

Your Money, Your Region, Your Way

FACT SHEET: AN ACT RELATIVE TO REGIONAL TRANSPORTATION BALLOT INITIATIVES

Sponsored by Senator Downing (S1474) and Representative Walsh (H2698)

PURPOSE OF THIS BILL

In Massachusetts, more funding is needed to meet our transportation needs. Regional ballot initiatives are regularly used to finance transportation investments in states all across the country (including California, Colorado, Georgia, Michigan, Missouri, Idaho, Ohio, South Carolina, and Louisiana). These initiatives have high rates of passage (70-80%) and can be a key mechanism to fund both operations and capital projects for transportation. This legislation would enable a municipality or a group of municipalities to raise additional local money for transportation projects via ballot initiatives, giving voters a more direct role in the process and also showing a clearer correlation between funds being raised and the project(s) for which those funds are used.

While dollars raised for regional projects via ballot initiative would not by itself close our transportation infrastructure funding gap, this framework could be an important tool. It would give municipalities both more control of and more of a stake in the projects in their region.

WHAT THIS LEGISLATION DOES

- Enables a municipality to place a question on the ballot to raise revenue for local and regional transportation projects.
- Enables two or more municipalities to form a regional district to coordinate the spending of revenue raised by a ballot question in each member municipality for regional transportation projects.
- Creates procedures for the adoption and implementation of the new tax and enables communities to define the types of projects or specific projects eligible for funding with the revenues raised.
- Authorizes communities to determine the type of tax to be raised (sales, property, payroll, vehicle excise, etc.), set the maximum amount the new tax can raise, and set the term of the tax.
- Creates a lockbox to ensure that revenue raised for transportation is spent on transportation.

SUCCESS IN OTHER STATES

According to the Center for Transportation Excellence (cfte.org), 470 tax ballot initiatives were voted upon across the country between 2000 and 2013 that related to generating revenue for transportation projects and 72% were successful. During the 2014 Midterm Elections, there 59 measures were considered and 71% of tax ballot initiatives were successful.

Statewide and regional ballot initiatives have generated significant new funds for transportation over the last decade. For instance, in 2008, Los Angeles County raised their sales tax by .5%, which generated an estimated \$40 billion over thirty years. In 2010, St. Louis County passed a county ballot that raised \$75 million a year with a ½ cent sales tax increase. And in 2004, eight counties surrounding Denver increased their sales tax by .4%. The new sales tax approved in Clayton County will reportedly bring in \$45 million annually to go toward new bus service and long-term planning for commuter rail or bus rapid transit.

RESULTS OF POLLING MASSACHUSETTS RESIDENTS

MassINC, which has advocated allowing local and regional ballot initiatives to fund transportation, has found little opposition in a 2012 and 2013 poll. In September 2012, 73 percent strongly or somewhat agreed that “the state should allow the residents of each region to hold a vote to raise taxes on themselves to pay for projects they care about.” In February 2013, 75 percent strongly or somewhat supported the idea of “giving cities and towns and regional planning agencies the authority to place transportation funding measures for their specific area on the ballot for voters to approve or reject.”

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