



NEW YORK STATE SENATOR

Carl L. Marcellino

A Train Wreck of a Plan

CARL L MARCELLINO May 8, 2009

Before we have even had a chance to catch our breath from the gut shot that was the 2009-10 New York State Budget, here comes the knockout punch in the form of the MTA bailout. A bailout that was crafted behind closed doors, hidden from those it will directly impact and rammed through the legislature under the dark of night.

The \$2.2 billion MTA bailout plan is a massive new unfunded mandate that will drive up property taxes, increase taxes on businesses and cause the loss of jobs throughout the MTA region. The bill would do little to reform the bloated and wasteful spending of the MTA.

The \$1.5 billion payroll tax will devastate our schools, businesses, not-for-profits, hospitals, and municipalities. This tax will cause businesses to lay off workers and push New York State deeper into financial calamity and recession.

On Long Island, Nassau and Suffolk County taxpayers will have to pay a combined additional \$9 million in county property taxes. In addition, Long Island commuters will be hit particularly hard by the higher fares.

Our Long Island schools will now have to swallow a \$24.4 million tax bill. A tax bill that comes with a promise that the money will be reimbursed. Nothing in the plan guarantees the money will be paid back. Blind faith is our only hope.

This plan hands a mismanaged and corrupt Authority more than \$2 billion in new money with a promise of more to come. Has the MTA earned our trust? Have they taken any steps over the years to make us believe that this money will not fall into the abyss? Who is watching the store? Where is the stringent oversight? This money should have come with strings; heavy rules that force the MTA once and for all to be accountable to the taxpayers and its ridership. The MTA needs to be held to a higher standard.

The bailout is a job killer and a disincentive to any in business in the MTA region to hire additional workers. As non-profits, small businesses and self-employed across the Island try to find a way to keep their doors open, the Governor and the Senate Democrats have ignored their peril and added to their burden.

After \$10 billion in new taxes from the budget and the MTA bailout plan, how will we finance the rest of the MTA capital plan that is left unfunded? Higher fares? Service cuts? More taxes? What about Long Island's road and bridge needs? This plan is silent on all these questions. This is just the beginning of the bad news, not the end.

This plan is simply a disaster. There were better options. A pairing of new bridge tolls and the Federal Stimulus dollars should have been used to prevent this payroll tax. Instead we are left with a nightmarish plan that still guarantees fare increases of 27% by 2013 for riders. When you're not paying for this at the train station, you will be paying for it in skyrocketing property taxes and increased prices as businesses try to find away to stay afloat.

The worst part of all is that this plan never ends. It never sunsets. I said on the Senate floor during the debate that this bailout is a train wreck looking for a place to happen. Well, it found a place. Ground zero is Long Island and we will be paying the price for decades to come.

As usual I welcome your comments you can do so by emailing me at

marcelli@senate.state.ny.us