

HOUSE No.

The Commonwealth of Massachusetts

PRESENTED BY:

Steven Owens

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 parking cash-out.

PETITION OF:

NAME:	DISTRICT/ADDRESS:	DATE ADDED:
<i>Steven Owens</i>	<i>29th Middlesex</i>	<i>1/3/2025</i>

HOUSE No.

[Pin Slip]

The Commonwealth of Massachusetts

**In the One Hundred and Ninety-Fourth General Court
(2025-2026)**

An Act establishing parking cash-out.

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. Chapter 90 of the General Laws, as appearing in the 2022 Official Edition,
2 is hereby amended by inserting after chapter 90J the following chapter:-

3 CHAPTER 90K

4 Parking Cash-Out

5 Section 1. (a) As used in this section, the following words, unless the context clearly
6 requires otherwise, shall have the following meanings:-

7 “Daily parking cash-out” shall mean employees elect to opt in or out of parking on a
8 daily basis and receive the daily market rate cost of parking amount of benefit for each day that
9 the employee chooses to forego driving alone to work; provided, if an employer offers a parking
10 benefit exclusively for the days an employee is physically present at work, and the parking is not
11 reserved for or available to the employee on other days, daily parking cash-out shall mean
12 offering a cash-out option only for those days the employee is physically at work.

13 “Employee” shall have the same meaning as provided in subsection (h) of section 1 of
14 chapter 151A.

15 “Employer” shall have the same meaning as provided in subsection (i) of said section 1
16 of said chapter 151A; provided, however, that the United States government shall not be
17 considered an employer; provided further, however, that an individual employer shall be
18 determined by the Federal Employer Identification Number.

19 “Market rate cost of parking” shall mean an amount no less than the cost of parking if the
20 parking were obtained by an individual unaffiliated with the property on which parking is
21 provided or by the employer through a transaction with no special rate due to a property lease.

22 “Monthly parking cash-out” shall mean employees elect to opt in or out of parking on a
23 monthly basis and receive the monthly market-rate cost of parking amount of benefit for each
24 month that the employees choose to forego driving alone to work; provided, however, that
25 employees may still pay market rate for their own parking on certain days.

26 “Parking subsidy” shall mean the difference between the market rate cost of parking
27 owned, leased or otherwise subsidized or paid for by the employer and the cost paid by an
28 employee for the parking space.

29 “Parking cash-out” shall mean an employer-funded program under which an employer
30 offers to provide a benefit of equivalent financial value to the parking subsidy, which shall
31 include offering employees a choice of tax-exempt employer-paid transit or vanpool subsidies,
32 taxable cash or a combination of the two, such that the value of the total benefit received is equal
33 to or greater than the market value of the parking space.

34 (b) The employer shall maintain appropriate evidence of its effort to establish the
35 monthly or daily market rate cost of parking for at least 4 years. If the amount cannot be
36 established because the parking is unavailable to the public, then an amount that is the monthly
37 or daily price for use of a similar parking space within one-quarter mile of the place of
38 employment shall be used; provided, however, that documentation supporting the
39 appropriateness of the price shall be maintained by the employer, which could include evidence
40 of a public offer, such as through a printed or otherwise publicly displayed advertisement, or a
41 listing including price, such as on a publicly accessible parking smartphone application, from
42 within the previous 6 months, available for acceptance by a member of the public for use of that
43 parking space. If the employer uses a listing as the basis for determining the market rate cost of
44 parking, then the employer shall maintain appropriate evidence of the offer it relied upon, such
45 as a physical copy or photograph of an advertisement or a screenshot showing availability and
46 price within a parking smartphone application, for at least 4 years from the time of any financial
47 allowance offer or payment is made. The market rate cost of parking shall be adjusted
48 periodically in accordance with subsection (g), unless it is reassessed per the methods provided
49 in this subsection, which employers shall do at least every 4 years. If the parking used by the
50 employee is not commercially available to the public and there is no commercially available
51 parking with one quarter-mile of the place of employment, then the employer shall document and
52 retain records related to the failed effort to find commercially available parking; provided, that
53 the monthly market rate cost of parking shall mean the higher of the monthly price of the lowest
54 priced transit serving within one-quarter mile of the site or 60 dollars per month, and the daily
55 market rate cost of parking shall mean the higher of the daily price of the lowest price transit
56 service within one-quarter mile of the site or 3 dollars per day, adjusted based on subsection (g).

57 (c) The requirements of this section shall apply to every employer that offers a parking
58 benefit and that has at least 10 employees, but will not apply to employers that choose to
59 discontinue offering a parking benefit; provided, however, that said employers shall continue to
60 comply with report filing and record retention requirements related to the prior offering of
61 parking benefits; provided further, however, that this subsection shall not apply to employers
62 with employees who are (i) covered by a collective bargaining agreement that requires the
63 employer to provide the employee subsidized parking, except if the agreement has expired or is
64 extended after the date of enactment of this law, or (ii) are required to operate their own vehicle
65 for employment purposes and who are reimbursed by their employers in accordance with
66 Internal Revenue Service regulations for said use; provided further, this subsection shall not
67 apply to employers that have, prior to enactment, leased employee parking that prohibits
68 subletting of parking and penalizes the reduction of the number of parking spaces subject to the
69 lease, until the expiration of that lease excluding lease extensions, or January 1, 2027, whichever
70 is sooner.

71 (d) Said employers that have between 10 and 99 employees shall comply with this
72 requirement by implementing (i) a daily parking cash-out program or (ii) a monthly parking
73 cash-out program. Employers that have 100 or more employees must implement a daily cash-out
74 program; provided, however, that the employers may implement a monthly parking cash-out
75 program only in the first year when required to implement a parking cash-out program.

76 (e) An employee shall only be entitled to parking cash-out after declining the parking
77 benefit offered by the employer.

78 (f) Employers shall clearly inform each employee in writing of their right to receive
79 parking cash-out, if applicable, and shall maintain records of related communications with
80 employees.

81 (g) Beginning 1 year after enactment, the commissioner of the department of revenue
82 shall annually adjust the amount of the market rate cost of parking based on the changes in the
83 Massachusetts Consumer Price Index. This adjustment shall apply in years when employers have
84 not reassessed the market rate cost of parking.

85 (h) At the request of an employer that has implemented a parking cash-out program, the
86 municipality in which this program exists shall grant an appropriate reduction in the parking
87 requirements otherwise applicable, based on the demonstrated reduced need for parking;
88 provided, that the space no longer needed for parking may be used for other purposes based on
89 an agreement between the employer and the municipality.

90 (i) A parking cash-out program may include a requirement that employee participants
91 certify that they will comply with guidelines established by the employer designed to avoid
92 neighborhood parking problems; provided, that employees not complying with the guidelines
93 will be ineligible for parking subsidies and for the parking cash-out program.

94 Section 2. (a) Each covered employer shall, by 1 year after enactment, and every 2 years
95 thereafter, submit to the department of transportation a report that includes, but shall not be
96 limited to, (i) the total number of employees; (ii) the number of employees offered a parking
97 benefit, the market rate cost of parking and the amount, if any, that employees contribute to their
98 parking expenses; (iii) the number of employees using a parking benefit; (iv) the number of
99 employees offered parking cash-out, separately reporting offers of monthly and daily parking

100 cash-out; (v) the number of employees accepting the parking cash-out option separately reporting
101 acceptance of monthly and daily parking cash-out; and (vi) any other information required by the
102 department of transportation.

103 (b) Beginning 15 months after enactment, and every 2 years thereafter, the department of
104 revenue shall submit to the joint committee on transportation, the joint committee on revenue,
105 the house committee on ways and means and the senate committee on ways and means a report
106 that includes, but shall not be limited to, (i) aggregate data from the reports required by
107 subsection (a); (ii) an assessment of how many covered employers have not filed the report
108 required by subsection (a); and (iii) a description of actions that will be taken to achieve full
109 compliance with this section.

110 Section 3. (a) The department of transportation shall create a program to promote the
111 awareness of parking cash-out and to offer related compliance assistance to employers. This
112 program shall include, but not be limited to, information made available in a variety of languages
113 in a prominent place on the website of the department.

114 (b) The department of revenue shall impose fines or penalties, no less than the amount
115 that employees would have been entitled to be offered as parking cash-out, and no more than 5
116 times that amount, for violations of this act.

117 (c) The department of revenue shall appoint or hire no fewer than 2 employees to oversee
118 the implementation of a parking cash-out program and the provisions of this act including, but
119 not limited to, imposing fines, preparing reports and managing awareness programs.