

## **Extending the MTA Vehicle Registration Fee for Upstate Transit A Practical Way to Invest in Transit Systems, Customers and Communities**

**Background** - As part of the MTA funding package approved in 2009, the state established a supplemental motor vehicle registration fee of \$25 annually on all vehicles registered within the 12 county Metropolitan Commuter Transportation District (MCTD). The supplemental fee is paid with regular 2-year vehicle registrations and is beyond the statewide weight-based vehicle registration fee collected by the NYS Department of Motor Vehicles. Revenue from the MCTD fee is a vital component of the state funding package that supports the MTA financial plan.

Upstate transit systems lack dedicated funding to provide sustainable revenue. This has resulted in an over-reliance on the state's general fund to support upstate systems and their operational needs. The lack of predictable revenue makes it extremely difficult to plan for and provide transit services that upstate communities need and deserve.

Extending the MCTD supplemental vehicle registration fee statewide will provide the revenue needed to support transit services in all communities across New York.

**Proposal - Extend the MCTD supplemental vehicle registration fee to all upstate counties beginning in the FY 2026-27 state budget and dedicate the revenue to upstate transit systems.**

There are approximately 5 million vehicles registered in the 50 upstate counties. A \$25 DMV fee would generate over \$100 million annually in additional funding for upstate transit. The revenue would be deposited into the Public Transportation Operating Assistance account (PTOA) that supports upstate transit systems. This will provide upstate systems with predictable resources and reduce reliance on the state general fund.

**Justification** - There is transit service in every upstate county; this service is supported by automobile users through statewide petroleum taxes, a revenue source that is declining due to increased fuel efficiency and the transition to electric vehicles. An increase in the DMV vehicle registration fee to the same level that funds the MTA will ensure that vehicle users support transit services across New York; this service supports economic vitality and reduces emissions in their communities. Upstate transit services benefit everyone by:

- Providing more and better mobility for everyone
- Supporting local economies by providing workers with efficient alternatives to driving
- Supporting economic development by providing employers with access to workers; generating new revenues for local government
- Providing efficient transportation for those who are unable or choose not to drive (trips to work, medical appointments, shopping, and social activities)
- Employing those working in the transit industry (or supplying goods and services)
- Reducing air pollution and traffic congestion in cities

These wide-ranging benefits justify the financial support for more and better transit service across New York State.