storage facilities and authorize the Department of Environmental Conservation (DEC) to administer the Environmental Protection and Spill Compensation Fund (Spill Fund).

Summary of Provisions and Statement in Support:

In recent years, the volume of crude oil being transported through New York by trains and vessels has increased significantly, resulting in increased risks of spills, damage to the environment, and threats to public health and safety. To increase New York’s capabilities to properly manage the risks presented by the transportation of large amounts of petroleum, resources are needed to fund additional spill response staff, implement measures to prevent releases, provide specialized training and response equipment and supplies to state and local responders, develop contingency plans, and conduct response drills and exercises.

This bill would increase the per-barrel license fee for major oil storage facilities (MOSFs) and increase the surcharge on petroleum being transshipped out-of-state through MOSFs, to support the Spill Fund. The bill would also expand the purposes for which the Spill Fund may be used to include oil spill planning and prevention; training, drills and equipment, including for local spill response agencies; and development of maps and response plans for sensitive environments and resources. Finally, the bill would shift administration of the Spill Fund from the Office of the State Comptroller to DEC, which would create administrative efficiencies and allow additional resources to be dedicated to spill preparedness and response.

This bill would ensure there is adequate funding to address potential spills and increased risks associated with the high volume of petroleum being transported in the State. The bill would increase the license fee for MOSFs and the surcharge on barrels of petroleum that are exported out-of-state, thereby increasing resources to the Spill Fund while making the total amount of fees and surcharges imposed the same regardless of whether the petroleum remains in-state or is exported.
Budget Implications:

Enactment of this bill is necessary to implement the 2015-16 Executive Budget. This bill would generate over $9 million in additional revenue for the Spill Fund annually, which would be used to support DEC staff and state and local training, equipment, and response activities, including those necessary to implement Executive Order No.125.

Effective Date:

This bill would take effect immediately; provided, that DEC and the State Comptroller may have until October 1, 2015 to transfer all functions associated with the administration of the Spill Fund to allow for an orderly transition of work. Additionally the fee increase would take effect on September 1, 2015 and would apply to any barrel that is transferred on or after such date.

Part Y – Increase and simplify fees to ensure that sufficient funds are available for Department of Environmental Conservation program management

Purpose:

This bill would increase operating permit program fees for all sources subject to the federal Clean Air Act (Title V facilities) and certain State Pollutant Discharge Elimination System (SPDES) program fees related to water pollution, and restructure state air quality control program fees, to ensure that sufficient funds are available for Department of Environmental Conservation (DEC) pollution control programs.

Summary of Provisions and Statement in Support:

For the operating permit program, the bill would establish an annual base fee of $2,500 for all Title V facilities, increase per ton fees on emissions of regulated air contaminants, and authorize fee increases based on the consumer price index.

For the State air quality control program, the bill would simplify the fee structure by establishing a flat fee structure for persons subject to the State air quality control program: $2,500 for a source subject to state facility permit, $250 for a source subject to a minor facility registration, and $2,500 for a facility with any other operating approval. The bill would also authorize fee increases based on the consumer price index.

Finally, for the SPDES program, the bill would increase certain annual fees and authorize fee increases based on the consumer price index.

Increasing the fees associated with these programs would ensure that DEC has adequate resources to oversee these regulated sources of air and water pollution and protect the environment. Further, for the Title V program, the federal Environmental
Protection Agency has indicated that it is imperative that DEC increase fees to cover program expenses. Finally, this bill would establish a more efficient way for DEC to assess annual air regulatory program fees, by aligning the fee structure for facilities subject to the state air quality control program with the manner in which these facilities are regulated.

**Budget Implications:**

Enactment of this bill is necessary to implement the 2015-16 Executive Budget because it would provide $8 million in revenues to support critical DEC pollution control programs.

**Effective Date:**

This bill would take effect immediately and shall apply to all bills issued on and after January 1, 2015.

**Part Z – Repeal a nuisance fee associated with water well driller registrations administered by the Department of Environmental Conservation**

**Purpose:**

This bill would repeal the fee assessed by the Department of Environmental Conservation (DEC) on water well drillers.

**Summary of Provisions and Statement in Support:**

This bill would repeal the ten dollar annual fee for a water well driller certificate of registration. DEC would continue to register these entities, but the corresponding fee would be eliminated.

The water well driller fee generates little revenue for DEC; therefore, the elimination of such fee would have no impact on the Department’s overall mission and core functions.

**Budget Implications:**

If enacted, this bill would result in the loss of $50,000 in recurring revenue to the Financial Plan.

**Effective Date:**

This bill would take effect immediately.
Part AA – Create a new Habitat Conservation and Access account to support fish and wildlife habitat management and public access projects

Purpose:

This bill would establish a Habitat Conservation and Access account to support Department of Environmental Conservation (DEC) fish and wildlife habitat management and public access programs.

Summary of Provisions and Statement in Support:

This bill would direct up to $1.5 million annually from the State Fish and Game Trust account and all proceeds from the sale of the Habitat Stamp to a new Habitat Conservation and Access account to ensure that DEC has funds available for capital expenses associated with management, protection and restoration of fish and wildlife habitat, and for the improvement and development of public access for fish and wildlife related recreation. The bill would also authorize DEC to establish a fee for the Habitat Stamp of no less than five dollars.

This bill would ensure that funds are available for expanding and improving habitat and access for outdoor recreation activities, while continuing to protect and invest lifetime license revenue. Further, this funding would aid DEC in retaining federal funding for this purpose.

Budget Implications:

Enactment of this bill is necessary to implement the 2015-16 Executive Budget because it provides $1.5 million in support of DEC capital and associated personal service expenses, which are required to provide the match for federal funding. Without this spending, federal funding could be at risk of redistribution to other states.

Effective Date:

This bill would take effect immediately and shall be deemed to have been in full force and effect on and after April 1, 2015, provided that all funds in the habitat account of the Conservation Fund shall be transferred to the Habitat Conservation and Access account.
Part BB - Increase the number of years a municipal transit system may finance bus purchases from five years to ten years

Purpose:

This bill extends from five years to ten years the maximum term that local governments may finance transit bus purchases, to allow financing that better aligns with vehicle probable useful life.

Summary of Provisions and Statement in Support:

Extending the financing term from five years to ten years will better align the debt service payment for municipal buses with their probable useful life. This provision is currently available to the State and public transit authorities.

Budget Implications:

This bill will allow municipalities to better manage debt associated with the purchase of buses by extending the repayment of debt from five years to ten years, thereby decreasing the yearly debt service payment.

Effective Date:

This bill would take effect immediately.

The provisions of this act shall take effect immediately, provided, however, that the applicable effective date of each part of this act shall be as specifically set forth in the last section of such part.