

HOUSE No. 3544

The Commonwealth of Massachusetts



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July 2, 2013

To the Honorable Senate and House of Representatives,

Pursuant to Article LVI, as amended by Article XC, Section 3 of the Amendments to the Constitution of the Commonwealth of Massachusetts, I am returning to you for amendment the entirety of House No. 3535, "An Act Relative to Transportation Finance."

After a thorough study, conducted at your request and with input from a wide spectrum of both experts and ordinary citizens, we determined that bringing our transportation system up to par and meeting our unmet transportation needs requires approximately \$1.2 billion in additional investment each year for a decade. Although this legislation would not fully meet those needs, I have publicly and privately expressed my willingness to accept your preferred level of annual expenditure (\$805 million) as a substantial step forward in meeting our transportation needs, so long as the people of the Commonwealth can count on that level of funding.

House No. 3535 does not yet accomplish this. The main reason is that the bill counts revenue from the western turnpike tolls that expires as of law in just a few years. Indeed, at the very point when the legislation presumes the Commonwealth would reach \$805 million in added transportation investment, the tolls come down and over \$135 million in revenue is no longer available.

Accordingly, I propose to amend this legislation to address the transportation revenue shortfall by offsetting the amount of revenue lost from the scheduled discontinuance of the western tolls in 2017 with a modest increase in the gas tax. This provision would only be

triggered if and to the extent the toll revenues are reduced. I am open to other funding mechanisms to make up for the lost revenues in 2017 but only to the extent they are equally responsible and certain.

Additionally, under existing law the Massachusetts Port Authority Board is comprised of seven members appointed by the Governor. The enacted legislation modifies the statute to provide that six of the board members are gubernatorial appointees, while one board member will be appointed by the newly created Massachusetts Port Authority Community Advisory Committee, which represents over twenty municipalities. I support the creation of this committee and acknowledge the importance of having representation from the communities impacted by Massport. However, I recommend amending the legislation to ensure that the “community seat” be occupied by a member from one of the communities most directly impacted by Massport activities: East Boston, South Boston or Winthrop.

I also recommend delaying by seven days the effective dates of the gas tax and computer system design services and software modification sales tax sections of the bill, just as you have done for the tobacco tax sections. This will avoid retroactive taxation and allow the Department of Revenue and affected taxpayers adequate time for proper implementation of these changes, without sacrificing significant additional revenue.

Therefore, I respectfully recommend that you amend this legislation by inserting after section 3 the following section:-

“SECTION 3A. Said chapter 6C is hereby further amended by inserting after section 4 the following section:-

Section 4A. If the amount credited to the Massachusetts Transportation Trust Fund under section 4 from receipts from tolls charged for passage on the turnpike, as defined in section 1, is reduced from the amounts so charged in fiscal year 2016, then the comptroller shall transfer annually from the Commonwealth Transportation Fund to the Massachusetts Transportation Trust Fund an amount equal to the amount so reduced from the amount charged in fiscal year 2016 plus 1 per cent each year. After receiving the certificate of the comptroller of the amount of this transfer, the commissioner of revenue shall adjust the tax per gallon, as defined by section 1 of chapter 64A of the General Laws, to the extent necessary to provide sufficient additional revenue to fund this transfer.”;

In section 55, by striking out subsection (f) and inserting in place thereof the following subsection:

“(f) With respect to appointment of any member of the board of directors, the Massachusetts Port Authority Community Advisory Committee shall act only if a special

quorum is present consisting of 2/3 of voting members. The Massachusetts Port Authority Community Advisory Committee's appointment to the board of directors shall be a resident of 1 of the following communities: the East Boston or South Boston section of the city of Boston, or the town of Winthrop.”;

In section 83, by striking out the following words:- 43, 48 and 49.; and

by striking out section 89 and inserting in place thereof the following 2 sections:-

“SECTION 89. Sections 43, 45 to 49, inclusive, and 72 shall take effect 7 days after the effective date of this act.

“SECTION 90. Section 3A shall take effect on July 1, 2016.”

Thus, the entire bill as so amended will be in the form that I have attached.

Respectfully submitted

Deval L. Patrick,
Governor