

HOUSE No. 3535

The Commonwealth of Massachusetts

The committee of conference on the disagreeing votes of the two branches, with reference to the Senate amendment (striking out all after the enacting clause and inserting in place thereof the text contained in Senate document numbered 1770) of the House Bill relative to transportation finance (House, No. 3415), reports recommending passage of a bill with the same title (House, No. 3535) [Total Appropriation: \$100,000.00]. June 25, 2013.

Brian S. Dempsey	Stephen M. Brewer
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18 SECTION 3. Section 3 of chapter 6C of the General Laws, as appearing in the 2010
19 Official Edition, is hereby amended by striking out, in lines 73 to 78, inclusive, the words “the
20 department shall convene at least 2 public hearings, each to be held in a community within the
21 turnpike corridor, at least 30 days prior to the effective date of any proposed change in toll
22 structure on the turnpike and shall allow for a 1-week comment period, after each such hearing,
23 during which written testimony and comments shall be accepted” and inserting in place thereof
24 the following words:- prior to revising the toll structure, the department shall publish a report on
25 its website that sets forth the fiscal alternatives that were examined in lieu of revising the toll
26 structure and detail the reasons why such alternatives were not viable fiscal options; provided
27 further, that the department shall then convene at least 2 public hearings, each to be held in a
28 community within the turnpike corridor or within the metropolitan highway system, as
29 appropriate, at least 30 days before the effective date of any proposed change in toll structure on
30 the turnpike or metropolitan highway system, as appropriate, and shall allow for a 1-week
31 comment period after each such hearing during which written testimony and comments shall be
32 accepted;

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

35 Section 6A. Notwithstanding any general or special law to the contrary, the goals
36 established by the office of performance management and innovation under subsection (b) of
37 section 6 shall include, but not be limited to: (1) for the division of highways, the reduction of
38 commuting times by at least 10 per cent in each region for each rolling 5-year period, after
39 adjusting for seasonal variations and for changes in the economic activity in the region; (2) for
40 the division of highways, the reduction of fatalities by at least 10 per cent for each rolling 5-year
41 period; (3) for the division of highways, the reduction of the accident rate by at least 10 per cent
42 for each rolling 5-year period; (4) for the division of highways, the reduction of the
43 administrative disbursement rate per mile by at least 10 per cent for each rolling 5-year period;
44 (5) for the division of highways, increasing the maintenance disbursements per mile by at least
45 the same total dollar amount as the total dollar amount saved by the reduction of the
46 administrative disbursement rate per mile under the clause (4), for each corresponding 5-year
47 period; (6) for the Mass Transit division, a decrease in the urban transit bus fleet age for each
48 transit authority of at least 10 per cent for each rolling 5-year period; (7) for the Mass Transit
49 division, a reduction of fatalities as a result of transit accidents in each transit authority by at
50 least 10 per cent for each rolling 5-year period; (8) for the Mass Transit division, an increase in
51 the farebox recovery ratio of at least 10 per cent for each transit authority for each rolling 5-year
52 period; (9) for the Mass Transit division, an increase in the on-time performance percentage for
53 each transit authority of at least 2 per cent for each rolling 5-year period, until that percentage
54 reaches 98 per cent; and (10) for the Mass Transit division, an increase of at least 5 per cent in
55 the revenue miles per active vehicle reported to the Federal Transit Administration for each
56 transit authority for each rolling 5-year period.

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

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

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

66 SECTION 7. Section 11 of chapter 6C of the General Laws, as so appearing, is hereby
67 amended by striking the second sentence and inserting in place thereof the following sentence:-

68 The plan shall be consistent with the project selection criteria as established by section
69 11A.

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

73 SECTION 9. Section 11 of said chapter 6C, as so appearing, is hereby amended by
74 inserting after the word "finance", in lines 18 and 19, the following words:- , the public-private
75 partnership infrastructure oversight commission.

76 SECTION 10. Section 11 of said chapter 6C, as so appearing, is hereby amended by
77 inserting at the end thereof the following paragraph:-

78 The long range transportation plan developed by the secretary of transportation under this
79 section shall provide that no less than \$100,000,000 shall annually be spent for the construction
80 and reconstruction of municipal ways as described in clause (b) of the second paragraph of
81 section 4.

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

84 Section 11A. (a) In order to provide a fair and transparent effort to maintain and repair
85 the transportation assets within the commonwealth, there shall be a project selection advisory
86 council which shall be charged with developing a uniform project selection criteria to be used in
87 the development of a comprehensive state transportation plan as required by section 11.

88 (b) The council shall consist of the following members: the secretary or the secretary's
89 designee, who shall serve as chair; 3 members to be appointed by the governor, 1 of whom shall
90 have practical experience in transportation planning and policy, 1 of whom shall be a registered

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

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

110 (d) The council shall conduct at least 6 public hearings, 1 in each of the department's
111 highway districts, before final approval of the project selection criteria. The council shall
112 provide interested persons with an opportunity to submit their views orally and in writing and the
113 department may create and maintain a website to allow members of the public to submit
114 comments electronically and to review comments submitted by others. The council shall provide
115 notice of each public hearing by publication in a newspaper of general circulation in the highway
116 district in which the hearing is to be located in each of 2 successive weeks, the first publication
117 to be at least 14 days before the day of the hearing and, if feasible, by posting a notice in a
118 conspicuous place in the cities or towns with the highway district for at least the 14 consecutive
119 days immediately prior to the day of the hearing.

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

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

124 "Performance and asset management system", the permanent, comprehensive and
125 integrated system, developed by the department pursuant to section 12, that requires the
126 operation, maintenance, upgrade and expansion of all transportation assets, that are cost-
127 effectively administered throughout their lifecycle, by continuously updating physical inventory,

128 condition assessments and performance information. The system shall establish goals, metrics
129 and outcomes to measure transportation performance pursuant to section 6.

130 “Council”, the transportation performance and asset management advisory council
131 created under this section.

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

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

141 (b) In order to provide a coordinated, unified effort on the stewardship and performance
142 of transportation assets within the commonwealth, there shall be a transportation performance
143 and asset management advisory council charged with advising the board on the creation of a
144 performance and asset management system pursuant to section 12.

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

155 (c) The council shall review the performance measurement criteria required for the
156 performance and asset management system pursuant to subsection (b) of section 6 and the long-
157 term statewide transportation plan required by section 30. The council shall make a report to the
158 board on the following: (i) improvements that can be made to ensure comprehensive multi-modal
159 transportation planning and analysis, (ii) additional performance metrics, such as enterprise-wide
160 measures across modes, contract management, procurement, project controls, financials,
161 organizational and prioritization outcomes, and (iii) economic development impacts, and
162 benchmarks against performance by other states and countries. The council shall make
163 recommendations on the processes and tools needed to implement a strategy for the performance
164 and asset management system.

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

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

182 SECTION 13. Subsection (a) of section 13 of said chapter 6C, as so appearing, is hereby
183 amended by adding the following sentence:-

184 The department shall devise and implement a fair and reasonable fee structure to charge
185 and collect tolls for transit over the turnpike between interchange 1 in the town of West
186 Stockbridge and interchange 6 in the city of Springfield at interstate highway route 291.

187 SECTION 14 . Section 16 of said chapter 6C, as appearing in the 2010 Official Edition,
188 is hereby amended by adding the following sentence:- The plan shall be made available on the
189 department's website.

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

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

196 (d) The secretary shall:

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

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

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

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

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

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

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

212 (v) total projected and actual cost;

213 (vi) projected and actual start and completion dates;

214 (vii) projected and actual milestone dates and details;

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

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

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

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

224 SECTION 17. Section 39 of said chapter 6C, as appearing in the 2010 Official Edition, is
225 hereby amended by adding the following subsection:-

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

231 SECTION 18. Subsection (b) of said section 14C of said chapter 7, as so appearing, is
232 hereby amended by inserting after paragraph (4) the following paragraph:-

233 (4 1/2) capital expenditures grouped by project with links to related capital budget
234 documents;.

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

237 SECTION 20. Subsection (A) of section 2 of chapter 21J of the General Laws, as
238 appearing in the 2010 Official Edition, is hereby amended by inserting after the first sentence the
239 following sentence:- The fee imposed under this paragraph shall be adjusted at the beginning of
240 each calendar year, by the percentage, if any, by which the consumer price index for the
241 preceding year exceeds the consumer price index for the calendar year that ends before such
242 preceding year.

243 SECTION 21. Subsection (C) of said section 2 of said chapter 21J, as so appearing, is
244 hereby amended by striking out the second sentence and inserting in place thereof the following
245 sentence:-

246 The department shall deposit the receipts from the delivery fee imposed under the first
247 paragraph of subsection (A) into the Commonwealth Transportation Fund established in section
248 2ZZZ of chapter 29 and shall deposit the receipts from the annual storage tank fee imposed under
249 the second paragraph of subsection (A) into the General Fund.

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

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

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

258 SECTION 25. Subsection (a) of section 2ZZZ of chapter 29 of the General Laws, as
259 appearing in section 112 of chapter 165 of the acts of 2012, is hereby amended by striking out
260 the second sentence and inserting in place thereof the following sentence:-

261 There shall be credited to the fund all fees received by the registrar of motor vehicles
262 under section 34 of chapter 90, all receipts paid into the treasury of the commonwealth and
263 directed to be credited to the Commonwealth Transportation Fund under chapters 21J, 64A, 64E,

264 64F and any other applicable general or special law and all amounts appropriated into the fund
265 by the general court.

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

268 (c) In addition to those revenues credited to the fund under subsection (a) there shall be
269 credited to the fund all monies received by the commonwealth from the receipts from sales of
270 motor vehicles under sections 3, 25 and 26 of chapter 64H and all monies received by the
271 commonwealth on the sales price of purchases of motor vehicles under sections 4, 26 and 27 of
272 chapter 64I, from the taxes imposed under said chapters 64H and 64I as excises upon the sale
273 and use at retail of motor vehicles and upon the storage, use or other consumption of motor
274 vehicles, including interest thereon or penalties; provided however, such amount shall not
275 include any portion of the taxes that constitute special receipts within the meaning of subsection
276 (b1/2) of section 10 of chapter 152 of the acts of 1997. The amount credited to the fund under
277 this subsection shall be net of the dedicated sales tax revenue amount transferred to the
278 Massachusetts Bay Transportation Authority State and Local Contribution Fund under section
279 35T of chapter 10 and to the School Modernization and Reconstruction Trust Fund under section
280 35BB of chapter 10.

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

283 (e) In addition to those revenues credited to the fund under subsections (a) and (c), for
284 fiscal years 2015 to 2020, inclusive, the comptroller shall transfer the following amounts from
285 the General Fund to the fund: (1) \$75,000,000 for fiscal year 2015; (2) \$96,000,000 for fiscal
286 year 2016; (3) \$40,000,000 for fiscal year 2017; (4) \$40,000,000 for fiscal year 2018; (5)
287 \$120,000,000 for fiscal year 2019; and (6) \$210,000,000 for fiscal year 2020.

288 SECTION 28. Subsection (e) of section 2ZZZ of chapter 29 of the General Laws is
289 hereby repealed.

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

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

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

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

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

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

305 (xi) The numerator of the receipts factor includes receipts from sales, other than sales of
306 tangible personal property, not otherwise apportioned under this section to the extent that those
307 receipts would be included in the numerator of a corporation's sales factor as determined
308 pursuant to subsection (f) of section 38. For purposes of the receipts sourced pursuant to this
309 paragraph, paragraph (xiii) of subsection (d) shall not apply.

310 SECTION 35. Section 31H of said chapter 63 is hereby amended by striking out, in line
311 53, as so appearing, the words “, section 39 and section 52A” and inserting in place thereof the
312 following words:- “and section 39”.

313 SECTION 36. Section 38 of said chapter 63, is hereby amended by striking out, in line
314 31, as so appearing, the words “or of section 52A”.

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

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

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

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

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

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

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

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

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

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

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

357 For the purposes of this subsection: (1) in the case of sales, other than sales of tangible
358 personal property, if the state or states to which sales should be assigned cannot be determined, it
359 shall be reasonably approximated; (2) in the case of sales other than sales of tangible personal
360 property if the taxpayer is not taxable in a state to which a sale is assigned, or if the state or states
361 to which such sales should be assigned cannot be determined or reasonably approximated, such
362 sale shall be excluded from the numerator and denominator of the sales factor; (3) the
363 corporation shall be considered to be taxable in the state of the purchaser if tangible personal
364 property is delivered or shipped to a purchaser in a foreign country; (4) sales of tangible personal
365 property to the United States government or any agency or instrumentality thereof for purposes
366 of resale to a foreign government or any agency or instrumentality thereof are not sales made in

367 this commonwealth; (5) in the case of sale, exchange or other disposition of a capital asset, as
368 defined in paragraph (m) of section 1 of chapter 62, used in a taxpayer's trade or business,
369 including a deemed sale or exchange of such asset, "sales" shall be measured by the gain from
370 the transaction; (6) "security" shall mean any interest or instrument commonly treated as a
371 security as well as other instruments which are customarily sold in the open market or on a
372 recognized exchange, including, but not limited to, transferable shares of a beneficial interest in
373 any corporation or other entity, bonds, debentures, notes and other evidences of indebtedness,
374 accounts receivable and notes receivable, cash and cash equivalents including foreign currencies
375 and repurchase and futures contracts; (7) in the case of a sale or deemed sale of a business, the
376 term "sales" shall not include receipts from the sale of the business "goodwill" or similar
377 intangible value, including, without limitation, "going concern value" and "workforce in place";
378 (8) to the extent authorized under the life sciences tax incentive program established by section 5
379 of chapter 23I, a certified life sciences company may be deemed a research and development
380 corporation for purposes of exemptions under chapters 64H and 64I; and (9) in the case of a
381 business deriving receipts from operating a gaming establishment or otherwise deriving receipts
382 from conducting a wagering business or activity, income-producing activity shall be considered
383 to be performed in this commonwealth to the extent that the location of wagering transactions or
384 activities that generated the receipts is in this commonwealth.

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

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

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

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

401 SECTION 38. The third paragraph of subsection (f) of said section 38 of said chapter 63
402 is hereby amended by striking out clauses (8) and (9), as appearing in section 22, and inserting in
403 place thereof the following words:- and (8) in the case of a business deriving receipts from

404 operating a gaming establishment or otherwise deriving receipts from conducting a wagering
405 business or activity, income-producing activity shall be considered to be performed in this
406 commonwealth to the extent that the location of wagering transactions or activities that generated
407 the receipts is in this commonwealth.

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

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

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

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

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

419 SECTION 44. Said section 1 of said chapter 64A, is hereby further amended, by inserting
420 after the word “gallon”, the second time it appears, in line 98, as so appearing, the following
421 words:- , adjusted at the beginning of each calendar year, by the percentage, if any, by which the
422 Consumer Price Index for the preceding year exceeds the Consumer Price Index for the calendar
423 year that ends before such preceding year; provided, that the Consumer Price Index for any
424 calendar year shall be as defined in section 1 of the Internal Revenue Code; provided further, that
425 the tax shall not be less than 21 cents per gallon.

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

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

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

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

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

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

446 SECTION 50. Section 24 of chapter 161A of the General Laws, as appearing in the 2010
447 Official Edition, is hereby amended by adding after the last sentence the following sentences: -

448 Real property of the authority shall, if leased, used, or occupied in connection with a
449 business conducted for profit shall, for the privilege of such lease, use or occupancy be valued,
450 classified, assessed and taxed annually as of January first to the lessee, user, or occupant in the
451 same manner and to the same extent as if such lessee, user, or occupant were the owner thereof
452 in full. No tax assessed under this section shall be a lien upon the real estate with respect to
453 which it is assessed; nor shall any tax be enforced by any sale or taking of such real estate; but
454 the interest of any lessee therein may be sold or taken by the collector of the town in which the
455 real estate lies for the nonpayment of such taxes in the manner provided by law for the sale or
456 taking of real estate for nonpayment of annual taxes. Notwithstanding the above, such collector
457 shall have for the collections of taxes assessed under this section all other remedies provided by
458 chapter sixty for the collection of annual taxes upon real estate.

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

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

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

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

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

486 SECTION 54. The second paragraph of section 2 of chapter 465 of the acts of 1956 is
487 hereby amended by striking out the first sentence and inserting in place thereof the following:-

488 The authority shall consist of 7 members; 6 of whom shall be appointed by the governor
489 and 1 of whom shall be appointed by the Massachusetts Port Authority Community Advisory
490 Committee in accordance with the provisions of this act and according to the by-laws of said
491 Committee. Members shall serve for a term of 7 years.

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

495 Section 36. (a) There shall be an advisory board to the authority which shall be named the
496 Massachusetts Port Authority Community Advisory Committee. The Massachusetts Port
497 Authority Community Advisory Committee shall consist of a voting representative of each of the
498 following cities and towns: Bedford, Beverly, Braintree, Brookline, Cambridge, Chelsea,
499 Cohasset, Concord, Everett, Hingham, Hull, Lexington, Lincoln, Malden, Melrose, Medford,
500 Milton, Nahant, Quincy, Revere, Scituate, Somerville, Weymouth, Worcester and Winthrop;
501 provided further, that the city of Boston shall have 6 voting representatives, one of whom shall
502 be from the East Boston section of the city of Boston and one of whom shall be from the South
503 Boston section of the city of Boston. The members of the Massachusetts Port Authority
504 Community Advisory Committee shall be appointed by the chief executive officer of the
505 communities listed above; provided further, that said members appointed shall be versed in at
506 least 1 of the following disciplines: airport operations; environmental affairs, labor relations,
507 public health or port operations. For the purpose of this section, the term "chief executive
508 officer" shall mean the person designated as the chief executive officer under the provisions of a
509 local charter or laws having the force of a charter, and otherwise the mayor in every city and the

510 chairman of the board of selectmen or president of the town council, as the case may be, in every
511 town.

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

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

523 (d) The Massachusetts Port Authority Community Advisory Committee shall adopt and
524 may revise and amend by-laws. The Massachusetts Port Authority Community Advisory
525 Committee shall annually elect a chairperson, a vice-chairperson, a secretary and such officers as
526 said Massachusetts Port Authority Community Advisory Committee might determine. Each
527 member of said Massachusetts Port Authority Community Advisory Committee shall serve
528 without compensation, except if a member provides specialized services, such as legal,
529 accounting, record keeping, administration, or any other specialized services provided to the
530 Massachusetts Port Authority Community Advisory Committee. Members may be reimbursed,
531 as an expense of said Massachusetts Port Authority Community Advisory Committee, for all
532 reasonable expenses incurred in the performance of their duties as approved by the
533 Massachusetts Port Authority Community Advisory Committee.

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

548 (f) With respect to appointment of any member of the board of directors, the
549 Massachusetts Port Authority Community Advisory Committee shall act only if a special
550 quorum is present consisting of two-thirds of voting members. The Massachusetts Port
551 Authority Community Advisory Committee's appointment to the board of directors shall be a
552 resident of one of the following communities: Beverly, Braintree, Boston, Brookline,
553 Cambridge, Chelsea, Cohasset, Everett, Hingham, Hull, Malden, Melrose, Medford, Milton,
554 Nahant, Quincy, Revere, Scituate, Somerville, Weymouth or Winthrop.

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

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

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

562 (j) The authority shall provide any information including, but not limited to, annual
563 current expense expenditure budgets and capital expenditure reports, requested by the
564 Massachusetts Port Authority Community Advisory Committee which are necessary for the
565 discharge of its duties; provided, however, that the Massachusetts Port Authority Community
566 Advisory Committee shall not be granted access to any information if it be determined by the
567 executive director of the authority and the director of security for the authority that the release of
568 such information would be detrimental to public safety, or if providing such information would
569 be in violation of any federal statute or regulation of the Federal Aviation Administration or
570 other federal agency; provided, further, that said determination shall be made in writing which
571 shall be delivered to the Massachusetts Port Authority Community Advisory Committee within
572 10 business days.

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

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

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

581 SECTION 59. The project selection advisory council established pursuant to section 11A
582 of chapter 6C of the General Laws shall hold its first meeting by January 1, 2014 and all

583 meetings of the council shall comply with chapter 30A. Final approval of the project selection
584 criteria under said section shall be completed by December 31, 2014, and copies of the criteria
585 shall be submitted to the house and senate committees on ways and means and the joint
586 committee on transportation.

587 SECTION 60. (a) Notwithstanding any general or special law to the contrary, the
588 Massachusetts Department of Transportation shall ensure that the budget includes sufficient
589 revenue from sources of revenue listed in subsection (c) to meet the following benchmarks: (i) in
590 fiscal year 2014, the department shall contribute 47 per cent of the department's operating
591 budget; (ii) in fiscal year 2015, the department shall contribute 48 per cent of the department's
592 operating budget; (iii) in fiscal year 2016, the department shall contribute 50 per cent of the
593 department's operating budget; (iv) in fiscal year 2017, the department shall contribute 51 per
594 cent of the department's operating budget; and (v) in fiscal year 2018, the department shall
595 contribute 51 per cent of the department's operating budget.

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

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

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

621 of the authority's operating budget; (iv) in fiscal year 2017, the authority shall contribute 32.75
622 per cent of the authority's operating budget; and (v) in fiscal year 2018, the authority shall
623 contribute 34 per cent of the authority's operating budget.

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

631 (c) The revenue generated to meet the benchmarks in subsection (a) may be derived from
632 any funds collected by the authority through fees and fares and any other funds directly collected
633 by the authority; provided, however, that such revenue shall not include funds contributed to the
634 Massachusetts Bay Transportation Authority State and Local Contribution Fund under section
635 35T of chapter 10 of the General Laws.

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

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

642 (b) The secretary of transportation, in consultation with the secretary of administration
643 and finance, shall file a report regarding the department's compliance with the second sentence
644 of said section 15 of said chapter 6C on or before August 1, 2013. The report shall include, but
645 not be limited to: (1) the number of employees with salaries funded by capital expenditures in
646 fiscal year 2013; (2) the total cost of employee salaries charged to capital expenditures in fiscal
647 year 2013; (3) the number of employees and total cost of employee salaries that the department
648 estimates will be moved from capital expenditures to operating expenditures in fiscal years 2014,
649 2015 and 2016; and (4) a strategy to dedicate a portion of the funds made available through
650 compliance with this section to projects that are included in the authority's 5-year rolling capital
651 investment plan as published in accordance with section 5 of chapter 161A of the General Laws.
652 The report shall be filed with the joint committee on transportation, the house and senate
653 committees on bonding, capital expenditures and state assets and the house and senate
654 committees on ways and means.

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

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

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

674 SECTION 64. There shall be a value capture commission consisting of the following 7
675 members: the secretary of transportation or a designee, who shall serve as chair; the secretary of
676 administration and finance or a designee; and 5 members who shall be appointed by the
677 governor, 2 of whom shall be representatives of business associations; 1 of whom shall represent
678 organized labor; 1 of whom shall be a representative of the Massachusetts Municipal
679 Association; and 1 of whom shall be a representative of a regional planning agency. The
680 commission shall review and evaluate the policies and best practices of other jurisdictions used
681 to obtain benefits from the increased value of adjacent properties as a result of public
682 infrastructure projects or "value capture" and the current policies and mechanisms available
683 within the commonwealth relative to value capture. The commission shall report to the general
684 court on the effectiveness of the commonwealth's current value capture policies and recommend
685 whether certain policies from other jurisdictions should be implemented as part of the
686 comprehensive state transportation plan, required under section 11 of chapter 6C of the General
687 Laws. A report of the commission's findings shall be filed with the clerks of the house of
688 representatives and senate not later than March 1, 2014.

689 SECTION 65. Notwithstanding any general or special law to the contrary, the
690 Massachusetts Department of Transportation shall review the current status of the use of rights-
691 of-way in the state highway system, the turnpike and the metropolitan highway system, all as
692 defined in section 1 of chapter 6C of the General Laws. The review shall also present the current
693 status of efforts by the department to collect rents or other compensation for the use of
694 department-owned rights-of-way. The review shall also include, but not be limited to, an
695 inventory of the owners of utilities or utility facilities that occupy department-owned rights-of-

696 way, according to town and either state route number or road name, as will most clearly identify
697 the road or other transportation facility being referred to, and including underground facilities.
698 For each owner of a utility or utility facility that occupies department-owned rights-of-way, the
699 review shall state whether an easement or other agreement exists for the occupant's use of the
700 right-of-way, whether that agreement is in writing, whether such agreement requires
701 compensation to the department for the occupant's use of the right-of-way and if so, how much
702 compensation, the due date of the compensation, whether the compensation has been paid and
703 whether the compensation is monetary or non-monetary. For each owner of a utility or utility
704 facility that occupies department-owned rights-of-way, the review shall also state whether the
705 department knows if other occupants are also using that utility or utility facility, and if known to
706 the department, shall identify all other occupants of that utility or utility facility. If the
707 department knows that facilities exist on department-owned rights-of-way but does not know the
708 identity of the owner, the review shall describe such facilities and shall characterize the owners
709 as "unidentified owners".

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

725 The department shall file a report containing the department's findings from the review of
726 the current status of the use of rights-of-way in the state highway system, the turnpike and the
727 metropolitan highway system and the study on utility reimbursement mechanisms, together with
728 any recommended legislation, with the clerks of the house and senate, the joint committee on
729 transportation, the joint committee on telecommunications, utilities and energy, the house and
730 senate committees on ways and means and the house and senate committees on bonding, capital
731 expenditures and state assets on or before March 1, 2014.

732 SECTION 66. Notwithstanding the provisions of any general or special law to the
733 contrary, the Massachusetts Bay Transportation Authority shall expend funds on capital
734 investment projects, including the green line extension project and the south coast rail project,

735 that are listed in the authority's 5-year rolling capital investment plan as published in accordance
736 with section 5 of chapter 161A of the General Laws.

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

745 SECTION 68. (a) The transportation performance and asset management advisory
746 council shall, pursuant to section 12A of chapter 6C of the General Laws, and in consultation
747 with federal, state and local transportation agencies, regional planning agencies and other
748 governmental agencies, develop and present to the board of directors of the Massachusetts
749 Department of Transportation for approval such procedures and requirements as are necessary
750 for the administration of the performance and asset management system on or before November
751 1, 2013. This shall include, at a minimum:(1) a comprehensive plan for the development and
752 integration of an asset management and performance information system with long-term
753 statewide planning processes; (2) an analytical process or decision support tool that allows for
754 the estimation of capital investment needs of such systems over time; and (3) an asset investment
755 prioritization method by such systems, including the possible use of a quantifiable project
756 prioritization mechanism such as a numeric scoring system.

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

761 SECTION 69. The integrated asset management system, as required by section 12 of
762 chapter 6C of the General Laws, shall be complete and operational on or before July 1, 2014.

763 SECTION 70. Corporations that filed as a utility corporation under section 52A of
764 chapter 63 of the General Laws before or in the taxable year ending on or before December 31,
765 2013, shall not be eligible to deduct from net income, the net operating losses described in
766 paragraph 5 of section 30 of said chapter 63 for losses sustained prior to the taxable year
767 beginning on or after January 1, 2014.

768 SECTION 71. Nothing in section 37 shall restrict the authority of the commissioner of
769 revenue under subsection (j) of section 38 of chapter 63 of the General Laws, nor shall it affect
770 the continuing validity or application of regulations adopted under subsection (f) of said section
771 38 of said chapter 63 in effect as of the effective date of this act.

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

785 SECTION 73. The Massachusetts Department of Transportation shall undertake an
786 analysis of the air quality impacts of the Central Artery Project and associated transit
787 commitments completed to date. The analysis shall be conducted in cooperation with the Boston
788 Region Metropolitan Planning Organization and shall report on the levels of Volatile Organic
789 Compounds, Oxides of Nitrogen, and Carbon Monoxide in the MPO region and Eastern
790 Massachusetts. The results of the analysis shall be provided to the Joint Committee on
791 Transportation within six months of the effective date of this act.

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

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

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

808 SECTION 76. Within 90 days after the effective date of this act, the Massachusetts
809 Department of Transportation shall provide to the joint committee on transportation and the
810 house and senate committees on ways and means a plan to implement a proposed fee structure
811 for collecting tolls for transit over the turnpike between interchange 1 in the town of West
812 Stockbridge and interchange 6 in the city of Springfield at interstate highway route 291,
813 inclusive, which shall include, but not be limited to, the proposed fees, assumptions used to set
814 the fees and a timeline to implement collection of the fees.

815 SECTION 77. There shall be a tax fairness commission to study the federal, state and
816 local tax laws applicable to residents of the commonwealth. The commission shall review and
817 evaluate the equity of historical tax rates and methods in relation to the changing income and
818 wealth of residents of the commonwealth since 1990. The commission shall examine the
819 experiences and policy efforts of other states relating to tax fairness.

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

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

844 SECTION 78. Notwithstanding any general or special law to the contrary, the secretary
845 of transportation and the general manager of the Massachusetts Bay Transportation Authority

846 shall meet with the secretary of administration and finance and the house and senate committees
847 on ways and means on the fiscal status of the Massachusetts Department of Transportation and
848 the Massachusetts Bay Transportation Authority in January and July of each year. The first
849 meeting under this section shall occur not later than December 31, 2013.

850 Not less than 15 days prior to each meeting, the secretary of transportation shall submit a
851 report to the secretary of administration and finance and the house and senate committees on
852 ways and means detailing: (i) year-to-date revenues collected, projected revenues and
853 expenditures for the current fiscal year; (ii) projected revenues and expenditures for the next 5
854 fiscal years; (iii) changes in revenue and expenditure projections from the previous semiannual
855 report; (iv) reasons for any changes from previous projections; (v) progress made toward
856 achieving revenue and savings targets set for fiscal years 2017 and 2018; and (vi) a plan detailing
857 how the fiscal year 2017 and fiscal year 2018 targets will be achieved.

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

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

872 SECTION 80. Notwithstanding any general or special law to the contrary, the
873 Massachusetts Bay Transportation Authority shall create a pilot program at 3 high-volume
874 parking station facilities dedicating not more than 10 per cent of the available parking to
875 customers willing to pay an increased premium for a reserved parking spot that is guaranteed to
876 be available to them if they arrive at the spot before a certain hour, as determined by the
877 authority; provided, however, that all net proceeds received as a result of the pilot program shall
878 be dedicated to the authority.

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

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

886 SECTION 83. Sections 26, 43, 48 and 49 shall take effect on July 1, 2013.

887 SECTION 84. Sections 29 to 37, inclusive, 39 to 42, inclusive, 52, 53, 70 and 71 shall
888 take effect on January 1, 2014, and shall be effective for tax years beginning on or after January
889 1, 2014.

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

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

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

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

894 SECTION 89. Sections 45 to 47, inclusive and 72 shall take effect 7 days after the
895 effective date of this act.