HOUSE DOCKET, NO. 1125 FILED ON: 1/14/2015

HOUSE . . . . . No. 2999

The Commonwealth of Massachusetts

PRESENTED BY:

Sean Garballey

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 mass transportation and establishing a transportation finance advisory board.

PETITION OF:

NAME:	DISTRICT/ADDRESS:
Sean Garballey	*23rd Middlesex*
Frank I. Smizik	*15th Norfolk*
Timothy J. Toomey, Jr.	*26th Middlesex*

HOUSE DOCKET, NO. 1125 FILED ON: 1/14/2015

HOUSE . . . . . No. 2999

By Mr. Garballey of Arlington, a petition (accompanied by bill, House, No. 2999) of Sean Garballey, Frank I. Smizik and Timothy J. Toomey, Jr., for legislation to establish a payroll tax to increase funding of mass transportation and establish a transportation finance advisory board. Transportation.

[SIMILAR MATTER FILED IN PREVIOUS SESSION
SEE HOUSE, NO. *3061* OF 2013-2014.]

The Commonwealth of Massachusetts

In the One Hundred and Eighty-Ninth General Court
(2015-2016)

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:

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
8 151A or chapter 62B of the General Laws;

9 (b) "Employer," an employing unit subject to either chapter 151A, section 14P, or
10 chapter 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
31 the service area of the Massachusetts Bay Transportation Authority and a regional transit
32 authority service area shall be distributed to the Massachusetts Bay Transportation Authority and
33 the regional transit authorities as provided in this section in proportion to the number of
34 passenger trips each provided in the city or town in the year in which the taxes were collected or
35 in the 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
44 Department with a purpose of reviewing at least annually the adequacy of transportation funding
45 and the Department's budget and whether the distribution and use of transportation funds is
46 consistent with the laws and policies of the commonwealth and making recommendations related
47 to 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.
52 The 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
78 required by chapter 6C, section 16, of the General Laws, and such other information as the board
79 shall reasonably require.

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

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