HOUSE . . . . . No. 3580

Text of a report of the committee on Bills in the Third Reading, on amendments recommended by His Excellency the Governor (for message see House, No. 3544) to the engrossed Bill relative to transportation finance (see House, No. 3535). July 17, 2013.

The Commonwealth of Massachusetts

In the Year Two Thousand Thirteen

By striking out all after the enacting clause and inserting in place thereof the text of the attachment submitted by the Governor containing the amendments recommended by him as identified in his letter, as follows:

"SECTION 1. To provide for certain unanticipated obligations of the commonwealth, to provide for an alteration of purpose for current appropriations, and to meet certain requirements of law, for fiscal year 2013 the sum set forth in section 2A is hereby appropriated from the Commonwealth Transportation Fund, for the several purposes and subject to the conditions specified in said section 2A, and subject to laws regulating the disbursement of public funds. For the purpose of making available in fiscal year 2013 balances of appropriations which otherwise would revert on June 30, 2013.

SECTION 2A.

TRANSPORTATION

Department of Transportation.

1595-6367 For the transportation performance and asset management advisory council to assist with the development of a statewide integrated performance and asset management system pursuant to sections 12 and 12A of chapter 6C of the General Laws; provided further, that any unexpended funds in this item at the end of fiscal year 2013 shall not revert and shall be made available for the purposes of this item until June 30, 2014..……....$100,000

SECTION 3. Section 3 of chapter 6C of the General Laws, as appearing in the 2010 Official Edition, is hereby amended by striking out, in lines 73 to 78, inclusive, the words ‘the department shall convene at least 2 public hearings, each to be held in a community within the turnpike corridor, at least 30 days prior to the effective date of any proposed change in toll structure on the turnpike and shall allow for a 1-week comment period, after each such hearing,’ and inserting in place thereof the following words:- prior to revising the toll structure, the department shall publish a report on its website that sets forth the fiscal alternatives that were examined in lieu of revising the toll structure and detail the reasons why such alternatives were not viable fiscal options; provided further, that the department shall convene at least 2 public hearings, each to be held in a community within the turnpike corridor or within the metropolitan highway system, as appropriate, at least 30 days before the effective date of any proposed change in toll structure on the turnpike or metropolitan highway system, as appropriate, and shall allow for a 1-week comment period after each such hearing;.

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.

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

Section 6A. Notwithstanding any general or special law to the contrary, the goals established by the office of performance management and innovation under subsection (b) of section 6 shall include, but not be limited to: (1) for the division of highways, the reduction of commuting times by at least 10 per cent in each region for each rolling 5-year period, after adjusting for seasonal variations and for changes in the economic activity in the region; (2) for the division of highways, the reduction of fatalities by at least 10 per cent for each rolling 5-year period; (3) for the division of highways, the reduction of the accident rate by at least 10 per cent for each rolling 5-year period; (4) for the division of highways, the reduction of the administrative disbursement rate per mile by at least 10 per cent for each rolling 5-year period; (5) for the division of highways, increasing the maintenance disbursements per mile by at least the same total dollar amount as the total dollar amount saved by the reduction of the administrative disbursement rate per mile under clause (4), for each corresponding 5-year period;

(6) for the Mass Transit division, a decrease in the urban transit bus fleet age for each transit authority of at least 10 per cent for each rolling 5-year period; (7) for the Mass Transit division, a reduction of fatalities as a result of transit accidents in each transit authority by at least 10 per cent for each rolling 5-year period; (8) for the Mass Transit division, an increase in the farebox recovery ratio of at least 10 per cent for each transit authority for each rolling 5-year period; (9) for the Mass Transit division, an increase in the on-time performance percentage for each transit authority of at least 2 per cent for each rolling 5-year period, until that percentage reaches 98 per cent; and (10) for the Mass Transit division, an increase of at least 5 per cent in the revenue miles per active vehicle reported to the Federal Transit Administration for each transit authority for each rolling 5-year period.

SECTION 5. Subsection (e) of section 9 of said chapter 6C of the General Laws, as appearing in section 1 of chapter 132 of the acts of 2012, is hereby amended by adding the following sentence:-The secretary shall make the annual report and all such reports from previous years available on the department's website.

SECTION 6. Section 10 of said chapter 6C, as appearing in the 2010 Official Edition, is hereby amended by adding the following paragraph:-

The office of transportation planning shall work in collaboration with the public-private partnership infrastructure oversight commission and provide the oversight commission with information and updates on research, surveys, studies and future transportation projects.

SECTION 7. The first paragraph of section 11 of said chapter 6C, as so appearing, is hereby amended by striking out the second sentence and inserting in place thereof the following sentence:-

The plan shall be consistent with the project selection criteria as established by section 11A.

SECTION 8. Said first paragraph of said section 11 of said chapter 6C, as so appearing, is hereby further amended by inserting after the third sentence the following sentence:- The plan shall include a toll feasibility analysis in the evaluation of all highway, road and bridge projects.

SECTION 9. Said section 11 of said chapter 6C, as so appearing, is hereby further amended by inserting after the word ‘finance’, in lines 18 through 19, the following words:- , the public-private partnership infrastructure oversight commission.

SECTION 10. Said section 11 of said chapter 6C, as so appearing, is hereby amended by adding the following paragraph:-

The long range transportation plan developed by the secretary of transportation under this section shall provide that not less than $100,000,000 shall annually be spent for the construction and reconstruction of municipal ways as described in clause (b) of the second paragraph of section 4.

SECTION 11. Said chapter 6C is hereby further amended by inserting after section 11 the following section:-

Section 11A. (a) There shall be a project selection advisory council which shall be charged with developing a uniform project selection criteria to be used in the development of a comprehensive state transportation plan required pursuant to section 11.

(b) The council shall consist of the following members: the secretary or the secretary’s designee, who shall serve as chair; 3 members to be appointed by the governor, 1 of whom shall

have practical experience in transportation planning and policy, 1 of whom shall be a registered civil engineer with at least 10 years' experience and 1 of whom shall be a member of a regional planning agency; 1 member to be appointed by the president of the senate, who shall be an expert in the field of transportation finance; 1 member to be appointed by the minority leader of the senate, who shall be a member of the construction industry; 1 member to be appointed by the speaker of the house of representatives, who shall be a representative of a transportation consumer organization or other public interest organization; 1 member to be appointed by the minority leader of the house of representatives, who shall be a member of a business association; and a representative of the Massachusetts Municipal Association. The department shall provide the council with qualified administrative staff and the regional planning agencies may provide qualified technical assistance to the council.

(c) The project selection criteria developed under this section shall include a project priority formula or other data-driven process that shall include, but not be limited to, the following factors: engineering; condition of existing assets; safety; economic impact; regional priorities; and the anticipated cost of the project. The council may divide projects into several categories including, but not limited to: preservation and maintenance of existing assets; modernization of existing assets that improve safety; expansion projects that add to the existing system; and local construction. The factors chosen by the council may be weighted to prioritize specific factors and such weighting of factors may differ by project category as determined by the council.

(d) The council shall conduct at least 6 public hearings, 1 in each of the department's highway districts, before final approval of the project selection criteria. The council shall provide interested persons with an opportunity to submit their views orally and in writing and the

department may create and maintain a website to allow members of the public to submit comments electronically and to review comments submitted by others. The council shall provide notice of each public hearing by publication in a newspaper of general circulation in the highway district in which the hearing is to be located in each of 2 successive weeks, the first publication to be at least 14 days before the day of the hearing and, if feasible, by posting a notice in a conspicuous place in the cities or towns within the highway district for at least 14 consecutive days immediately prior to the day of the hearing.

SECTION 12. Said chapter 6C is hereby further amended by inserting after section 12 the following section:-

Section 12A. (a) As used in this section, the following words shall, unless the context clearly requires otherwise, have the following meanings:-

'Council', the transportation performance and asset management advisory council established in this section.

'Local transportation agency', the city, town or other governmental entity's department of transportation or public works that has jurisdiction over the transportation assets in that city, town or entity and that receives state or federal funding.

'Performance and asset management system', the permanent, comprehensive and integrated system, developed by the department pursuant to section 12, that requires the operation, maintenance, upgrade and expansion of all transportation assets, that are cost-effectively administered throughout their lifecycle, by continuously updating physical inventory, condition assessments and performance information. The system shall establish goals, metrics and outcomes to measure transportation performance pursuant to section 6.

‘Transportation assets’, capital assets, including but not limited to, any city, town, county or state highway, road, street, pavement, parkway, facilities, structures, construction and maintenance equipment, vehicles, real estate, materials, corporate data and information, equipment, rolling stock, infrastructure and facilities for use in public transportation; ground and water transportation facilities and equipment; and any rights-of-way, bridges, tunnels, railroad highway crossings, drainage structures, signs and guardrails.

(b) There shall be a transportation performance and asset management advisory council charged with advising the board on the creation of a performance and asset management system pursuant to section 12.

The council shall consist of the secretary, who shall serve as chair, and the following members as appointed by the secretary: 2 members of the board, 2 members from the Massachusetts Municipal Association, 2 members from different regional planning agencies, 1 member from the construction industry, and 1 member from a business association. Each member shall be appointed for a term of 3 years. The council may appoint a technical assistance panel, to serve in an advisory, non-binding capacity, which shall be comprised of transportation planning, construction and engineering associations. The council shall determine the scope of research and assign projects to the technical assistance panel as necessary in the development of statewide policies. The department shall provide the council with qualified administrative staff and the regional planning agencies may provide qualified technical assistance to the council.

(c) The council shall review the performance measurement criteria required for the performance and asset management system pursuant to subsection (b) of section 6 and the comprehensive long term capital plan required by section 11A. The council shall make a report

to the board on the following: (i) improvements that can be made to ensure comprehensive multi-modal transportation planning and analysis; (ii) additional performance metrics, such as enterprise-wide measures across modes, contract management, procurement, project controls, financials, organizational and prioritization outcomes; and (iii) economic development impacts, and benchmarks measured against performance by other states and countries. The council shall make recommendations on the processes and tools needed to implement a strategy for the performance and asset management system.

(d) The council shall present minimum standards and guidelines delineating standardized data and information that shall be contained in the performance and asset management system, including the complete integration of transit, highway, aeronautics, water and port assets, and the possible inclusion of municipal roadways. The minimum standards shall include: (i) the keeping of accurate and uniform records of real transportation assets, (ii) the mileage and condition of each road and bridge system under various jurisdictions, (iii) the receipts and disbursements of road, street and transit funds, (iv) a multiyear compilation of projects anticipated to be contracted for or by the department or local transportation agencies that are funded in whole or in part with state or federal funds, and (v) any other categories established by the council. The council shall recognize the differences in local, regional or other agencies' circumstances and nothing in this section shall prohibit a local transportation agency or other governmental agency from using a separate asset management process on any eligible system. All quality control standards and protocols shall, at a minimum, be consistent with any existing federal requirements and regulations and existing government accounting standards.

(e) On or before October 1 of each year, the council shall provide an annual progress report on the performance and asset management system to the house and senate committees on ways and means and the joint committee on transportation.

SECTION 13. Subsection (a) of section 13 of said chapter 6C, as appearing in the 2010 Official Edition, is hereby amended by adding the following sentence:- The department shall devise and implement a fair and reasonable fee structure to charge and collect tolls for transit over the turnpike between interchange 1 in the town of West Stockbridge and interchange 6 in the city of Springfield at interstate highway route 291.

SECTION 14. Section 16 of said chapter 6C, as so appearing, is hereby amended by adding the following sentence:- The plan shall be made available on the department's website.

SECTION 15. Section 28 of said chapter 6C, as so appearing, is hereby amended by inserting after the word 'divisions', in line 33, the following words:- including, but not limited to, revenues from parking fares, financial assistance from cities and towns, sponsorships, naming rights and advertising.

SECTION 16. Section 30 of said chapter 6C, as so appearing, is hereby further amended by inserting after subsection (c) the following subsection:-

(d) The secretary shall:

(1) develop and administer a long-term statewide transportation plan that shall include planning for intermodal and integrated transportation;

(2) create a future project prioritization list, separated by mode of transportation;

(3) include detailed information regarding all construction projects for which the department has expended funds during the preceding 5 fiscal years, which shall include:

(i) the location and street name, including a brief description of the work to be performed;

(ii) all project identifying numbers used within the department or with respect to any federal or state grant or funding program including, without limitation, any contract numbers, transportation incentive program numbers or Transportation Infrastructure Finance and Innovation Act or other federal aid numbers;

(iii) all contractors, engineers, architects and other service professionals who have performed work on the project;

(iv) all amounts expended, including payee name and date of disbursement with respect to each disbursement;

(v) total projected and actual cost;

(vi) projected and actual start and completion dates;

(vii) projected and actual milestone dates and details;

(viii) identification and a brief description of any issues, factors or other causes that have affected or are anticipated to affect the projected cost and completion date of any project; and

(ix) the names and contact information of the project manager within the department or other department personnel with oversight authority;

(4) compare each project to the metrics established by the department's office of performance management and innovation; and

(5) make the long-term statewide transportation plan available on the department's website.

SECTION 17. Section 39 of said chapter 6C, as so appearing, is hereby amended by adding the following subsection:-

(c) The administrator shall establish within the division an internal project controls unit to oversee all statewide program projects in line with the department's performance and asset management system. The administrator shall establish and implement project controls to ensure that projects carried out pursuant to this chapter shall be completed in the most efficient possible manner. The internal project controls unit shall be subject to section 29A of chapter 29.

SECTION 18. Subsection (b) of said section 14C of said chapter 7, amended by section 1 of chapter 462 of the acts of 2012, is hereby further amended by inserting after paragraph (4) the following paragraph:-

(4 1/2) capital expenditures grouped by project with links to related capital budget documents;.

SECTION 19. Sections 4C to 4G, inclusive, of chapter 16 of the General Laws are hereby repealed.

SECTION 20. Subsection (A) of section 2 of chapter 21J of the General Laws, as appearing in the 2010 Official Edition, is hereby amended by inserting after the first sentence the following sentence:- The fee imposed under this paragraph shall be adjusted at the beginning of

each calendar year, by the percentage, if any, by which the consumer price index, as defined in section 1 of the Internal Revenue Code, for the preceding year exceeds the consumer price index for the calendar year that ends before such preceding year.

SECTION 21. Subsection (C) of said section 2 of said chapter 21J, as so appearing, is hereby amended by striking out the second sentence and inserting in place thereof the following sentence:- The department shall deposit the receipts from the delivery fee imposed under the first paragraph of subsection (A) into the Commonwealth Transportation Fund established in section 2ZZZ of chapter 29 and shall deposit the receipts from the annual storage tank fee imposed under the second paragraph of said subsection (A) into the General Fund.

SECTION 22. Said section 2 of said chapter 21J , as so appearing, is hereby further amended by striking out subsection (D).

SECTION 23. Section 14 of said chapter 21J, as so appearing , is hereby amended by striking out, in line 1, the word ‘fees,’.

SECTION 24. Said section 14 of said chapter 21J, as so appearing, is hereby further amended by striking out, in lines 2 to 4, inclusive, the words ‘treasury to the credit of the fund in accordance with the provisions of section two S of chapter twenty-nine’ and inserting in place thereof the following words:- General Fund.

SECTION 25. Subsection (a) of section 2ZZZ of chapter 29 of the General Laws, as appearing in section 112 of chapter 165 of the acts of 2012, is hereby amended by striking out the second sentence and inserting in place thereof the following sentence:- There shall be credited to the fund all fees received by the registrar of motor vehicles under section 34 of chapter 90, all receipts paid into the treasury of the commonwealth and directed to be credited to

the Commonwealth Transportation Fund under chapters 21J, 64A, 64E, 64F and any other applicable general or special law and all amounts appropriated into the fund by the general court.

SECTION 26. Said section 2ZZZ of said chapter 29, as so appearing, is hereby further amended by striking out subsection (c) and inserting in place thereof the following subsection:-

(c) In addition to those revenues credited to the fund under subsection (a) there shall be credited to the fund all monies received by the commonwealth from the receipts from sales of motor vehicles under sections 3, 25 and 26 of chapter 64H and all monies received by the commonwealth on the sales price of purchases of motor vehicles under sections 4, 26 and 27 of chapter 64I, from the taxes imposed under said chapters 64H and 64I as excises upon the sale and use at retail of motor vehicles and upon the storage, use or other consumption of motor vehicles, including interest thereon or penalties; provided however, such amount shall not include any portion of the taxes that constitute special receipts within the meaning of subsection (b1/2) of section 10 of chapter 152 of the acts of 1997. The amount credited to the fund under this subsection shall be net of the dedicated sales tax revenue amount transferred to the Massachusetts Bay Transportation Authority State and Local Contribution Fund under section 35T of chapter 10 and to the School Modernization and Reconstruction Trust Fund under section 35BB of said chapter 10.

SECTION 27. Said section 2ZZZ of said chapter 29, as so appearing, is hereby further amended by adding the following subsection:-

(e) In addition to those revenues credited to the fund under subsections (a) and (c), for fiscal years 2015 to 2020, inclusive, the comptroller shall transfer the following amounts from the General Fund to the fund: (1) $75,000,000 for fiscal year 2015; (2) $96,000,000 for fiscal

year 2016; (3) $40,000,000 for fiscal year 2017; (4) $40,000,000 for fiscal year 2018; (5) $120,000,000 for fiscal year 2019; and (6) $210,000,000 for fiscal year 2020.

SECTION 28. Subsection (e) of section 2ZZZ of said chapter 29 is hereby repealed.

SECTION 29. Section 5 of chapter 59 of the General Laws, as appearing in the 2010 Official Edition, is hereby amended by striking out, in line 237, the words ‘or (d)’ and inserting in place thereof the following words:- (d) a telephone corporation subject to chapter 166 or (e).

SECTION 30. Said section 5 of said chapter 59, as so appearing, is hereby further amended by striking out, in lines 238 and 239, the words ‘, fifty-two A’.

SECTION 31. Said section 5 of said chapter 59, as so appearing, is hereby further amended by inserting after the word ‘corporation’, in line 255, the following words:- ‘or a telephone corporation subject to chapter 166’.

SECTION 32. Section 12 of chapter 62C of the General Laws, as so appearing, is hereby amended by striking out subsection (g).

SECTION 33. Said section 12 of said chapter 62C, as so appearing, is hereby further amended by striking out, in lines 40 and 41, the words ‘and fifty-two A of chapter sixty-three’.

SECTION 34. Subsection (d) of section 2A of chapter 63 of the General Laws, as so appearing, is hereby amended by striking out paragraph (xi) and inserting in place thereof the following paragraph:-

(xi) The numerator of the receipts factor includes receipts from sales, other than sales of tangible personal property, not otherwise apportioned under this section to the extent that those receipts would be included in the numerator of a corporation's sales factor as determined

pursuant to subsection (f) of section 38. For purposes of the receipts sourced pursuant to this paragraph, paragraph (xiii) of subsection (d) shall not apply.

SECTION 35. Section 31H of said chapter 63 is hereby amended by striking out, in line 53, as so appearing, the words ‘, section 39 and section 52A’ and inserting in place thereof the following words:- ‘and section 39’.

SECTION 36. Section 38 of said chapter 63, is hereby amended by striking out, in line 31, as so appearing, the words ‘or of section 52A’.

SECTION 37. Said section 38 of said chapter 63, as most recently amended by section 32 of chapter 194 of the acts of 2011, is hereby further amended by striking out subsection (f) and inserting in place thereof the following subsection:-

(f) The sales factor is a fraction, the numerator of which is the total sales of the corporation in this commonwealth during the taxable year, and the denominator of which is the total sales of the corporation everywhere during the taxable year.

As used in this subsection, unless specifically stated otherwise, ‘sales’ shall mean all gross receipts of the corporation, including deemed receipts from transactions treated as sales or exchanges under the Code, except interest, dividends and gross receipts from the maturity, redemption, sale, exchange or other disposition of securities; provided, however, that ‘sales’ shall not include gross receipts from transactions or activities to the extent that a non-domiciliary state would be prohibited from taxing the income from such transactions or activities under the Constitution of the United States. Sales of tangible personal property are in the commonwealth if:-

(1) the property is delivered or shipped to a purchaser within the commonwealth regardless of the f. o. b. point or other conditions of the sale; or

(2) the corporation is not taxable in the state of the purchaser and the property was not sold by an agent or agencies chiefly situated at, connected with or sent out from premises for the transaction of business owned or rented by the corporation outside this commonwealth. 'Purchaser', as used in clauses (1) and (2), shall include the United States government.

Sales, other than sales of tangible personal property, are in the commonwealth if the corporation's market for the sale is in this commonwealth. The corporation's market for a sale is in the commonwealth and the sale is thus assigned to the commonwealth for the purpose of this section:-

(1) in the case of sale, rental, lease or license of real property, if and to the extent the property is located in this commonwealth;

(2) in the case of rental, lease or license of tangible personal property, if and to the extent the property is located in the commonwealth;

(3) in the case of sale of a service, if and to the extent the service is delivered to a location in the commonwealth;

(4) in the case of lease or license of intangible property, including a sale or exchange of such property where the receipts from the sale or exchange derive from payments that are contingent on the productivity, use or disposition of the property, if and to the extent the intangible property is used in the commonwealth; and

(5) in the case of the sale of intangible property, other than as provided in clause (4), where the property sold is a contract right, government license or similar intangible property that authorizes the holder to conduct a business activity in a specific geographic area, if and to the extent that the intangible property is used in or otherwise associated with the commonwealth; provided, however, that any sale of intangible property, not otherwise described in this clause or clause (4), shall be excluded from the numerator and the denominator of the sales factor.

For the purposes of this subsection: (1) in the case of sales, other than sales of tangible personal property, if the state or states to which sales should be assigned cannot be determined, it shall be reasonably approximated; (2) in the case of sales other than sales of tangible personal property if the taxpayer is not taxable in a state to which a sale is assigned, or if the state or states to which such sales should be assigned cannot be determined or reasonably approximated, such sale shall be excluded from the numerator and denominator of the sales factor; (3) the corporation shall be considered to be taxable in the state of the purchaser if tangible personal property is delivered or shipped to a purchaser in a foreign country; (4) sales of tangible personal property to the United States government or any agency or instrumentality thereof for purposes of resale to a foreign government or any agency or instrumentality thereof are not sales made in the commonwealth; (5) in the case of sale, exchange or other disposition of a capital asset, as defined in paragraph (m) of section 1 of chapter 62, used in a taxpayer's trade or business, including a deemed sale or exchange of such asset, ‘sales’ shall be measured by the gain from the transaction; (6) ‘security’ shall mean any interest or instrument commonly treated as a security as well as other instruments which are customarily sold in the open market or on a recognized exchange, including, but not limited to, transferable shares of a beneficial interest in any corporation or other entity, bonds, debentures, notes and other evidences of indebtedness,

accounts receivable and notes receivable, cash and cash equivalents including foreign currencies and repurchase and futures contracts; (7) in the case of a sale or deemed sale of a business, the term ‘sales’ shall not include receipts from the sale of the business ‘goodwill’ or similar intangible value, including, without limitation, ‘going concern value’ and ‘workforce in place’; (8) to the extent authorized under the life sciences tax incentive program established in section 5 of chapter 23I, a certified life sciences company may be deemed a research and development corporation for purposes of exemptions under chapters 64H and 64I; and (9) in the case of a business deriving receipts from operating a gaming establishment or otherwise deriving receipts from conducting a wagering business or activity, income-producing activity shall be considered to be performed in the commonwealth to the extent that the location of wagering transactions or activities that generated the receipts is in the commonwealth.

Notwithstanding the foregoing, mutual fund sales as defined in subsection (m), other than the sale of tangible personal property, shall be assigned to the commonwealth to the extent that shareholders of the regulated investment company are domiciled in the commonwealth as follows:

(a) by multiplying the taxpayer's total dollar amount of sales of such services on behalf of each regulated investment company by a fraction, the numerator of which shall be the average of the number of shares owned by the regulated investment company's shareholders domiciled in the commonwealth at the beginning of and at the end of the regulated investment company's taxable year that ends with or within the taxpayer's taxable year and the denominator of which shall be the average of the number of shares owned by the regulated investment company shareholders everywhere at the beginning of and at the end of the regulated investment company's taxable year that ends with or within the taxpayer's taxable year.

(b) A separate computation shall be made to determine the sale for each regulated investment company, the sum of which shall equal the total sales assigned to the commonwealth.

The commissioner shall adopt regulations to implement this subsection. Nothing in this subsection shall limit the commissioner's authority under subsection (j).

SECTION 38. Clause (5) of the third paragraph of subsection (f) of said section 38 of said chapter 63 is hereby amended by striking out subclauses (8) and (9), as appearing in section 37, and inserting in place thereof the following words:- and (8) in the case of a business deriving receipts from operating a gaming establishment or otherwise deriving receipts from conducting a wagering business or activity, income-producing activity shall be considered to be performed in this commonwealth to the extent that the location of wagering transactions or activities that generated the receipts is in this commonwealth.

SECTION 39. Section 52A of said chapter 63 is hereby repealed.

SECTION 40. Section 59 of said chapter 63, as appearing in the 2010 Official Edition, is hereby amended by striking out, in lines 10 and 11, the words '; but this section shall not apply to corporations subject to section fifty-two A'.

SECTION 41. Section 67 of said chapter 63, as so appearing, is hereby amended by striking out the last sentence.

SECTION 42. Section 68C of said chapter 63, as so appearing, is hereby amended by striking out clause (3).

SECTION 43. Section 1 of chapter 64A of the General Laws, as so appearing, is hereby amended by striking out, in line 98, the figure ‘21’ and inserting in place thereof the following figure:- 24.

SECTION 44. Said section 1 of said chapter 64A, as so appearing, is hereby further amended, by inserting after the word ‘gallon’, , in line 98, the second time it appears, the following words:- , adjusted at the beginning of each calendar year, by the percentage, if any, by which the Consumer Price Index for the preceding calendar year exceeds the Consumer Price Index for the calendar year ending prior to such preceding calendar year; provided, however, that the Consumer Price Index for any calendar year shall mean the Consumer Price Index as defined in the Internal Revenue Code pursuant to 26 U.S.C. section 1; and provided further, that the tax shall not be less than 21 cents per gallon.

SECTION 45. Section 6 of chapter 64C of the General Laws, as so appearing, is hereby amended by striking out, in lines 3 and 11, the figure ‘100½’ and inserting in place thereof, in each instance, the following figure:- 150½.

SECTION 46. Said section 6 of said chapter 64C, as so appearing, is hereby further amended by striking out, in line 27, the figure ‘40’ and inserting in place thereof the following figure:- 160.

SECTION 47. Section 7B of said chapter 64C, as so appearing, is hereby amended by striking out, in line 40, the figure ‘30’ and inserting in place thereof the following figure:- 40.

SECTION 48. Section 1 of chapter 64H of the General Laws, as so appearing, is hereby amended by inserting after the definition of ‘Commissioner’ the following definition:-

‘Computer system design services’, the planning, consulting or designing of computer systems that integrate computer hardware, software or communication technologies and are provided by a vendor or a third party.

SECTION 49. Said section 1 of said chapter 64H, as so appearing, is hereby further amended by striking out, in lines 239 to 241, inclusive, the words ‘; and provided, further, that the term services shall be limited to the following item: telecommunications services’ and inserting in place thereof the following words:- , or data access, data processing or information management services; and provided further, that the term services shall be limited to the following items: telecommunications services, computer system design services and the modification, integration, enhancement, installation or configuration of standardized software.

SECTION 50. Section 24 of chapter 161A of the General Laws, as so appearing, is hereby amended by adding the following 3 sentences: - Real property of the authority shall, if leased, used or occupied in connection with a business conducted for profit shall, for the privilege of such lease, use or occupancy be valued, classified, assessed and taxed annually as of January 1 to the lessee, user or occupant in the same manner and to the same extent as if such lessee, user or occupant were the owner thereof in full. No tax assessed under this section shall be a lien upon the real estate with respect to which it is assessed nor shall any tax be enforced by any sale or taking of such real estate; but the interest of any lessee therein may be sold or taken by the collector of the town in which the real estate lies for the nonpayment of such taxes in the manner provided by law for the sale or taking of real estate for nonpayment of annual taxes. Notwithstanding the previous sentence, such collector may utilize all other remedies provided by chapter 60 for the collection of annual taxes upon real estate and for the collection of taxes assessed under this section.

SECTION 51. Section 5 of chapter 161B of the General Laws, as so appearing, is hereby amended by striking out the second paragraph and inserting in place thereof the following 2 paragraphs:-

One representative of the disabled commuter population shall serve on the advisory board as a voting member for a term of 1 year. Each city and town in the region, on a rotating basis as determined by the board, shall appoint a representative successively; provided, however, that the representative of the disabled commuter population and the representative of the rider community shall not be appointed by the same city or town in the region. The mayor or city manager and the chairman, town manager or town administrator shall appoint a resident of the city or town for this purpose. This representative shall be mobility impaired, have a family member who is mobility impaired, be a caretaker of a person who is mobility impaired or work for an organization that serves the needs of the physically disabled. The representative of a city or town may be reappointed after representatives from the other cities and towns within the region have served their 1-year terms.

One representative of the rider community population shall serve on the advisory board as a voting member for a term of 1 year. Each city and town in the region, on a rotating basis as determined by the board, shall appoint a representative successively; provided, however, that the representative of the disabled commuter population and the representative of the rider community shall not be appointed by the same city or town in the region.The mayor or city manager and the chairman, town manager or town administrator shall appoint a community rider for this purpose from a list of at least 5 persons nominated by the Massachusetts AFL-CIO and its regional councils. The representative of a city or town may be reappointed after representatives from the other cities and towns within the region have served their 1-year terms.

SECTION 52. Section 7 of chapter 164A of the General Laws, as so appearing, is hereby amended by striking out, in line 1, the word ‘(a)’.

SECTION 53. Said section 7 of said chapter 164A, as so appearing, is hereby further amended by striking out subsection (b).

SECTION 54. The second paragraph of section 2 of chapter 465 of the acts of 1956 is hereby amended by striking out the first sentence and inserting in place thereof the following 2 sentences:- The Authority shall consist of 7 members; 6 of whom shall be appointed by the governor and 1 of whom shall be appointed by the Massachusetts Port Authority Community Advisory Committee in accordance with this act and according to the by-laws of said Committee. Members shall serve for a term of 7 years.

SECTION 55. Said chapter 465 is hereby further amended by striking out section 36, added by section 128 of chapter 25 of the acts of 2009, and inserting in place thereof the following section:-

Section 36. (a) There shall be an advisory board to the authority which shall be named the Massachusetts Port Authority Community Advisory Committee. The Massachusetts Port Authority Community Advisory Committee shall consist of a voting member from each of the following cities and towns: Bedford, Beverly, Braintree, Brookline, Cambridge, Chelsea, Cohasset, Concord, Everett, Hingham, Hull, Lexington, Lincoln, Malden, Melrose, Medford, Milton, Nahant, Quincy, Revere, Scituate, Somerville, Weymouth, Worcester and Winthrop; provided, that the city of Boston shall have 6 voting members, 1 of whom shall be from the East Boston section of the city of Boston and 11 of whom shall be from the South Boston section of the city of Boston. The members of the Massachusetts Port Authority Community Advisory

Committee shall be appointed by the chief executive officer of each community listed above; provided, that said appointed members shall be versed in at least 1 of the following disciplines: airport operations, environmental affairs, labor relations, public health or port operations. For the purpose of this section, the term 'chief executive officer' shall mean the person designated as the chief executive officer pursuant to a local charter or laws having the force of a local charter, or, in the absence of such local charter or laws having the force of a local charter, the mayor in every city and the chairman of the board of selectmen or president of the town council, as the case may be, in every town.

(b) Each voting member shall cast 1 vote on the Massachusetts Port Authority Community Advisory Committee.

(c) The Massachusetts Port Authority Community Advisory Committee may act at a regular periodic meeting called in accordance with its by-laws, at a special meeting called by the Authority or if a majority of members choose to do so. Except as provided in s (f), a quorum of the Massachusetts Port Authority Community Advisory Committee shall consist of a simple majority of voting members present, and the Massachusetts Port Authority Community Advisory Committee may act, except as otherwise provided in paragraph (f), by affirmative casting of a majority of the votes represented in the quorum. The Massachusetts Port Authority Community Advisory Committee shall be deemed to be a governing body for the purposes of, and shall be subject to, sections 18 to 25, inclusive, of chapter 30A of the General Laws.

(d) The Massachusetts Port Authority Community Advisory Committee shall adopt and may revise and amend by-laws. The Massachusetts Port Authority Community Advisory Committee shall annually elect a chairperson, a vice-chairperson, a secretary and such officers as

said Massachusetts Port Authority Community Advisory Committee might determine. Each member of said Massachusetts Port Authority Community Advisory Committee shall serve without compensation, except if a member provides specialized services, such as legal, accounting, record keeping, administration, or any other specialized services provided to the Massachusetts Port Authority Community Advisory Committee. Members may be reimbursed, as an expense of said Massachusetts Port Authority Community Advisory Committee, for all reasonable expenses incurred in the performance of their duties as approved by the Massachusetts Port Authority Community Advisory Committee.

(e) The purposes of the Massachusetts Port Authority Community Advisory Committee shall be as follows: (i) to appoint a member to the board of directors of the Massachusetts Port Authority, as provided for in section 2 of this chapter and in the manner prescribed in paragraph (f) of this section; (ii) to make recommendations to the authority on annual current expense expenditure budgets submitted to the Massachusetts Port Authority Community Advisory Committee pursuant to paragraph (g); (iii) to hold hearings, which may be held jointly with the authority at the discretion of the Massachusetts Port Authority Community Advisory Committee and said authority, on matters relating to said authority; (iv) to review the annual report of the authority and to prepare comments thereon to the authority and the governor, and to make such examinations of the reports on the authority's records and affairs as the Massachusetts Port Authority Community Advisory Committee deems appropriate; and (v) to make recommendations to the governor and the general court respecting the authority and its programs. The Massachusetts Port Authority Community Advisory Committee shall have all powers necessary or convenient to carry out and effectuate the foregoing purposes.

(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.

(g) The Massachusetts Port Authority Community Advisory Committee may hold a public hearing on matters relating to said budget to ascertain, for a subsequent report to the authority if necessary, the views of the public thereon.

(h) The Massachusetts Port Authority Community Advisory Committee may provide for the appointment of staff who shall serve at the pleasure of the committee.

(i) The Massachusetts Port Authority Community Advisory Committee may incur annual expenses, not to exceed $250,000. Said annual expenses shall be paid by the authority.

(j) The authority shall provide any information including, but not limited to, annual current expense expenditure budgets and capital expenditure reports, requested by the Massachusetts Port Authority Community Advisory Committee which are necessary for the discharge of its duties; provided, however, that the Massachusetts Port Authority Community Advisory Committee shall not be granted access to any information if it be determined by the executive director of the authority and the director of security for the authority that the release of such information would be detrimental to public safety, or if providing such information would be in violation of any federal statute or regulation of the Federal Aviation Administration or other federal agency; provided, further, that said determination shall be made in writing which shall be

delivered to the Massachusetts Port Authority Community Advisory Committee within 10 business days.

SECTION 56. Section 25 of chapter 130 of the acts of 2008 is hereby repealed.

SECTION 57. Section 54 of said chapter 130, as amended by section 24 of chapter 9 of the acts of 2011, is hereby further amended by striking out the figure ‘, 25’.

SECTION 58. Notwithstanding any general or special law to the contrary and pursuant to clause 18 of section 3 of chapter 6C of the General Laws, any report setting forth the fiscal alternatives shall include an assessment of whether a revision to the toll structure is necessary before the implementation of a system of fair and equitable tolling across the commonwealth under a comprehensive tolling program developed by the department.

SECTION 59. The project selection advisory council established pursuant to section 11A of chapter 6C of the General Laws shall hold its first meeting by January 1, 2014 and all meetings of the council shall comply with chapter 30A of the General Laws. Final approval of the project selection criteria under said section 11A of said chapter 6C shall be completed by December 31, 2014 and copies of the criteria shall be submitted to the house and senate committees on ways and means and the joint committee on transportation.

SECTION 60. (a) Notwithstanding any general or special law to the contrary, the Massachusetts Department of Transportation shall ensure that the budget includes sufficient revenue from sources of revenue listed in subsection (c) to meet the following benchmarks: (i) in fiscal year 2014, the department shall contribute 47 per cent of the department’s operating budget; (ii) in fiscal year 2015, the department shall contribute 48 per cent of the department’s operating budget; (iii) in fiscal year 2016, the department shall contribute 50 per cent of the

department's operating budget; (iv) in fiscal year 2017, the department shall contribute 51 per cent of the department's operating budget; and (v) in fiscal year 2018, the department shall contribute 51 per cent of the department's operating budget.

(b) The benchmarks in subsection (a) may be achieved through any combination of revenue increases under subsection (c) and savings to the department's operating budget; provided, however, that the department shall submit a preliminary report of savings to the operating budget by October 1 of each fiscal year and a final report of savings to the operating budget by January 1 of each fiscal year. Those preliminary and final reports shall be submitted to the house and senate committees on ways and means and the joint committee on transportation.

(c) The revenue generated to meet the benchmarks in subsection (a) may be derived from: (i) fees collected by the registrar of motor vehicles under section 34 of chapter 90 of the General Laws; (ii) funds available to the registry of motor vehicles through the Motor Vehicle Inspection Trust Fund under section 61 of chapter 10 of the General Laws; provided, however, that expenses of the administration and implementation of the motor vehicle inspection program as provided in said section 61 of chapter 10 shall first be met; (iii) funds contributed to the Massachusetts Transportation Trust Fund established in section 4 of chapter 6C of the General Laws; and (iv) any other funds directly collected by the department; provided, however, that no funds collected through increases in tolls charged and collected as of January 1, 2013 under section 13 of said chapter 6C shall be counted towards the benchmarks in subsection (a) unless the department has collected revenue from tolls for transit on roads not tolled as of July 1, 2013.

SECTION 61. (a) Notwithstanding any general or special law to the contrary, the Massachusetts Bay Transportation Authority shall, in the authority's budget as approved by the board of directors under section 20 of chapter 161A of the General Laws, ensure that the budget includes sufficient revenue from sources of revenue listed in subsection (c) to meet the following benchmarks: (i) in fiscal year 2014, the authority shall contribute 31.5 per cent of the authority's operating budget; (ii) in fiscal year 2015, the authority shall contribute 33 per cent of the authority's operating budget; (iii) in fiscal year 2016, the authority shall contribute 33.25 per cent of the authority's operating budget; (iv) in fiscal year 2017, the authority shall contribute 32.75 per cent of the authority's operating budget; and (v) in fiscal year 2018, the authority shall contribute 34 per cent of the authority's operating budget.

(b) The benchmarks in subsection (a) may be achieved through increasing nonfare revenues, increasing total fare revenues through ridership growth, increasing fare levels while accounting for potential loss of ridership from fare increases or from savings to the authority's operating budget; provided, however, that the authority shall submit a preliminary report of savings to the operating budget by October 1 of each fiscal year and a final report of savings to the operating budget by January 1 of each fiscal year to the house and senate committees on ways and means and the joint committee on transportation.

(c) The revenue generated to meet the benchmarks in subsection (a) may be derived from any funds collected by the authority through fees and fares and any other funds directly collected by the authority; provided, however, that such revenue shall not include funds contributed to the Massachusetts Bay Transportation Authority State and Local Contribution Fund under section 35T of chapter 10 of the General Laws.

(d) The authority shall not increase fares at intervals of less than 24 months or at an annual rate greater than 5 per cent.

SECTION 62. (a) The Massachusetts Department of Transportation shall use the revenues generated by this act to comply with the second sentence of section 15 of chapter 6C of the General Laws requiring the salaries and benefits of employees of the department to be classified and funded as operating expenditures. The department shall comply with said section 15 of said chapter 6C on or before June 30, 2016.

(b) The secretary of transportation, in consultation with the secretary of administration and finance, shall file a report regarding the department's compliance with the second sentence of said section 15 of said chapter 6C on or before August 1, 2013. The report shall include, but not be limited to: (1) the number of employees with salaries funded by capital expenditures in fiscal year 2013; (2) the total cost of employee salaries charged to capital expenditures in fiscal year 2013; (3) the number of employees and total cost of employee salaries that the department estimates will be moved from capital expenditures to operating expenditures in fiscal years 2014, 2015 and 2016; and (4) a strategy to dedicate a portion of the funds made available through compliance with this section to projects that are included in the authority's 5-year rolling capital investment plan as published in accordance with section 5 of chapter 161A of the General Laws. The report shall be filed with the joint committee on transportation, the house and senate committees on bonding, capital expenditures and state assets and the house and senate committees on ways and means.

(c) The department shall use as necessary the extra bonding capacity or any portion thereof created by the removal of personnel costs from the capital budget pursuant to this section

to fund the capital costs associated with planning, design, permitting, engineering and construction of transportation projects.

SECTION 63. Notwithstanding any general or special law to the contrary, each regional transit authority established under chapter 161B of the General Laws shall develop a comprehensive regional transit plan in consultation with the appropriate regional planning agency, the Massachusetts Department of Transportation, local employers and the business associations, labor organizations and transit authority riders. The plan shall include, but not be limited to: (1) a comprehensive assessment of transit services; (2) a thorough examination of the ridership trends for each line and service provided by the regional transit authority; (3) a performance analysis of existing services; (4) the development and evaluation of alternative service scenarios; (5) the development of a recommendation to better align service with local and regional demand; (6) the commonwealth's environmental policies; (7) fare rates and collection methods; (8) the region's job creation goals and employment needs; and (9) a determination of whether the regional transit authority's service is deployed in the most effective way possible to accommodate the transit needs of the region's workforce. The development of the plan shall include public hearings in different regions of the commonwealth and the opportunity to comment on a draft report.

SECTION 64. There shall be a value capture commission consisting of the following 7 members: the secretary of transportation or a designee, who shall serve as chair; the secretary of administration and finance or a designee; and 5 persons to be appointed by the governor, 2 of whom shall be representatives of business associations; 1 of whom shall represent organized labor; 1 of whom shall be a representative of the Massachusetts Municipal Association; and 1 of whom shall be a representative of a regional planning agency. The commission shall review and

evaluate the policies and best practices of other jurisdictions used to obtain benefits from the increased value of adjacent properties as a result of public infrastructure projects or ‘value capture’ and the current policies and mechanisms available within the commonwealth relative to value capture. The commission shall report to the general court on the effectiveness of the commonwealth’s current value capture policies and recommend whether certain policies from other jurisdictions should be implemented as part of the comprehensive state transportation plan, required under section 11 of chapter 6C of the General Laws. A report of the commission’s findings shall be filed with the clerks of the house of representatives and senate not later than March 1, 2014.

SECTION 65. Notwithstanding any general or special law to the contrary, the Massachusetts Department of Transportation shall review the current status of the use of rights-of-way in the state highway system, the turnpike and the metropolitan highway system, all as defined in section 1 of chapter 6C of the General Laws. The review shall also present the current status of efforts by the department to collect rents or other compensation for the use of department-owned rights-of-way. The review shall also include, but not be limited to, an inventory of the owners of utilities or utility facilities that occupy department-owned rights-of-way, according to town and either state route number or road name, as will most clearly identify the road or other transportation facility being referred to, and including underground facilities. For each owner of a utility or utility facility that occupies department-owned rights-of-way, the review shall state whether an easement or other agreement exists for the occupant's use of the right-of-way, whether that agreement is in writing, whether such agreement requires compensation to the department for the occupant's use of the right-of-way and if so, how much compensation, the due date of the compensation, whether the compensation has been paid and

whether the compensation is monetary or non-monetary. For each owner of a utility or utility facility that occupies department-owned rights-of-way, the review shall also state whether the department knows if other occupants are also using that utility or utility facility, and if known to the department, shall identify all other occupants of that utility or utility facility. If the department knows that facilities exist on department-owned rights-of-way but does not know the identity of the owner, the review shall describe such facilities and shall characterize the owners as ‘unidentified owners’.

The department, in consultation with the department of public utilities and the owners of utilities and utility facilities, shall at the conclusion of the review, study and make recommendations on policies and reimbursement mechanisms for when it is necessary that a utility or utility facility, as defined under federal law, be relocated by the division of highways or the Massachusetts Bay Transportation Authority because of the construction of a project. The department shall review section 44 of chapter 6C of the General Laws and section 5 of chapter 161A of the General Laws, specifically current thresholds for eligible projects, the annual cap on the total reimbursement by the department and the reimbursement formula for the total costs of functional replacements of utility lines or real properties. The department shall recommend a utility reimbursement formula that takes into account, but is not limited to, the following factors: whether the project is to be reimbursed federally, in whole or in part, or to be paid by the commonwealth, in whole or in part; if the utility facility is to be reimbursed, in whole or in part or does not qualify for federal reimbursement; if the relocation shall by performed by the employees of the owner; and the nature of the project.

The department shall file a report containing the department's findings from the review of the current status of the use of rights-of-way in the state highway system, the turnpike and the

metropolitan highway system and the study on utility reimbursement mechanisms, together with any recommended legislation, with the clerks of the house and senate, the joint committee on transportation, the joint committee on telecommunications, utilities and energy, the house and senate committees on ways and means and the house and senate committees on bonding, capital expenditures and state assets on or before March 1, 2014.

SECTION 66. Notwithstanding any general or special law to the contrary, the Massachusetts Bay Transportation Authority shall expend funds on capital investment projects, including the green line extension project and the south coast rail project, that are listed in the authority's 5-year rolling capital investment plan as published in accordance with section 5 of chapter 161A of the General Laws.

SECTION 67. Notwithstanding any general or special law to the contrary, on or before December 31, 2013, the Massachusetts Department of Transportation shall develop a comprehensive tolling plan for additional interstate and limited access state highways within the commonwealth on or before July 1, 2018, which shall consider equity issues, revenue benchmarks established by state law, policy objectives, diversion issues, cost and consistency with the current highway program and necessary waivers or approvals from the Federal Highway Administration to toll additional interstate highways and which also shall examine a regional value pricing program, road pricing program and other available tolling options.

SECTION 68. (a) Notwithstanding any general or special law to the contrary, the transportation performance and asset management advisory council shall, pursuant to section 12A of chapter 6C of the General Laws, and in consultation with federal, state and local transportation agencies, regional planning agencies and other governmental agencies, develop

and recommend to the board of directors of the Massachusetts Department of Transportation for approval such procedures and requirements as are necessary for the administration of the performance and asset management system on or before November 1, 2013. The recommendations shall include, at a minimum: (1) a comprehensive plan for the development and integration of an asset management and performance information system with long-term statewide planning processes; (2) an analytical process or decision support tool that allows for the estimation of capital investment needs of such systems over time; and (3) an asset investment prioritization method by such systems, including the possible use of a quantifiable project prioritization mechanism such as a numeric scoring system.

(b) The recommendations shall also include areas of necessary training, data storage and collection, reporting practices, development of program for implementation, budgeting and funding, and other issues related to asset management that may arise from time to time in the management of such system.

SECTION 69. Notwithstanding any general or special law to the contrary, the integrated asset management system, as required by section 12 of chapter 6C of the General Laws, shall be complete and operational on or before July 1, 2014.

SECTION 70. Notwithstanding any general or special law to the contrary, corporations that filed as a utility corporation under section 52A of chapter 63 of the General Laws before or in the taxable year ending on or before December 31, 2013, shall not be eligible to deduct from net income, the net operating losses described in paragraph 5 of section 30 of said chapter 63 for losses sustained prior to the taxable year beginning on or after January 1, 2014.

SECTION 71. Notwithstanding any general or special law to the contrary, nothing in section 37 shall restrict the authority of the commissioner of revenue under subsection (j) of section 38 of chapter 63 of the General Laws, nor shall it affect the continuing validity or application of regulations adopted under subsection (f) of said section 38 of said chapter 63 in effect as of July 1, 2013.

SECTION 72. Notwithstanding any general or special law to the contrary, a manufacturer, wholesaler, vending machine operator, unclassified acquirer or retailer, as defined in section 1 of chapter 64C of the General Laws, and a stamper appointed by the commissioner under section 30 of said chapter 64C who, as of the commencement of business 7 days after the effective date of this act, has on hand any cigarettes for sale or any unused adhesive or encrypted stamps, shall make and file with the commissioner within 20 days a return, subscribed and sworn to under the penalties of perjury, showing a complete inventory of such cigarettes and stamps and shall, at the time such manufacturer, wholesaler, vending machine operator, unclassified acquirer, retailer or stamper is required to file such return, pay an additional excise of 50 mills per cigarette on all cigarettes and all unused adhesive and encrypted stamps upon which an excise of only 100½ mills has previously been paid. Chapters 62C and 64C of the General Laws relative to the assessment, collection, payment, abatement, verification and administration of taxes, including penalties, shall apply to the excise imposed by this section.

SECTION 73. Notwithstanding any general or special law to the contrary, the Massachusetts Department of Transportation shall analyze the air quality impacts of the Central Artery Project and associated transit commitments completed to date. The analysis shall be conducted in cooperation with the Boston Region Metropolitan Planning Organization and shall report on the levels of Volatile Organic Compounds, Oxides of Nitrogen, and Carbon Monoxide

in the MPO region and Eastern Massachusetts. The results of the analysis shall be provided to the joint committee on transportation within 6 months of the effective date of this act.

SECTION 74. Notwithstanding any general or special law to the contrary, the Massachusetts Department of Transportation shall study and report on the feasibility of establishing additional interstate tolls along the borders of the commonwealth. The report shall examine the several options available to the commonwealth to pursue border tolls, including, but not limited to, seeking a federal waiver, reaching interstate or regional agreements and the commonwealth's ability to establish border tolls in the event of proposed changes to federal law on interstate highway tolling. The department shall file its report along with any legislative recommendations with the house and senate committees on ways and means and the joint committee on transportation on or before December 31, 2013.

SECTION 75. (a) Notwithstanding any general or special law to the contrary, the Massachusetts Bay Transportation Authority shall, not later than January 1, 2014, issue a request for proposals to sell, license or rent naming or sponsorship rights for all subway, bus or commuter rail stations or other assets operated and owned by the authority. A request for proposals shall be for a specified term, renewable at the sole discretion of the authority.

(b) The secretary of transportation shall direct all revenues generated by the Massachusetts Bay Transportation Authority under this section to be used on mass transit capital expansion projects.

SECTION 76. Notwithstanding any general or special law to the contrary, within 90 days after the effective date of this act, the Massachusetts Department of Transportation shall provide to the joint committee on transportation and the house and senate committees on ways

and means a plan to implement a proposed fee structure for collecting tolls for transit over the turnpike between interchange 1 in the town of West Stockbridge and interchange 6 in the city of Springfield at interstate highway route 291, inclusive, which shall include, but not be limited to, the proposed fees, assumptions used to set the fees and a timeline to implement collection of the fees.

SECTION 77. There shall be established, pursuant to section 2A of chapter 4 of the General Laws, a tax fairness commission to study the federal, state and local tax laws applicable to residents of the commonwealth. The commission shall review and evaluate the equity of historical tax rates and methods in relation to the changing income and wealth of residents of the commonwealth since 1990. The commission shall examine the experiences and policy efforts of other states relating to tax fairness.

The commission shall file a report with the clerks of the senate and house of representatives not later than March 1, 2014. The report shall include, but not be limited to: (i) the total amount of taxes currently paid by individuals at various income levels; (ii) the effects that changes to tax laws would have on individuals of all income levels; (iii) the changes in revenue collected by the commonwealth as a result of tax law revisions; (iv) the adequacy of revenue generated by individuals, businesses and any other tax types; (v) tax rates necessary to fund investment in public infrastructure; (vi) tax rates necessary to promote prosperity for all residents; (vii) restrictions on tax changes under Article XLIV of the Amendments to the Constitution; (viii) recommendations for changes in laws to achieve an equitable and adequate system of taxation; (ix) the best practices of other states; (x) tax rates necessary to ensure economic competitiveness with peer and competitor states; (xi) tax rates necessary to avoid destabilization of household budgets or undue hardships for citizens; and (xii) tax rates necessary

to foster and encourage robust private sector investment in capital equipment and the state's work force.

The commission shall consist of the house and senate chairs of the joint committee on revenue or the chairs' designees, who shall serve as co-chairs of the commission; the secretary of administration and finance or the secretary's designee; the minority leader of the house of representatives or a designee; the minority leader of the senate or a designee; the chairs of the house and senate committees on ways and means or the chairs' designees; a representative of the Massachusetts Budget and Policy Center; a representative of the Massachusetts Taxpayers Foundation; a representative of the Kitty and Michael Dukakis Center for Urban and Regional Policy; a representative of the Pioneer Institute; and 4 members to be appointed by the governor, 1 of whom shall represent labor and 2 of whom shall have expertise in economics or tax policy.

SECTION 78. Notwithstanding any general or special law to the contrary, the secretary of transportation and the general manager of the Massachusetts Bay Transportation Authority shall meet with the secretary of administration and finance and the house and senate committees on ways and means on the fiscal status of the Massachusetts Department of Transportation and the Massachusetts Bay Transportation Authority in January and July of each year. The first meeting under this section shall occur not later than December 31, 2013.

Not less than 15 days prior to each meeting, the secretary of transportation shall submit a report to the secretary of administration and finance and the house and senate committees on ways and means detailing: (i) year-to-date revenues collected, projected revenues and expenditures for the current fiscal year; (ii) projected revenues and expenditures for the next 5 fiscal years; (iii) changes in revenue and expenditure projections from the previous semiannual

report; (iv) reasons for any changes from previous projections; (v) progress made toward achieving revenue and savings targets set for fiscal years 2017 and 2018; and (vi) a plan detailing how the fiscal year 2017 and fiscal year 2018 targets will be achieved.

In order to comply with clause (vi), the report submitted prior to the July 2015 meeting shall identify any potential changes to the fare and fee structure necessary to achieve the benchmarks set forth in sections 60 and 61 for fiscal year 2017 and fiscal year 2018. If the report proposes to increase the fare and fee structure by 5 per cent, the report shall include an estimate of additional support from the Commonwealth Transportation Fund or other revenue and saving initiatives necessary to limit increases to not more than 5 per cent every 24 months.

SECTION 79. Notwithstanding any general or special law to the contrary, the Massachusetts Bay Transportation Authority shall, as mandated by section 14 of chapter 132 of the acts of 2012, issue a report on revenues collected through the use of sponsorship agreements. The report shall include, but not be limited to, an analysis of revenues collected, offers to sponsor which have been declined and attempts to increase and promote sponsorship opportunities. The report and recommendations shall be filed with the clerks of the house of representatives and the senate and to the house and senate committees on ways and means and the joint committee on transportation not later than August 30, 2013.

SECTION 80. Notwithstanding any general or special law to the contrary, the Massachusetts Bay Transportation Authority shall create a pilot program at 3 high-volume parking station facilities dedicating not more than 10 per cent of the available parking to customers willing to pay an increased premium for a reserved parking spot that is guaranteed to be available to such customer if the customer arrives at the spot before a certain hour, as

884 determined by the authority; provided, however, that all net proceeds received as a result of the
885 pilot program shall be dedicated to the authority.

886 SECTION 81. Notwithstanding any general or special law to the contrary, the
887 Massachusetts Bay Transportation Authority shall issue a request for proposals from business,
888 civic and nonprofit entities to enter into sponsorship agreements for providing transportation
889 services beyond the current hours of operation.

890 SECTION 82. The first vacancy on the Massachusetts Port Authority Board to occur after
891 passage of this act shall be filled by appointment of the Massachusetts Port Authority
892 Community Advisory Committee established pursuant to section 55.

893 SECTION 83. Sections 26 shall take effect on July 1, 2013.

894 SECTION 84. Sections 29 to 37, inclusive, 39 to 42, inclusive, 52, 53, 70 and 71 shall
895 take effect on January 1, 2014, and shall be effective for tax years beginning on or after January
896 1, 2014.

897 SECTION 85. Sections 18 and 21 to 25, inclusive, shall take effect on July 1, 2014.

898 SECTION 86. Sections 20 and 44 shall take effect on January 1, 2015.

899 SECTION 87. Sections 38, 56 and 57 shall take effect on December 31, 2018.

900 SECTION 88. Section 28 shall take effect on July 1, 2020.

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

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