

Massachusetts legislators propose a 50% increase in gas tax, parking surcharges

By Chris Lisinski

State House News Service

A three-step, 12-cent gas tax increase, fare-free MBTA and regional transit authority buses, new surcharges on parking space rentals and purchases, higher ride-hailing fees and more all featured in a new overhaul bill proposed by the Massachusetts Senate's point person on transportation.

Transportation Committee Co-chair Sen. Joseph Boncore filed his omnibus proposal on Friday, igniting debate on how to relieve the returning dread of traffic, upgrade unreliable public transit infrastructure, and pay for a range of investments after his branch scuttled a House-approved set of transportation taxes and fees last year.

The 49-page bill (SD 2315) weaves together major changes to the funding landscape and commuting experience for roads, bridges and transit.

Some provisions, such as a net 50 percent increase in the state's gas tax by 2025, will prove contentious among lawmakers wary of raising taxes and taking a potentially unpopular vote.

New ideas include language requiring the MBTA to put between 5 and 10 percent of federal stimulus funding toward planning and designing capital projects and a 6.25 percent statewide surcharge on the lease or sale of many parking spaces.

The bill also calls for creation of a new seven-member MBTA board of directors to succeed the five-member Fiscal and

Management Control Board that is scheduled to expire at the end of June, a topic that may emerge as standalone legislation given the deadline.

It revives several ideas both branches approved last session before Gov. Charlie Baker vetoed them from a late-arriving transportation bond bill, including a higher fee structure for services such as Uber and Lyft and a study of congestion pricing.

Boncore declined to discuss the bill's finances in any detail beyond saying its revenues would cover its proposed spending. He did not specify how much it would raise through a combination of gas tax hikes, transportation network company fees, parking surcharges and more, nor how much spending it proposes.

"I'm not so naive as to think there's no cost associated with this bill," he told the News Service. "But what I really want to talk about is what's the cost of doing nothing. When our transportation system is in such dire need of modernization and we choose to do nothing, the price of those actions falls on our economy and falls on those who rely on public transit."

"The bottom line number is what the bottom line number is," Boncore said. "Whatever the number is, if we're serious about making public transit a public good and shifting the paradigms in Massachusetts, I think we're going to have to come up with ways to fund this bill."

It is not clear if Boncore's proposal has the full backing of Senate President Karen Spilka, but given his stature atop the Transportation Committee last session and this session, his support is a significant marker for where the policy debate may head.

Boncore's co-chair, Rep. William Straus, said he is still reviewing the bill, but he expressed optimism about its scope and its inclusion of gas tax increases after the Senate

declined to take up the House's revenue-focused plan in 2020.

"Given Senator Boncore's leadership position, I do take this as an indication that the Senate is now prepared to follow the House's lead from last session," Straus said in an interview. "The details of timing and how much, of course, are part of the legislative process, but I take it as a significant step."

Baker has mostly taken a dim view of tax increases, so if Democrats intend to make a push this session on new taxes they may need to amass super-majorities in both chambers in case tax hikes run into vetoes.

Sea Change to Public Transit

In a dramatic shift, all MBTA and RTA bus trips would be fare-free under Boncore's bill.

That change would encompass a universe of millions of riders, even with the changed travel patterns during the pandemic. The state's 15 RTAs had a combined fixed bus and on-demand ridership of more than 23 million in fiscal year 2020, while the T counted more than 93 million in the same span, according to MassDOT.

"It's the most equitable mode of public transit," Boncore said of buses. "When you look at worst-in-the-nation congestion, our trains and ferries aren't sharing the roads, so if we're taking people out of their cars and putting them on buses, incentivizing that behavior, it's a multi-pronged approach. It's going to alleviate congestion on our roadways, reduce our carbon footprint, and will help people most on the lower end of the socioeconomic scale."

Although he did not provide a broader financial picture for the bill, Boncore estimated that offering free bus fares at all transit agencies would cost the state between \$30 million and \$60 million per year.

Straus disagreed, saying he believes the actual cost would be hundreds of millions per year partly because of costs associated with the RIDE paratransit service.

The T would also be barred from raising fares for five years in Boncore's proposal, blocking off increases the agency has implemented every two or three years recently, and would need to implement a low-income fare program for qualifying riders.

Boncore, a Winthrop Democrat, also pitched a late-night service pilot to keep trains and buses running until 2 a.m. on weeknights and 3 a.m. on weekends as well as another pilot to reduce fares at off-peak travel times.

His bill, which he dubbed the "New Deal for Transportation," would reshape how the state manages its public transit infrastructure and comes as the Baker administration imposes service cuts across much of the T amid an extended, COVID-era period of low ridership.

Gov. Charlie Baker has argued that it would be "bad public policy" to run a full pre-pandemic schedule with average ridership at only about 30 percent, and the T faces a multi-year budget crunch inflicted by the sharp drop in fare revenue.

Asked if the state could afford to make buses fare-free to riders, Boncore replied, "What's the cost of not doing it and not incentivizing people to get back on our system?"

Officials should focus on "shifting the paradigm to looking at public transit as a public good and not as a tax on the people using it," Boncore said.

Gas Tax Debate Re-emerges

Under Boncore's bill, the state gas tax would rise from its current 24 cents per gallon to 28 cents in 2023, 32 cents in 2024 and then 36 cents in 2025.

The proposal is a sharp pivot from the Senate's approach last session, and it also goes significantly further than a one-time gas tax hike the House passed with what then-Speaker Robert DeLeo called a "tough vote."

In March 2020, shortly before the COVID-19 state of emergency began, the House approved a 5-cent gas tax increase and a 9-cent diesel tax increase. The Senate never advanced the tax bill, though, with leaders pointing to the ongoing economic crisis.

Boncore said in July that he would prefer to revisit the topic of transportation revenue "when the long-term economic outlook becomes clear and we can better assess what the state needs as a whole, post-COVID."

He said Tuesday that the timing of last year's debate – with a House vote one week before Baker declared a state of emergency – "tied the Senate's hands."

"Now, we can take a holistic approach to it, and this conversation can be had again about how low our gas taxes are compared to neighboring states," Boncore said. "The gas tax is by no means a silver bullet, but it's part of a plan to pay for the modernization of our system and make sure our system is accessible and equitable and reliable."

Infighting between the two branches has at times torpedoed momentum on legislation and bled over into successive sessions. Straus said Tuesday, though, that he does not see any lingering tension after the Senate stifled the House's massive bill last time around.

"There are no bruises," Straus said. "This is a new session. We're all skilled enough to be forward-looking, so I take it as a positive when the Senate comes toward a position that the House had adopted last session."