

How to Save the Subway Fare with Cannabis

Executive Summary

The proposed legalization of recreational cannabis in the State of New York provides an opportunity to maintain current subway, bus and commuter rail fares—on a temporary basis—for a one year time period. This report analyzes how potential cannabis revenues can be used to maintain current fares, thus relieving the burden on families and workers who depend on public transit for access to work, school, and health care.

Projected annual state tax revenues from the legalization of cannabis exceed the revenue target of \$100 million from a proposed fare increase in 2021.

Issuing revenue anticipation bonds and allocating cannabis revenues in 2021 to stabilize subway and bus fares would maintain and expand ridership during the COVID 19 pandemic, providing a temporary source of funds to support bus and subway fares. This proposed policy would not address the longterm financial challenges facing the MTA but assure the continued growth in MTA ridership during the coming year.