



Traffic crawls up onto the Zakim Bridge heading north out of town on an August afternoon. (Photo by Andy Metzger)

What happened to the transportation revenue bill?

Senate scuttles major House tax priority amid pandemic



[Shira Schoenberg](#) Jul 15, 2020

LESS THAN FIVE months ago, frustrated drivers and transit riders saw a glimmer of hope that a major infusion of cash might soon be on its way to shore up the state's ailing transportation system. The Massachusetts House – typically the Legislature's more conservative body on taxes – unveiled a \$600 million transportation revenue bill.

While the future of the bill was always uncertain – for one, it faced a likely veto from Republican Gov. Charlie Baker – no one could have predicted the nature of the bill’s demise: an early death in the hands of the typically more progressive Senate during a global pandemic.

Now, advocates for the transportation system are forced to turn to far more modest goals: passing increased Uber and Lyft fees, allowing cities and towns to raise money through local ballot initiatives, and avoiding potential cuts to transportation projects in light of dismal state revenues. But at the same time, advocates worry that the pandemic that derailed the new revenue push also makes transportation needs more dire.

“What it means for commuters is more of the same, in terms of congestion, in terms of broken down trains, in terms of potholes statewide,” said Chris Dempsey, director of Transportation for Massachusetts, a coalition leading the push for more transportation revenues.

The House bill, [released in February](#), would have raised around \$600 million annually through increasing the gas tax by 5 cents, increasing fees on ride-hailing services like Uber and Lyft, eliminating a sales tax exemption for rental car fleets, and raising the minimum tax paid by corporations. The bill passed the House with [enough votes](#) to override any vetoes by Baker, who opposed raising the gas tax or increasing the corporate minimum tax. Baker did propose his own plan that would raise fees on Uber and Lyft rides.

The big question had always been what the Senate would do. Senate President Karen Spilka is an advocate for raising more state revenue more broadly, but senators had not yet taken a position on the transportation bill specifically. She did say any new transportation revenue should be used to change behavior – such as by lowering fares for public transit to encourage people to shift from cars to trains and buses.

On Friday, the Senate answered the question. Sen. Joseph Boncore, a Winthrop Democrat who is the Senate chair of the Transportation Committee, said the Senate will not take up the House’s revenue bill. Instead, the Senate is planning to vote this Thursday on a \$17 billion transportation bond bill, which would borrow money for various transportation projects. The bond bill includes commissions and studies that could eventually lead to more revenue, but it does not provide any immediate mechanisms to raise more money.

Boncore told [the State House News Service](#) that due to the coronavirus pandemic – which has blown a multi-billion dollar hole in the state budget and caused a recession – the conversation has shifted from just transportation revenue to “a broader debate on what the state needs as a whole for revenue going forward.” He told [the Boston Globe](#) that senators will not increase the gas tax when the Massachusetts unemployment rate is 16 percent.

Advocates involved in the process say the Senate is not entirely ruling out new revenue, but senators want to have that conversation in the context of how to fill the state budget gap. So far, the state is operating off a temporary budget and neither the House nor the Senate has released a budget proposal – despite being just two weeks away from the session’s scheduled end date of July 31. Potentially, revenue conversations could return in the fall if there is a budget debate then, but no one knows yet what [the budget process](#) will look like.

Rep. Lindsay Sabadosa, a Northampton Democrat involved in the progressive wing of the party, called it “absolutely critical a revenue debate be part of that conversation.” But she acknowledged that House members are also unlikely to take another politically difficult vote for new revenues if they do not think the Senate will support them.

And the chances seem small that if unemployment remains high and the state is in a recession – which seems almost certain – lawmakers facing reelection in November will want to take a vote to hike the gas tax.

“Quite frankly, [increasing] a gas tax in the middle of a pandemic and in the midst of the most challenging and unprecedented economic crisis anyone has faced in their lifetime is irresponsible and is regressive,” said Sen. Eric Lesser, a Longmeadow Democrat who is Senate vice chair of the Transportation Committee.

Rep. William Straus, a Mattapoisett Democrat and the House chair of the Transportation Committee, said the House stands by its initial bill, despite the pandemic. “It’s all a question of what are the consequences of not taking care of revenue, and the consequences are putting off and deferring being able to address the well-known deficiencies from a reliability and a safety standpoint in our statewide transportation system,” Straus said.

Straus said the downturn in the state’s finances due to COVID-19 make it even more imperative that the state find new money to fix the transportation system. Acknowledging the difficulty for families if the state were to raise the gas tax during a recession, he said the House is willing to pass a tax increase now, but have it only go into effect if certain economic triggers are met indicating that the economy is back to normal.

Straus said if no new revenue is approved, “every decision has consequences.”

Already, lawmakers had been considering raising the annual appropriation for local road repairs from \$200 million to \$300 million – but left it at \$200 million after the House would not agree to a larger bill without new revenue.

Looking forward, Straus made clear that the House will look to trim the Senate’s transportation bond bill – setting up another conflict between the two bodies over a must-pass bill with weeks left to the legislative session.

“It’s not as if we could back a bond bill that spends \$17 to 18 billion, or authorizes that kind of spending, without money to support it,” Straus said. “Not at those spending levels. I don’t see how the numbers add up.”

Senators have maintained that the \$17 billion can be borrowed under the state’s existing capacity for bonding. Lesser noted that low interest rates and federal interest in buying municipal bonds makes it a good time to borrow money.

Meanwhile, advocates who were banking on the House revenue debate to get more money for transportation will see how much they can accomplish with the bond bill.

Provisions already included in the bill would let cities and towns launch regional ballot initiatives, where voters can approve a local tax increase to fund a specific transportation project. It would create a commission to study different models of tolling and congestion pricing and look into participating into a federal congestion pricing pilot program. It would also direct state officials to study whether taxing cars based on miles driven rather than tolling certain roadways could be an option. Dempsey's group, Transportation for Massachusetts, plans to push for an amendment that would increase fees on Uber and Lyft rides.

Advocates argue that COVID-19 highlighted the need for more transportation revenue.

Stacy Thompson, executive director of Livable Streets Alliance, which advocates for public transit and walking and biking projects around Greater Boston, said the pandemic illustrated the need for buses and trains to keep running to serve essential workers – often workers of color who rely on public transit to work in places like grocery stores. It also raises the specter that congestion will worsen if people return to work but choose to drive rather than take the MBTA for safety reasons. “If we don't dig in and start meaningfully addressing the issue, we're at risk not just of going back to the way things were...but congestion that was worse than before, with not enough money pay bills at the MBTA,” Thompson said.

Lizzi Weyant, director of government affairs for the Metropolitan Area Planning Council, said the communities hardest hit by the virus – often low-income communities of color – are also the areas hardest hit by a challenged transportation system. For example, they often have bad air quality due to congestion. “Unless we actually make investments in our transportation system to actually help equalize things and allow more people to have more access to jobs and housing and schools and health care, then we're kind of cementing the system that got us to where we were during COVID with those high case rates within specific communities,” Weyant said.