

**SENATE . . . . . No. 1454**

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**The Commonwealth of Massachusetts**

PRESENTED BY:

*Daniel A. Wolf*

*To the Honorable Senate and House of Representatives of the Commonwealth of Massachusetts in General Court assembled:*

The undersigned legislators and/or citizens respectfully petition for the adoption of the accompanying bill:

An Act establishing a payroll tax to increase funding of Massachusetts transportation and establishing a transportation finance advisory board.

PETITION OF:

NAME:

DISTRICT/ADDRESS:

*Daniel A. Wolf*

*Cape and Islands*

*James J. O'Day*

*14th Worcester*

**SENATE . . . . . No. 1454**

By Mr. Wolf, a petition (accompanied by bill, Senate, No. 1454) of Daniel A. Wolf and James J. O'Day for legislation to establish a payroll tax to increase funding of Massachusetts transportation and to establish a transportation finance advisory board. Revenue.

**The Commonwealth of Massachusetts**

**In the Year Two Thousand Thirteen**

An Act establishing a payroll tax to increase funding of Massachusetts 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:*

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

3 CHAPTER 65D. PAYROLL TAX TO INCREASE FUNDING OF MASS  
4 TRANSPORTATION

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

7 (a)“Employee,” an individual employed by an employer subject to either chapter 151A or  
8 chapter 62B of the General Laws;

9 (b)“Employer,” an employing unit subject to either chapter 151A, section 14P, or chapter  
10 62B of the General Laws;

11 (c)“Payroll,” the total amount of all wages for employment subject to this chapter;

12 (d)“Wages,” wages as defined in chapter 151A, section 1(s), of the General Laws.

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

15 Section 3. Tax payments shall be made to the Commissioner at least annually under  
16 regulations promulgated by the Commissioner and shall be deposited by the Commissioner in the

17 Commonwealth Transportation Fund as established by chapter 29, section 2ZZZ of the General  
18 Laws.

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

21 (a) The taxes collected from employers located in cities and towns solely within the  
22 MBTA service area shall be distributed to the Massachusetts Bay Transportation Authority to be  
23 used to maintain the MBTA transit system in a state of good repair, reduce or eliminate increases  
24 in fares, and pay MBTA debt.

25 (b) The taxes collected from employers located in cities and towns solely within the  
26 service area of regional transit authorities shall be distributed among the regional transit  
27 authorities in proportion to ridership numbers, asset repair and replacement needs, and the  
28 viability of plans to implement the operation and capital recommendations set forth in an  
29 authority's community-led service assessment.

30 (c) The taxes collected from employers that are located in a city or town that is within the  
31 service area of the Massachusetts Bay Transportation Authority and a regional transit authority  
32 service area shall be distributed to the Massachusetts Bay Transportation Authority and the  
33 regional transit authorities as provided in this section in proportion to the number of passenger  
34 trips each provided in the city or town in the year in which the taxes were collected or in the  
35 previous year.

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

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

42 Section 76

43 (a) There shall be a Transportation Finance Advisory Board (board) to the Department  
44 with a purpose of reviewing at least annually the adequacy of transportation funding and the  
45 Department's budget and whether the distribution and use of transportation funds is consistent  
46 with the laws and policies of the commonwealth and making recommendations related to  
47 transportation finance and spending. The board shall publish an annual report of its review and  
48 recommendations and shall file the report with the governor, the secretary of transportation, the  
49 clerks of the house of representatives and the senate, the house and senate committees on ways  
50 and means and the joint committee on transportation.

51 (b)The governor shall appoint twelve persons to the board for two year terms each. The  
52 appointments shall reflect the geographic diversity of the commonwealth and shall include  
53 representatives of business, finance, labor, transportation advocacy, environmental advocacy,  
54 cities and towns, regional planning authorities, and metropolitan planning organizations. At least  
55 one member of the board shall be a person who regularly rides public transit (at least 100 rides  
56 per year). Not more than nine members shall be of the same political party. The Secretary of  
57 Transportation shall be the 13th member of the board and shall serve ex officio. One of the  
58 members shall be appointed by the governor to serve as chairperson of the board; provided,  
59 however, that said designee shall not be an employee of the department or any division thereof.  
60 Each board member shall serve without compensation but may be reimbursed for actual and  
61 necessary expenses reasonably incurred in the performance of their duties, including  
62 reimbursement for reasonable travel; provided, however that that such reimbursement shall not  
63 exceed \$500 annually. Any person appointed to fill a member vacancy on the Advisory Board  
64 shall be appointed in a like manner and shall serve for only the unexpired term of such former  
65 member. Any member shall be eligible for reappointment. Any member may be removed from  
66 his appointment by the governor for cause. The board shall annually elect 1 of its members to  
67 serve as vice-chairperson.

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

77 (c) The Secretary shall annually provide the board with the Annual Finance Plan required  
78 by chapter 6C, section 16, of the General Laws, and such other information as the board shall  
79 reasonably require.

80 (d) Any research, analysis or other staff support that the board reasonably requires shall  
81 be provided by the department.

82 (e) Each meeting of the board shall provide a sufficient opportunity for public comment.  
83 The board also shall provide at least thirty days for written public comment on a draft annual  
84 report and shall take the comments received into consideration before publishing its annual  
85 report.