

The Commonwealth of Massachusetts

In the Year Two Thousand Thirteen

An Act Establishing A Payroll Tax to Increase Funding of Mass Transportation and Establishing a Transportation Finance Advisory Board

Be it enacted by the Senate and House of Representatives in General Court assembled, and by the authority of the same, as follows:

SECTION 1. The General Laws are hereby amended by inserting after chapter 65C the following chapter:

CHAPTER 65D PAYROLL TAX TO INCREASE FUNDING OF MASS TRANSPORTATION

Section 1. The following words as used in this chapter shall, unless the context otherwise requires, have the following meanings:

- (a) “Employee,” an individual employed by an employer subject to either chapter 151A or chapter 62B of the General Laws;
- (b) “Employer,” an employing unit subject to either chapter 151A, section 14P, or chapter 62B of the General Laws;
- (c) “Payroll,” the total amount of all wages for employment subject to this chapter;
- (d) “Wages,” wages as defined in chapter 151A, section 1(s), of the General Laws.

Section 2. Beginning on January 1, 2014, employers shall pay a tax of 0.75 per cent of their payroll of all employees whose wages exceed \$100,000 per year.

Section 3. Tax payments shall be made to the Commissioner at least annually under regulations promulgated by the Commissioner and shall be deposited by the Commissioner in the Commonwealth Transportation Fund as established by chapter 29, section 2ZZZ of the General Laws.

Section 4. At least annual distributions from the Commonwealth Transportation Fund of the taxes paid under this chapter shall be made by the Secretary of Transportation as follows:

- (a) The taxes collected from employers located in cities and towns solely within the MBTA service area shall be distributed to the Massachusetts Bay Transportation Authority to be used to maintain the MBTA transit system in a state of good repair, reduce or eliminate increases in fares, and pay MBTA debt.
- (b) The taxes collected from employers located in cities and towns solely within the service area of regional transit authorities shall be distributed among the regional transit authorities in proportion to ridership numbers, asset repair and replacement needs, and the viability of plans to implement the operation and capital recommendations set forth in an authority's community-led service assessment.
- (c) The taxes collected from employers that are located in a city or town that is within the service area of the Massachusetts Bay Transportation Authority and a regional transit authority service area shall be distributed to the Massachusetts Bay Transportation Authority and the regional transit authorities as provided in this section in proportion to the number of passenger trips each provided in the city or town in the year in which the taxes were collected or in the previous year.

Section 5. Distributions made under this chapter shall be in addition to any other payments required by law to be made to the Massachusetts Bay Transportation Authority or any regional transit authority. The distributions shall not affect the net cost of service assessments required by chapter 161B of the General Laws.

SECTION 2. Chapter 6C of the General Laws, as appearing in section 3 of chapter 242 of the Acts of 2012, is hereby amended by adding the following section at the end:

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- (a) There shall be a Transportation Finance Advisory Board (board) to the Department with a purpose of reviewing at least annually the adequacy of transportation funding and the Department's budget and whether the distribution and use of transportation funds is consistent with the laws and policies of the commonwealth and making recommendations related to transportation finance and spending. The board shall publish an annual report of its review and recommendations and shall file the report with the governor, the secretary of transportation, the clerks of the house of representatives and the senate, the house and senate committees on ways and means and the joint committee on transportation.
- (b) The governor shall appoint six persons and the president of the senate and the speaker of the house shall each appoint to three persons to the board for two year terms each. The appointments shall reflect the geographic diversity of the commonwealth and shall include representatives of business, finance, labor, transportation advocacy, environmental advocacy, cities and towns, regional planning authorities, and metropolitan planning organizations. At least one member of the board shall be a person

who regularly rides public transit (at least 100 rides per year). Not more than nine members shall be of the same political party. The Secretary of Transportation shall be the 13th member of the board and shall serve ex officio. One of the members shall be appointed by the governor to serve as chairperson of the board; provided, however, that said designee shall not be an employee of the department or any division thereof. Each board member shall serve without compensation but may be reimbursed for actual and necessary expenses reasonably incurred in the performance of their duties, including reimbursement for reasonable travel; provided, however that that such reimbursement shall not exceed \$500 annually. Any person appointed to fill a member vacancy on the Advisory Board shall be appointed in a like manner and shall serve for only the unexpired term of such former member. Any member shall be eligible for reappointment. Any member may be removed from his appointment by the governor for cause. The board shall annually elect 1 of its members to serve as vice-chairperson.

Seven members shall constitute a quorum and the affirmative vote of a majority of members present at a duly called meeting, if a quorum is present, shall be necessary for any action to be taken by the board. Any action required or permitted to be taken at a board meeting may be taken without a meeting if all of the members' consent in writing to such action and such written consent is filed with the records of the minutes of the meetings of the board. Such consent shall be treated for all purposes as a vote at a meeting. Each member shall make full disclosure of his financial interest, if any, in matters before the board by notifying the state ethics commission, in writing, and shall abstain from voting on any matter before the board in which he has a financial interest, unless otherwise permissible under chapter 268A.

- (c) The Secretary shall annually provide the board with the Annual Finance Plan required by chapter 6C, section 16, of the General Laws, and such other information as the board shall reasonably require.
- (d) Any research, analysis or other staff support that the board reasonably requires shall be provided by the department.
- (e) Each meeting of the board shall provide a sufficient opportunity for public comment. The board also shall provide at least thirty days for written public comment on a draft annual report and shall take the comments received into consideration before publishing its annual report.