



MBTA Municipal Assessments

*A report prepared for the
MBTA Advisory Board*

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September 2026

The MBTA Advisory Board is an independent statutory organization which represents the interests of the 178 cities and towns in the MBTA service district. Each year these municipalities are assessed by the MBTA for a portion of the T's operating funding. The Advisory Board is completely funded by municipalities. Under Massachusetts law, the Advisory Board has statutory oversight of the MBTA's annual operating budget, 5 year capital plan, and 25-year long-term plan. The Board also provides a host of other regulatory and oversight functions in the interests of its members. The Board's mission is to provide public oversight of the MBTA as well as technical assistance and information on behalf of our members and T customers.

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Acknowledgements: Brian Kane provided valued research support.

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Mass. Acts 2025, c. 73, § 187, As adopted from Amendment 34 to Senate Bill 2655

Sen. Driscoll, Jr., William J. (Democrat - Norfolk, Plymouth and Bristol) moves that the proposed new text be amended by inserting after section 101 the following section:-
“SECTION 101A. The Massachusetts Bay Transportation Authority, in consultation with the advisory board established in section 7A of chapter 161A of the General Laws, shall investigate, study and issue recommendations regarding the local assessments on cities and towns paid pursuant to section 9 of chapter 161A. The investigation shall include, but not be limited to: (i) a review of the assessment formula; (ii) a review of annual assessment increases and amounts; (iii) the impact of local assessments on municipal budgets and the budget of the authority; (iv) comparisons to local funding assessments received by peer transit systems and (v) possible adjustments, modifications or revisions to the assessment formula or municipal payments, including both the annual assessment amount and revised allocations, consistent with considerations of the relative service frequency, ridership, economic benefits and fiscal capacity of the contributing cities and towns. The authority shall submit a report of its findings and its recommendations to the clerks of the house of representatives and the senate and to the board of directors of the authority not later than December 31, 2026.”

Introduction

The Federal Transportation Administration reports that, on average, public transportation authorities' operating budgets receive 51% of their funding from state and local governments. The ratio of state to local assistance varies widely across the budgets of the country's largest public transportation authorities. In each state, lawmakers have divided the responsibility by determining which taxpayers will subsidize public transportation; what portion of the bill will be covered by the entire state and what portion is footed by the taxpayers with the most benefits received or greatest proximity to the service?

In states like Massachusetts, where regional bodies do not levy local taxes, the MBTA's service district pays for the authority's operations through an alternate mechanism: municipal assessments. This mechanism has funded the MBTA since its inception and, like the authority, has undergone substantial transformation in the six decades since its creation. The history of the assessment formula is, more broadly, a history of the MBTA's service district as it traces the debates, community partnerships, and municipal leadership that have informed the regional transportation system that Massachusetts has today.

This report to the MBTA Advisory Board reviews the current assessment formula, explores the formula's evolution, frames local discussions and attitudes toward the funding mechanism since its inception, and compares it to the regional funding mechanisms of peer agencies.

A review of the assessment formula

The Massachusetts Bay Transportation Authority operates subway, light rail, bus, commuter rail, ferry and paratransit services for the residents of Eastern Massachusetts. To fund its operations, the T receives a portion of the statewide sales tax, state appropriations, federal grants for safety upgrades, and a dedicated amount

from the municipalities in its service district. In 2027, municipalities will be charged \$203 million, 7.3% of the total projected operating revenue.¹

The General Court established the current formula for assessing towns and cities for MBTA service in 1999. This legislation fixed the total assessment to be no less than \$136,026,868 annually. After 2006, that total was to increase each July 1 by 2.5% over the year prior, or by the growth rate of the inflation index over the last year if it was lower than 2.5%.

There are 178 municipalities in the MBTA's service district, and they pay a portion of the total assessment in relation to their population. Each municipality's most recent census count is assigned a multiplier by state law to calculate their weighted population. Their share of the total assessment is equal to their weighted population's share of the total weighted population. The weights are as follows: Boston, 18; Brookline and Cambridge, 12; the 14 cities and towns of the immediate inner core excluding Boston, Brookline and Cambridge, 9; the surrounding 51 cities and towns of the outer core, 3; the 110 other served communities, 1.

Next, credits are applied based on the additional transportation services received by a municipality. Chapter 161B of the Massachusetts General Laws establishes regional transit authorities (RTAs) to provide localized public transportation across the Commonwealth. There are 16 RTAs in Massachusetts and 9 of them overlap to some degree with the MBTA's service district. When a municipality is a member of both an RTA and the MBTA, the amount they are assessed for their RTA service is credited against (subtracted from) their MBTA assessment up to the total amount of the MBTA assessment.

The total amount of RTA credits applied in the district is then reassessed to the inner 65 municipalities that are weighted 18, 12, 9, or 3. The distribution of this reassessment is calculated by a municipality's weighted share of the total population of the 65 municipalities.

¹ MBTA Operating Budget Pro Forma Fiscal Year 2027

Finally, towns and cities receive a credit for provision of paratransit services if they do not receive paratransit services from the MBTA or an RTA. The sum of these paratransit credits is also re-assessed among all municipalities who contribute to the MBTA.

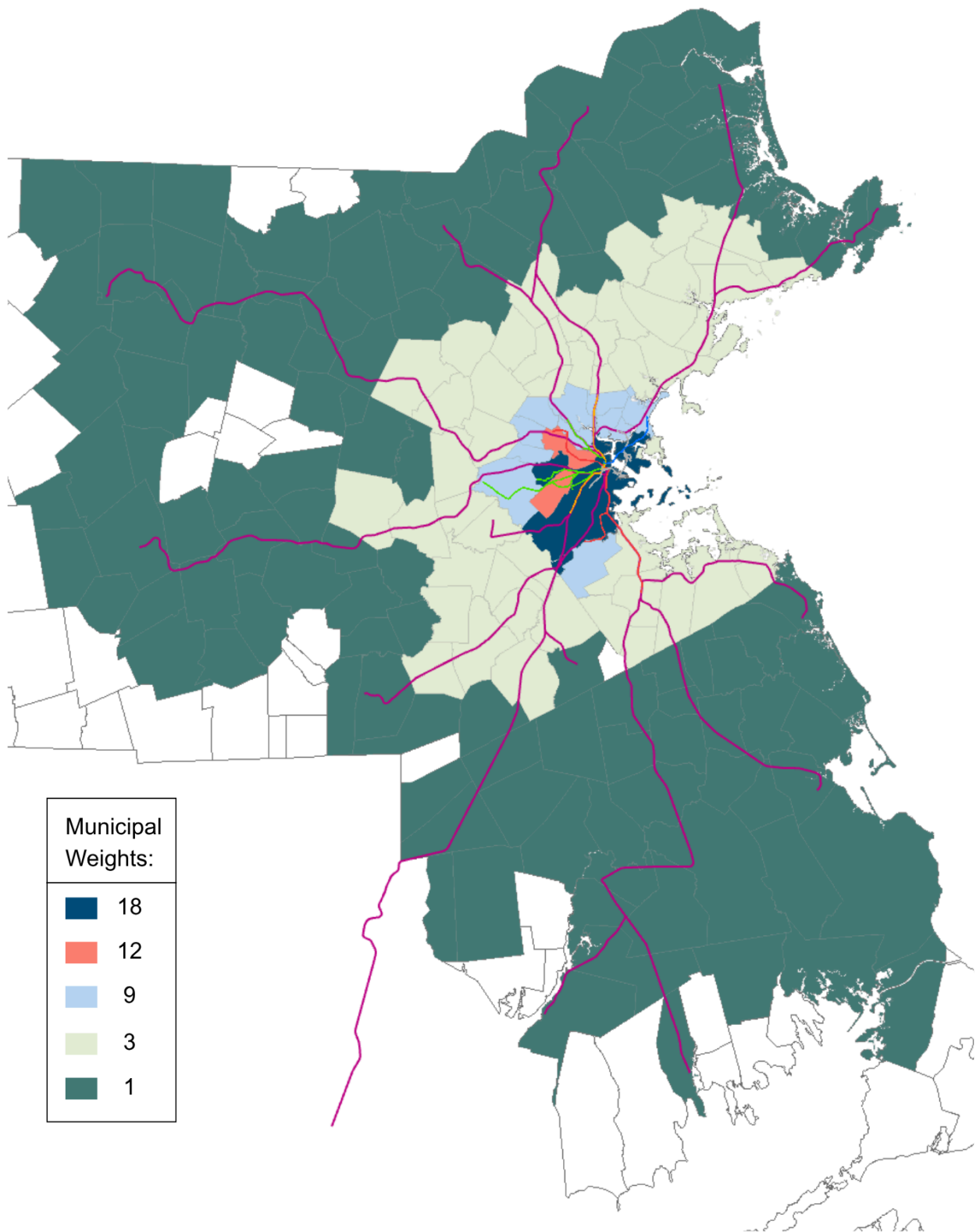
Municipal assessments are administered to municipalities as deductions in the local aid they receive from the Commonwealth. This is presented each year to towns and cities through their cherry sheets. Assessments are paid into the MBTA's State and Local Contribution Fund, a non-budgeted special revenue operating fund which also collects the MBTA's dedicated sales tax revenue.²

Weights

Municipalities are weighted based on the level and frequency of service they receive. Boston (weighted 18), Brookline (12), and Cambridge (12) largely receive the most frequent service across all modes. The cities and towns weighted 9 are central to the urban core and receive frequent and varied service. Municipalities weighted 3 generally comprise the Greater Boston suburbs with commuter rail, paratransit, and some bus service. Finally, municipalities weighted 1 are commuter communities with less frequent service or longer travel times.

Notable disparities exist in the service received by municipalities that are assessed using the same weight. For example, the town of Arlington is serviced by bus and paratransit and has a weight of 9, or a \$78 per capita assessment, while the city of Quincy is serviced by Commuter Rail, the Red Line, Ferry, Bus, and paratransit service and is weighted 3 with a \$24 per capita assessment. Similarly, the town of Watertown is weighted 9 with bus and paratransit while the town of Braintree is weighted 3 while hosting Commuter Rail, the Red Line, Bus, and Paratransit. Alongside Quincy and Braintree, other communities weighted 3 include Middleton, Topsfield, and Medfield, which receive no direct service besides The Ride.

² View Appendix for each municipality's assessment calculation for 2025.



Source: MBTA Blue Book Open Data Portal

RTA Credit and Assessment Formula

The following RTAs overlap with the MBTA's service district: Brockton Area Transit, Cape Ann Transportation Authority, Cape Cod Regional Transit Authority, Greater Attleboro Taunton Regional Transit Authority, Lowell Regional Transit Authority, Merrimack Valley Regional Transit Authority, MetroWest Regional Transit Authority, Montachusett Regional Transit Authority, Southeastern Regional Transit Authority, and Worcester Regional Transit Authority.

Regional Transit Authorities provide fixed-route bus service, corresponding paratransit service, and paratransit service in partnership with municipal Councils on Aging. RTAs cover around 15% of their costs through their own revenue, receive 24% from federal grants, and are reimbursed for the remaining costs with state contract assistance and municipal assessments. Currently, municipal assessments cover around 30% of the reimbursement for net costs. The annual amount charged to municipalities by their RTA is adjusted based on the operating loss (costs minus revenue) for their transit route and the share of general and administrative, facility, and security costs attributable to their municipality. Due to the differing timelines of state budgeting processes and the calculation of an authority's net assessable costs, assessments are charged to municipalities 18 months after they are incurred, for example: the RTA's net costs of service for the year ending June 30, 2025 are charged through cherry sheet assessments in the year 2027. Revenue Anticipation Notes, or short-term liabilities, cover operating costs in the interim.³

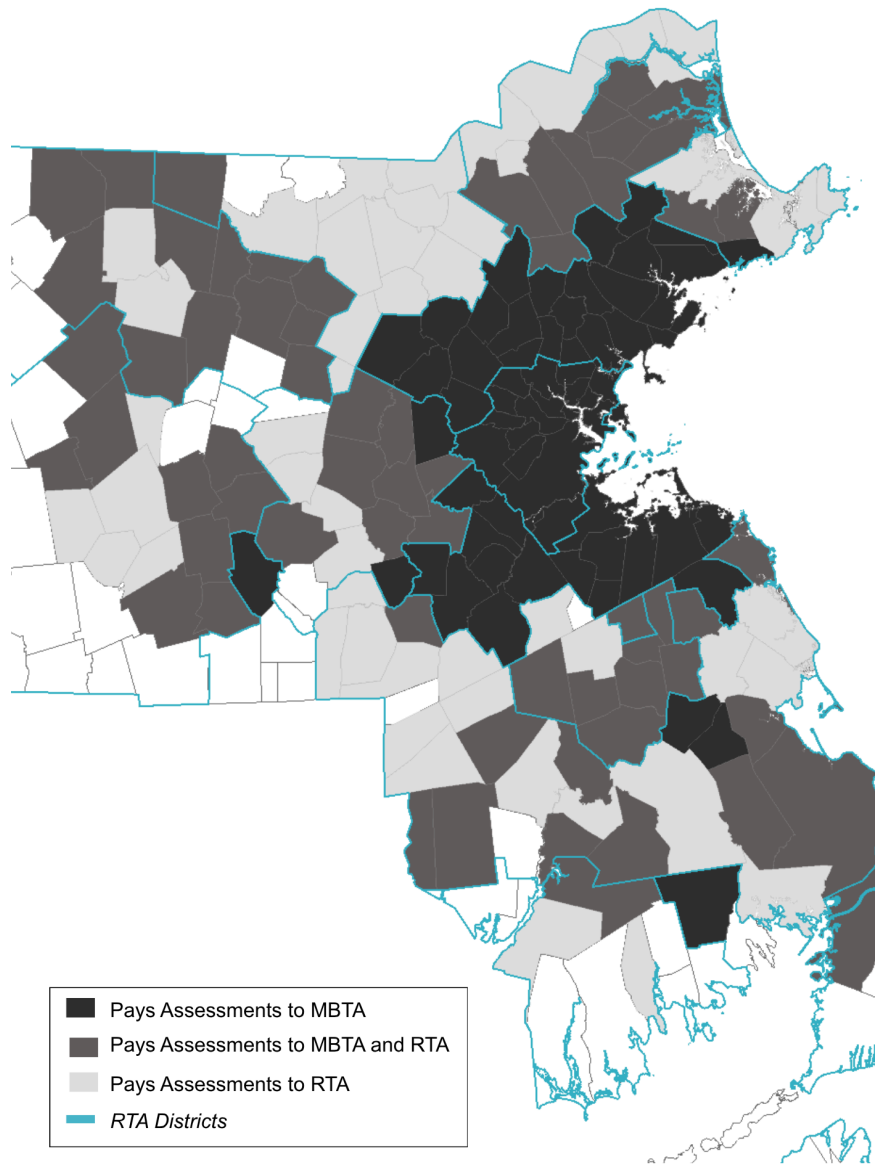
In 2009, Section 152 of Governor Deval Patrick's "Act Modernizing the Transportation Systems of the Commonwealth of Massachusetts" established that all RTAs would "move to a forward funded budgeting system" before 2011.⁴ However, according to Commonwealth statutory basis financial reporting, the RTA Forward Funding Trust Fund created by this law remains inactive and the RTAs continue to charge the Commonwealth and municipalities in arrears. As a result, the enduring funding structure

³ M.G.L Part I Title XXII c. 161B § 10

⁴ Massachusetts St. 2009 c. 25 § 152

of the RTAs is analogous to the MBTA's pre-Forward Funding system of charging a net cost of service to the Commonwealth and municipalities after it is spent.

In 2025, 128 municipalities in the district contributed directly to the MBTA's State and Local Contribution Fund while the other 50 were assessed for an equal or greater amount by their RTA and therefore received a credit for the full amount of their MBTA assessment. The total amount of RTA credits re-assessed to the core communities in 2025 was \$19.7 million.



Source: MBTA Blue Book Open Data Portal

Paratransit Credit

Credits are also issued to municipalities who do not receive paratransit services from the MBTA. The MBTA offers full paratransit service, known as The Ride, to 58 municipalities and partial coverage to an additional 6. This service dates back to 1977 when the MBTA launched a test program to operate two vans in Boston and Brookline offering paratransit service for qualifying passengers.⁵ The service district expanded throughout the inner core and covered 44 municipalities by 1990. In 1990, Congress passed the Americans with Disabilities Act which required all public transportation providers in the country to offer paratransit service to a radius of $\frac{3}{4}$ mile around all fixed-route bus service and rail (commuter rail is exempted).⁶ The MBTA's expansion of The Ride continued, reaching 55 municipalities by 1994 and 62 by 2002. The MBTA's Ride currently serves several municipalities that are beyond the $\frac{3}{4}$ mile marker established by the ADA.

Of the 114 municipalities in the MBTA's service district that do not receive Ride service, most are members of an RTA and receive demand-response and complementary paratransit services from the RTA, even if they do not receive fixed route service. Thus, there are only 4 municipalities that receive a paratransit credit from the MBTA on their annual assessment: Freetown, Millis, Norwell, and Rochester. This credit is equal to 50% of a municipality's expenditures on their paratransit service and in 2025 the 4 credits totaled \$145,692. Norwell began receiving this credit in 2021. Millis will begin receiving service from MWRTA at the end of 2026. The municipalities of Upton, Halifax, and Plympton are not assessed by an RTA, but do not receive a paratransit credit from the MBTA.

⁵ MBTA Annual Report (1977)

⁶ Americans with Disabilities Act of 1990 (ADA) (42 U.S.C. § 12101)

A mutiny by T towns

Angry mayors, charging Gov. Edward Brooke with in effect with spending local property tax without authority, are planning to withhold assessments from the state.

Word of the action has only begun to spread among the 79 cities and towns of the Massachusetts Bay Transportation Authority, but already Chelsea and Chelsea are committed to the move and other communities, including Somerville, Newton, Sherborn and Weston, are interested.

"This would amount to taxation without representation," said Chelsea Mayor Joel Pressman.

In effect, the rebellion by the mayors and selectmen from the MBTA district last year against the increasing transit assessments proved successful with the new legislation.

\$54,688,627.38 illustrates the Authority's net cost of cost for calendar year 1973 and by express and local service.

Towns Quitting MBTA?

The outcome of thirty-five years of system expansion, demographic shifts, and legislative alterations is an assessment formula that is based on inaccurate data, does not include all served communities, and is riddled with complications.

THE BOSTON SUNDAY GLOBE • MAY 23, 1980

Plan seeks equity in T assessments

Disparities in MBTA charges upset suburbs

Local officials cite old formula for inequities, seek reform

By Susan Spens SPECIAL TO THE GLOBE

On a weekday morning, about 900 people climb aboard Boston-bound commuter trains in Sharon. Boston shares it in the Massachusetts Bay Transportation Authority district, the MBTA charges for less than \$400,000 a year for the service.

One town down the line, in Mansfield, more than 1,400 people board the same train. Mansfield is so popular with riders from a number of towns that its parking lot is filled by 8 a.m. and residential streets are clogged by the overflow. But Mansfield, just outside the MBTA district, pays out a penny less for the train service.

THE time is quickly coming when the Legislature is going to demand that the whole structure of how the MBTA is funded be examined.

WILLIAM VERINON, Chairman of the MBTA, Boston Hill

proposed Old Colony train line. He said the state should take over the full cost of MBTA operations not covered by fares.

In Norfolk, an MBTA town whose assessment rose 36 percent this year, Selectman Taffa Driscoll wants a solution that will not penalize the town for

MASSACHUSETTS BAY TRANSPORTATION AUTHORITY ADVISORY BOARD & others vs. MASSACHUSETTS BAY TRANSPORTATION AUTHORITY & others.

382 Mass. 569

November 22, 1980 - February 12, 1981

Suffolk County

Media Sources: The Boston Globe, Boston Public Library Archives

A history of MBTA Assessments

Public ownership of transportation began in Massachusetts in 1948 when the Metropolitan Transit Authority, a public authority created by the state legislature, purchased the Boston Elevated Railway Company following a tumultuous period of

fragmented private control in the early 20th century. Arlington, Belmont, Boston, Brookline, Cambridge, Chelsea, Everett, Malden, Medford, Milton, Revere, Somerville, and Watertown comprised the service district of the new authority and were charged for all budgetary deficits incurred.⁷

As the authority invested in infrastructure upgrades and modernized its service, its capital and operations spending soon became a significant budget line for the responsible municipalities. In 1947, the 14 cities and towns were charged \$711,737 for the MTA's service and by 1963 the cost had risen to more than \$21 million.⁸ Adjusted for inflation, this is the 2026 equivalent of an increase in assessments from \$10 million to around \$229 million in just 16 years.⁹

In 1963, the MTA's Board of Directors opened their annual report by warning of an impending transportation crisis for the overwhelmed authority. Major rail carriers in the state had eliminated short-haul commuter service and the booming automobile industry had driven down demand for public transit, ushering in an era of Boston that would be "throttled by traffic congestion [and] a poor attractor for new industries."¹⁰

1964 - 1969

In 1964, Congress passed the Urban Mass Transportation Act¹¹ which supplied federal assistance for the capital funding of mass transportation. This provided a window of opportunity for the Massachusetts General Court to rescue the state's cash-strapped public authority and floundering network of private transportation providers by empowering a stronger public body to assume responsibility for regional service. Within months, the state legislature replaced the MTA with the Massachusetts Bay Transportation Authority, turning over control of the MTA's physical infrastructure and

⁷ Kane, Brian. (2024) "Always Broke: Governing and funding public transportation in and around Boston 1918 - 2024," *The MBTA Advisory Board*

⁸ Annual report of the Board of Trustees of the Metropolitan Transit Authority (1947) *Boston Public Library*

⁹ U.S. Bureau of Labor Statistics CPI Inflation Calculator

¹⁰ Annual report of the Board of Trustees of the Metropolitan Transit Authority (1963) *Boston Public Library*

¹¹ S.6 - 88th Congress (1963-1964): Urban Mass Transportation Act of 1964." (9 July 1964) Congress.gov, Library of Congress

routes and expanding the authority's power to acquire facilities and coordinate commuter service contracts with private railroads in eastern Massachusetts.¹² With capital costs largely covered by new federal programs, the MBTA's operating costs would be covered by the member communities as they had with the MTA. The Legislature expanded the district of assessed municipalities from 14 to 78, distributing costs across the full region of municipalities that benefited from transportation services. With 64 new municipalities, including Braintree, Framingham, Concord, and Beverly, the MBTA became the country's largest public transit authority, spanning the most independent jurisdictions.

The expanded service district aligned with the Boston Standard Metropolitan Statistical Area which was defined by the Federal Census Bureau as the residential district of Boston and Cambridge commuters.¹³ In an April address to the Commonwealth, Governor Endicott Peabody laid out the state's new transit plan, the decision to expand the region responsible for paying for it, and the oversight powers bestowed upon the authority's public oversight body – the MBTA Advisory Board.

“The advisory board will be expanded to include representation from each of the cities and towns in the expanded district. Those who support the transportation system of Massachusetts will determine how it shall be operated. Each community will have a vote on the advisory board and these votes have been so weighted that no one area of the district can control the destinies of the other areas. This will not be a rubber stamp board. Rather it will be a board with significant and sweeping powers over the budget, the capital improvement program, service changes, fares, the general manager, and all other matters submitted to it by the Board of Directors. So once again let me stress the point that, at the same time we ask new communities to join a planned coordinated transportation system, we give them real power to determine what course the system will take.”¹⁴ - *Massachusetts Governor Endicott Peabody, 1964*

¹² Value, John. “How Will it Operate? MBTA – New Hope for Commuters, Industry” The Boston Globe, Nov. 16 1964, p. 20

¹³ “Text of Peabody's Message on State-Wide Transit Plan” The Boston Globe, April 21, 1964, p. 28

¹⁴Ibid.

The Acts of 1964 established the formula for calculating how municipalities would be charged for the MBTA's deficits.¹⁵ The law defined two types of service provided by the MBTA: express (rapid transit service on controlled rights-of-way and suburban commuter lines) and local (buses, trackless trolleys, and streetcars). Each year, the MBTA calculated the "net assessable costs" for local and express services by subtracting the system's fare and federal revenue from their operations costs. The total local service deficit was allocated to municipalities based partly on their share of the total local service district population and partly on their share of the operating loss from the local routes they hosted. The total deficit for express service was allocated to a municipality based partly on its share of the total commuter population and partly on its station's share of the total boarding counts.¹⁶

The complexity of the formula aimed to address the differing levels of transit service that would be received by the inner 14 cities and the new, outer commuter communities. As the Advisory Board noted, "what had been a long lived organization of 14 cities with reasonably similar transit needs became a recalcitrant association of 79 with dissimilar needs."¹⁷ To encourage support for the expansion of the commuter rail lines into municipalities who would then be responsible for paying greater assessments, assurances were made by Governor Peabody's administration that the express commuter service would mostly pay for its operations through fares so commuter communities would only see small bills from the MBTA.¹⁸

These assurances were short-lived. Within the authority's first 5 years, assessments to communities had more than doubled as the MBTA entered subsidy agreements with the Middlesex and Boston streetcar and bus carrier and purchased the Eastern Massachusetts State Railway Company.¹⁹ Consequently, some municipalities began to question the fairness of their inclusion in the service district. In 1968, a collection of towns that included Medfield, Millis, Hanover and Pembroke filed legislation to withdraw

¹⁵ Massachusetts St. 1964, ch. 563 § 8

¹⁶ *Ibid.*

¹⁷ Korsun, Georges. (1989) "MBTA Assessment Formula: An Evaluation and Recommendations" *The MBTA Advisory Board*

¹⁸ "Transit a Problem for Everyone in State, Peabody Says" *The Boston Globe*, April 22, 1964, p. 5

¹⁹ Dacey, Karen. "Financing MBTA Operating Costs: Alternatives for the Future" *The MBTA Advisory Board* (1989)

from the MBTA's service district, citing rising assessments and lack of direct service.²⁰ Meanwhile, Boston Mayor Kevin White also pursued a legislative change to reduce Boston's share of assessments. He argued that Boston only held a 38% weighted vote on the Advisory Board and therefore their 62.7% share of total assessments was unfair.²¹

While the outer communities' secession attempts were fruitless, Representative Charles Flaherty Jr. from Cambridge successfully passed the first major change to the assessment formula in favor of the MBTA's inner core. This legislation, which went into effect in 1970, broadened the legal definition of "commuter," so that the commuter counts used in the calculation of net assessable costs for local service did not fall exclusively to inner core communities regardless of the destination of the rider. This amendment saved around \$1 million total in the next year's assessments for Boston, Cambridge, Somerville, and Winthrop.²² Many members of the Advisory Board filed bills on Beacon Hill to reverse this decision after it caused an increase in assessments in nearly every other community, however the Cambridge Representative warned that if the assessment formula was reverted, the suburban communities would struggle to find support for the continuation of their commuter rail subsidies from the powerful inner core.²³

The MBTA's subsidy arrangement with Boston & Maine and New Haven for provision of regional commuter rail service was funded by revenue from a statewide cigarette tax. In 1969, the Legislature abdicated this funding responsibility and turned it over to the Advisory Board to decide what they wanted their regional commuter service to look like, instructing them to select which lines to subsidize through assessments.²⁴ The Advisory Board reached an agreement that preserved a majority of the B&M service. However, Boston and its fellow inner core communities were reluctant to pay a heavy share of the subsidy, arguing that their own residents did not benefit from the suburban service.²⁵

²⁰ Juda, Daniel. "Towns Quitting MBTA?" The Boston Globe, November 28, 1968, p. 20

²¹ Ellis, David. "White to Request City Housing Court" The Boston Globe, November 26, 1968, p. 12

²² Carr, Robert. "Transit Cost reform urged" The Boston Globe. March 12, 1970, p. 9

²³ Ibid.

²⁴ Plotkin, A S. "Suburbs' Headache: State Train Subsidies End July 31" The Boston Globe. March 16, 1969, p. 79

²⁵ Ibid.

The Advisory Board initially refused to approve funds to continue the rail, despite unanimously agreeing that the service was necessary, because they felt that the “cost of such service [could not] be carried by the real estate tax of the various cities and towns constituting the MBTA.”²⁶

Throughout the 1960s, The Advisory Board exercised its oversight power frequently, cutting the MBTA’s budget proposals by as much as \$1.9 million in 1965, denying requests for commuter rail subsidy increases, and approving a fare increase of 5 cents in 1968.²⁷²⁸ Spending growth at that time outpaced revenue growth as fares went from covering 70% of the total cost of service in 1961 to 54% by 1968.²⁹

The 1970s

By 1970, deficits had risen substantially and the Advisory Board warned state leaders that the, now \$51 million, annual bill was detrimental to local budgets and was growing at an unsustainable rate that would eventually force significant service cuts at the authority.³⁰ Two different debates raged over the allocation of the funding burden as the service district disagreed amongst itself and, as a collective, with the state legislature. The Boston Globe described an emerging “civil war” within the 79 MBTA communities as assessments had doubled or quadrupled for municipalities despite no notable improvements to their service.³¹ Peabody’s town meeting voted to withdraw from the MBTA service and the MBTA complied, running trains through their station without stopping, while continuing to assess them.³² The next year, six MBTA communities again unsuccessfully petitioned the Legislature’s transportation committee to permit their secession from the service district as they continued to cite the impacts to local budgets and threaten to withhold assessment payments. The North Shore communities

²⁶ Carr, Robert. “Legislature to Air Sargent Rail Plan” The Boston Globe. July 22, 1969, p. 24

²⁷ Hanron, Robert. “MBTA Outlay Cut \$700,000” The Boston Globe, November 17, 1964, p. 6

²⁸ Carr, Robert. “MBTA Fights Over Rail Cash” The Boston Globe, July 24, 1969, p. 18

²⁹ Anglin, Robert. “Cabot Defends MBTA Increases” The Boston Globe, November 19, 1968, p. 17

³⁰ MBTA Sixth Annual Report (1970)

³¹ Carr, Robert. “Transit cost reform urged” The Boston Globe, March 12, 1970, p. 9

³² “Peabody is stuck with its MBTA bill” The Boston Globe, June 13, 1964, p. 3

planned to establish their own regional transit authority “as a means of revolting against constantly increasing MBTA assessments.”³³

The Advisory Board continued to veto supplemental spending budgets put forth by the MBTA and the legislature continued to reject proposals from their communities to abolish the assessment system.³⁴ Without supplemental spending, the MBTA warned that they would be forced to cancel the subsidized commuter and bus service in 17 municipalities, forcing Governor Francis Sargent to enact emergency legislation to override the Advisory Board’s veto.³⁵ Advisory Board leadership publicly asserted that their vetoes were not intended to interfere with the MBTA’s internal operations or to negatively impact the labor force, but instead were intended to send a strong message to Beacon Hill that the state legislature needed to relieve the burden on municipalities. Governor Sargent convened a task force which “chided management for failing to modernize its stock and carry out routine maintenance” and “pointed to union work rules and entrenched politics as contributing factors to the transit mess.”³⁶ The task force recommended the establishment of a state fund which Governor Sargent proposed to assume one-third of the costs, refusing the Advisory Board’s proposal for a 50-50 split and threatening to take away the Advisory Board’s veto power if they did not approve.³⁷

At this time, Governor Sargent unrolled plans, supported strongly by Boston Mayor White and other municipal leaders, to halt highway expansion into the city and direct investment toward transportation development. However, by this point municipalities’ repudiation of assessments had become a serious hindrance for the state’s plans to expand regional transportation. Just the previous year, Quincy leaders had objected to the MBTA’s proposal for rapid transit extensions to South Quincy on the basis of concerns that their assessments would increase.³⁸ Recognizing the imminent policy failure caused by a metropolitan area that vehemently opposed the expansion of its own transportation system, the legislature acted the following year to broadly deliver on the

³³ Donovan, Frank. “Town’s eye own transit in N. Shore” March 14, 1971, p. 33

³⁴ “No takers for MBTA deficit as House rejects it again” The Boston Globe, May 3, 1972, p. 3

³⁵ Carr, Robert “Sargent pledges new MBTA plan” The Boston Globe, June 26, 1972, p. 3

³⁶ Dacey, Karen. “Financing MBTA Operating Costs: Alternatives for the Future” The MBTA Advisory Board (1989)

³⁷ Carr, Robert “Sargent pledges new MBTA plan” The Boston Globe, June 26, 1972, p. 3

³⁸ “MBTA extensions sought south and west” The Boston Globe, April 27, 1973, p. 16

municipalities' goals. The legislature exempted the municipal hosts of all subsequent stations added to the MBTA's commuter network from assessments and fixed Boston's share of the commuter population to be no less than 30% of the total assessed for local service. Additionally, the state legislature agreed to assume not less than \$35 million of the T's deficit, which covered around 50% of assessments in 1973. "In effect, the rebellion by the mayors and selectmen from the MBTA district last year against the increasing transit assessments proved successful," wrote the Boston Globe.³⁹

However, by the end of the decade, little progress had been made to deflate the MBTA's expense growth, and, by 1978, the MBTA was the single largest state assessment on cities and towns, eclipsing other local costs like county operations and school programs.⁴⁰ At the same time, a proposal to significantly limit annual increases in municipal tax collection (now familiarly known as Proposition 2½) was gaining momentum, and the MBTA's assessments were cited as a prime example of the unwieldy, state-imposed fixed costs that municipalities were forced to levy on their residents each year. Chelsea Mayor Joel Pressman articulated his support for the proposition, despite acknowledging it to be a regressive policy, on the basis that it would force necessary conversations about reliance on the property tax for all municipal spending. He described Chelsea as a city of 25,000 people paying 7% of their tax rate to the MBTA in exchange for "deplorable" service. Of the proposition he felt, "It's not equitable, it's not fair, it won't work. But the very fact that all this discussion is going on is healthy, very healthy."⁴¹

The 1980s

Proposition 2½ succeeded, fixing the annual growth of assessments for any public authority or government entity to four percent over the previous year.⁴² This legislation precipitated an immediate power struggle between Governor King and the MBTA's municipalities when, three days after the law passed, the Governor authorized

³⁹ Carr, Robert. "Communities to get \$35m from MBTA" The Boston Globe, December 14, 1973, p.7

⁴⁰ Radin, Charles. "Invitation to end bickering never sent" The Boston Globe, October 26, 1979, p. 12

⁴¹ Robinson, Walter. "Q&A: Pressman on Prop 21/2" The Boston Globe, October 26, 1980, p. 2

⁴² Massachusetts St. 1980, ch. 580 § 20A

additional spending by the MBTA that would exceed municipalities' new revenue raising cap. Several municipalities threatened to withhold their assessments in protest, and the Advisory Board brought the Governor to court, accusing him of illegally allowing the MBTA to spend \$6 million in funds that had not undergone the appropriations process or the Advisory Board's approval. The action amounted to "taxation without representation" according to Mayor Pressman.⁴³ "The state administration and the MBTA Advisory Board were left bearing down on each other like overheated commuter trains on a collision course," wrote the Globe.⁴⁴ On this matter, judges ruled that the Governor had the power only to continue funding the operation of the MBTA until the Legislature could be convened to pass a budget as "the Advisory Board and its constituent cities and towns would be irreparably injured if the MBTA spent funds beyond those authorized."⁴⁵

Chapter 782 of the Acts of 1981 reduced the annual increase in MBTA assessments to no more than 2.5% – where assessment growth is still capped today.⁴⁶ This decrease in growth from 4% to 2.5% reduced the amount that municipalities would have contributed to the MBTA in the following decade by nearly \$50 million.

Proposition 2½ transformed municipal funding and the MBTA's assessments. With property taxes capped, any increase in MBTA assessments to a municipality now directly reduced the funding available for other local services. As a result, while the proportion of MBTA costs covered by assessments decreased, assessments' presence in municipal budgets did not shrink. Additionally, the proposition established a dynamic whereby the state's share of MBTA funding came from the same general fund from which local aid payments were distributed, meaning municipalities were still effectively paying assessments through reductions in local aid.

Consequently, the burden that the MBTA assessments placed on communities' budgets had not been alleviated; it had merely evolved, and in 1983 the Commonwealth began reimbursing MBTA communities that had no direct service. This practice began when the Town of Maynard prevailed in a legal battle to withdraw from the service district and,

⁴³ Turner, Robert. "A mutiny by T towns" The Boston Globe, September 30, 1980, p. 11

⁴⁴ Radin, Charles. "MBTA Crisis: time has come" The Boston Globe, December 16, 1979, p. 43

⁴⁵ Massachusetts Bay Transportation Authority Advisory Board & others vs. Massachusetts Bay Transportation Authority, 382 Mass. 569, (November 22, 1980 - February 12, 1981) Suffolk County

⁴⁶ Massachusetts St. 1981, ch. 782 § 9

as part of the decision, the Legislature was required to reimburse the town for its assessments.⁴⁷ By 1984, 23 other adjacent cities and towns were receiving reimbursements.⁴⁸ Maynard is the only municipality to successfully secede from the district and was only allowed to do so because it had elected to join the district instead of being added by law (in 2000, Maynard was added back to the district by law).

Municipal leaders continued to propose new sources for transportation funding beyond the property tax, spurred in part by Reagan administration cuts to federal public transportation spending that shifted the funding burden back to the state and communities. In 1980, Governor King proposed granting permission to municipalities to levy excise taxes on parking fees to be put toward MBTA assessments, but this proposal was eventually cut.⁴⁹ In 1983, Boston Mayor White proposed a 1% payroll tax on employers in the MBTA service district and in 1984, his successor Mayor Raymond Flynn submitted a proposal to the legislature that requested restructuring of the assessment formula in the face of a \$55 million city deficit.⁵⁰ None were enacted.

By the end of the decade, the state was paying almost \$5 million in "additional assistance" appropriations in local aid for municipal MBTA reimbursements. An MBTA ridership analysis from the time showed that residents of these communities were frequent users of the transit network.⁵¹ The assumption from local leaders with the passage of Proposition 2 1/2 was that local aid would increase to fill the funding gaps left by property tax decreases, however by 1989, budget cuts saw local aid reductions of \$210 million across the Commonwealth. Concurrent wage hikes at the MBTA put the authority \$30 million over budget, but municipalities were reluctant to seek greater state funding for the service. "They view it as a tradeoff for funds available for local aid," Advisory Board Executive Director Larner told the Globe. "For a lot of the board

⁴⁷ Town of Maynard vs. Massachusetts Bay Transportation Authority, Supreme Judicial Court of Massachusetts, Middlesex, (April 12, 1984)

⁴⁸ MBTA, "A Catalyst for Economic Growth: Funding of Public Transportation in Massachusetts" (1990)

⁴⁹ Black, Chris. "King backed parking tax in MBTA bill" The Boston Globe, May 21, 1982, p. 1

⁵⁰ Vennoch, Joan. "Doubting support, Flynn drops plan to seek parking, entertainment taxes" The Boston Globe, May 18, 1985, p. 36

⁵¹ MBTA, "A Catalyst for Economic Growth: Funding of Public Transportation in Massachusetts" (1990)

members it will be very tough to vote for major increases in expense for the T budget when their own cities are facing local aid cuts.”⁵²

The 1990s

By 1990, the piecemeal formula for allocating costs to cities and towns had grown even more out of step with the reality of the service district. Several commuter rail-adjacent towns received no service but were assessed by as much as \$475,000. Meanwhile, 18 towns had commuter rail service but were not assessed because their stations had opened after 1973. An additional 24 towns were slated to gain service in the coming years, which they also would not be assessed for. Employing the metric of commuters per station, the outer communities with the most parking available, and the busiest stations were largely paying for out-of-town riders. In 1990, member communities paid \$124 million, 16% of the MBTA’s budget.⁵³

Earlier legislation to exempt outer communities from assessments in exchange for significant expansion, such as the Newburyport and Old Colony lines, had not completely alleviated concerns about future legislative plans to charge for their service. Burgeoning plans to extend commuter rail in all directions concerned paying communities who would shoulder a greater burden. These concerns were combined with uncertainty each year about how the shifting assessments would impact state aid.⁵⁴ With the rapidly changing network, individual assessments were subject to great variance even within the total growth cap of 2.5%. For example, in Norfolk assessments rose by 36% between 1993 and 1994.⁵⁵

As the century drew to close, discontent with the municipal funding structure was palpable. In 1997, the town of Ashland’s select board voted to research a lawsuit to block the Department of Revenue from deducting assessments from the state’s local aid

⁵² Tabor, Mary, “T board scrambles to fund pay hike” The Boston Globe, August 3, 1989, p. 25

⁵³ “Communities move to readjust MBTA fees” The Boston Globe, February 13, 1994, p. 38

⁵⁴ “\$313.6m due from state for 25 cities, towns” The Boston Globe, August 22, 1993, p. 305

⁵⁵ Speers, Susan. “Disparities in MBTA charges upset suburbs” The Boston Globe, February 13, 1994, p. 19

payments to communities.⁵⁶ Commuter rail-adjacent communities were reimbursed for their assessment by the state a year later, but reimbursements were rolled into local aid, which was cut back so that the effect of the subsidies was minor. “They lost so much state aid, you’d be hard put to keep a straight face and argue they are still getting [reimbursed],”⁵⁷ Advisory Board Executive Director Anne Larner told the Globe.

Governor Bill Weld convened a task force which released a scathing report of the MBTA funding structure. At this time, the Commonwealth provided substantial assistance to the authority; however, Legislators held almost no control over the final amount billed to them after each year. Through their cherry sheet offsets, municipalities were charged for expenses incurred by the MBTA in the prior calendar year. To fund daily operations of the authority, the state borrowed short-term notes to cover expenses and in order to cover any difference between the MBTA’s other revenue sources and its total expenses, meaning that by the time the Legislature saw the number they would be appropriating each year, the MBTA had already spent it. The funding mechanism was, on paper, a complex formula of different sources; however ultimately each source was backed by the same revenue from the Commonwealth’s General Fund. For example, the MBTA’s long-term capital borrowing was funded 90% by the Commonwealth and 10% by the MBTA’s operating budget, which was funded by the state’s short-term borrowing to supplement assessments.⁵⁸ The committee identified that the evolution of the municipal assessments, from the MBTA’s only funding source to a discordant piece of a much larger funding puzzle, had caused the arrear-funding method to cease making sense and they recommended an overhaul to “forward fund” the system instead.

“The new assessment structure will eliminate the complicated and inaccurate formula that caused much dissatisfaction with the current system. It will also be easily understandable. Basing assessments on population appropriately recognizes that all communities within the MBTA service area benefit from the system, with those at the system’s core benefiting the most.” - *“Policy Report: Restructuring the MBTA” from the Executive Offices of Administration & Finance and Transportation & Construction*

⁵⁶ Pfeiffer, Sacha. “Ashland takes aim at MBTA” May 18, 1997, p. 39

⁵⁷ “Local officials: T’s bills unfair” The Boston Globe, February 20, 1994, p. 64

⁵⁸ “Policy Report: Restructuring the MBTA” Executive Office for Administration and Finance for the Special Commission on Forward Funding (1999)

The 2000s

These recommendations outlined the largest financial restructuring of the MBTA since its inception. The subsequent legislative overhaul eliminated the MBTA's reliance on short-term borrowing, replaced the subsidy system with a dedicated revenue stream from the sales tax, simplified the municipal assessment formula to only a measure of weighted population, and aimed to create stronger incentives for budget discipline and self-reliance by shifting all debt, including that from mandated expansion projects related to the Central Artery (Big Dig) project, onto the MBTA's operating budget.⁵⁹

State leaders formally enacted Forward Funding in the Commonwealth's FY2000 budget "to establish said authority as a self-financing entity."⁶⁰ Amidst its reorganization of the MBTA's funding, Forward Funding restructured the way that assessments were collected and allocated. The budget established a MBTA State and Local Assistance Fund that municipalities would contribute to in an amount no less than \$136,026,868 by 2006, after which it would be adjusted each July 1 by the growth rate of the inflation index over the last year, or by 2.5%, whichever was lower. Forward Funding expanded the service district to 175 municipalities and assigned each municipality a weight corresponding vaguely to its position in the service district relative to Boston and the volume of service received. This weight would then be multiplied by the population to determine the municipalities' share of the total assessment.

The assessment formula restructuring brought about by Forward Funding was touted by state leaders for its greater regional equity; however, to achieve this goal there was significant variation in the updates to municipalities' shares. Representative Paul Haley (4th Norfolk), Chair of House Ways and Means, was a major proponent of this redistribution, calling the MBTA an "insatiable, dollar-eating demon" and calling Forward Funding the "centerpiece" of the house budget of 1999.⁶¹ Haley represented Hingham

⁵⁹ "Policy Report: Restructuring the MBTA" Executive Office for Administration and Finance for the Special Commission on Forward Funding (1999)

⁶⁰ Massachusetts St. 1999, ch. 127

⁶¹ Preer, Robert. "Q&A with Rep. Marini on his traffic chief idea" The Boston Globe, September 26, 1999, p. 42

and Weymouth, whose assessments would drop by 36% and 42% by 2006 under Forward Funding. Representative Joseph Sullivan (5th Norfolk), House Chair of Transportation, represented Braintree, which saw a 44% reduction in their assessment by 2006. The state legislature faced push-back from municipalities who argued that they had been brought into the district after 1973 under the assurance that they would not be assessed. Claiming bait and switch, some communities threatened legal action. For municipalities new to the district, their inaugural assessment ranged from around \$30,000 in towns like Groveland and Hamilton to around \$300,000 in cities like Haverhill. Inner core cities saw greater drops in their annual assessments as much as \$700,000 in Lynn and \$800,000 in Revere.⁶²

To ease the transition, the Forward Funding legislation decreased the total amount of municipal contributions by about one percent for the first six years from \$144.5 million to \$136 million in 2006 before it would begin to go up by 2.5% (or the inflation index). Forward Funding also allowed municipalities to deduct their RTA assessment from their MBTA assessments as an additional limit to the total amount of transportation assessments paid by the outer-most communities.⁶³

Included in a 2006 economic stimulus bill, Senator Karen Spilka (Middlesex and Norfolk), then Chair of Ways and Means, amended the Regional Transit Authority language to allow municipalities in the MBTA's service district to create or join a regional transportation authority.⁶⁴⁶⁵ This statutory change allowed funds earmarked for the MBTA to be put towards the expansion of regional transit authorities across the district, and within a few years, a number of authorities expanded their service districts. However, the most immediate transportation need for communities was not additional fixed route service but flexible paratransit coverage. This 2006 switch provided an opportunity for municipalities that were not serviced by the MBTA's Ride paratransit service to pay their assessments instead to an RTA that would provide paratransit and demand-response services. By 2007, GATRA was poised to take over responsibility for paratransit services in Wrentham, Franklin, Bellingham, and Norfolk to supplement the

⁶² "Plan seeks equity in T assessments" The Boston Globe, May 23, 1999, p. 114

⁶³ Ibid.

⁶⁴ Massachusetts St. 2006, ch. 123 § 70

⁶⁵ O'Leary Murray, Alison. "Towns climb aboard transit network" The Boston Globe, May 27, 2007, p. 94

towns' dial-a-ride transportation service, easing the burden on local volunteer dispatchers and eliminating a costly item on municipal budgets.⁶⁶ In Norfolk, transferring senior transportation for medical appointments to GATRA and discontinuing their own van saved the town around \$20,000 annually.⁶⁷ Similarly, in 2006 Bellingham joined GATRA, saving \$50,000 on town provided services.⁶⁸ Bellingham's MBTA assessment decreased from \$100,794 in 2009, to \$24,649 in 2010, when they began paying \$76,651 to GATRA.⁶⁹

The 2010s

Following this final tweak to the assessment structure in 2006, discussion and debate of the matter in the public record quieted significantly. The issue of assessment payments has been raised in municipal discussions to question if municipalities can still be assessed during prolonged outages of service, declines in reliability, or if expansions in the service district warrant re-weighting, however these conversations were limited to municipal forums and rarely escalated to the Commonwealth-wide discussions that the issue once provoked. In 2015, Bourne residents voted to join the MBTA's service district and the municipality first paid assessments to the MBTA in 2017 when they were assessed \$41,707 by the MBTA and \$88,429 by CCRTA.⁷⁰ Bourne is weighted 1. In 2019, Representative Shawn Dooley proposed "An Act ensuring fairness in local MBTA assessments" to reexamine the weight distribution.⁷¹ This petition was accompanied by a study order on which no further action was taken.

⁶⁶ Ibid.

⁶⁷ Ibid.

⁶⁸ Ibid.

⁶⁹ MA Department of Revenue Division of Local Services

⁷⁰ Massachusetts Department of Revenue Division of Local Services

⁷¹ "An Act ensuring fairness in local MBTA assessments." Petition (accompanied by bill, House, No. 3896) of Representative Shawn Dooley and Representative Michael J. Soter, Filed January 17, 2019.

The 2020s

Again in 2021, Rep. Dooley filed an act to establish a commission “reviewing the MBTA’s local tax assessment formula; and investigating changes and growth in the MBTA’s system over time..., to better ensure fairness in taxation and in participation in the authority.”⁷² Following the opening of Phase I of South Coast Rail, Fall River and New Bedford officially joined the MBTA’s service district in 2025. Both municipalities are assessed by SRTA for an amount greater than their MBTA assessment, so they do not pay to the MBTA. In March of 2025, Senator Cindy Freidman proposed “An Act adjusting the MBTA assessment” which would change Arlington’s population weight from a 9 to a 3.⁷³ This petition was accompanied by a study order and subsequently discharged. Finally, in October of 2025 Senator William Driscoll proposed an amendment directing the MBTA, in consultation with the Advisory Board, to investigate, study, and produce recommendations on the assessment structure. This amendment was adopted.

A review of annual assessment amounts and increases

Year	Total Assessment	YOY Growth	Service District Size
1965	\$11,319,910.19	-	78
1966	\$20,320,052.00	79.5%	79
1967	\$24,269,135.00	19.4%	
1968	\$27,789,741.84	14.5%	
1969	\$31,687,342.07	14%	

⁷² “An Act establishing a special commission to improve fairness in local Massachusetts Bay Transportation Authority tax assessments.” Petition of Representative Shawn Dooley for legislation to establish a special commission, Filed January 25, 2021

⁷³ “An Act adjusting the MBTA assessment.” Petition of Senator Cindy Friedman for the adoption of the accompanying bill SB. 2629. Filed March 7, 2025

1970	\$51,644,670.09	62.9%	78
1971	\$62,165,259.33	20.4%	
1972	\$74,583,236.94	19.9%	
1973	\$54,688,627.38	-26.7%	
1974	\$68,914,181.14	26%	
1975	\$73,219,221.70	6.2%	
1976	\$77,436,493.72	5.7%	
1977	\$84,280,566.16	8.8%	
1978	\$80,564,972	-4.4%	
1979	\$91,598,271	13.7%	
1980	\$101,671,394	10.9%	
1981	\$95,016,000	-6.5%	
1982	\$97,391,000	2.5%	
1983	\$99,834,375.00	2.5%	
1984	\$102,329,609.38	2.5%	
1985	\$104,887,224.61	2.5%	
1986	\$107508780.2	2.5%	
1987	\$110,195,874.74	2.5%	
1988	\$112,925,147	2.4%	
1989	\$115,748,275	2.5%	
1990	\$118,641,982	2.5%	
1991	\$121,608,032	2.5%	
1992	\$124,648,231	2.5%	
1993	\$127,764,437	2.5%	
1994	\$130,958,548	2.5%	
1995	\$134,232,512	2.5%	

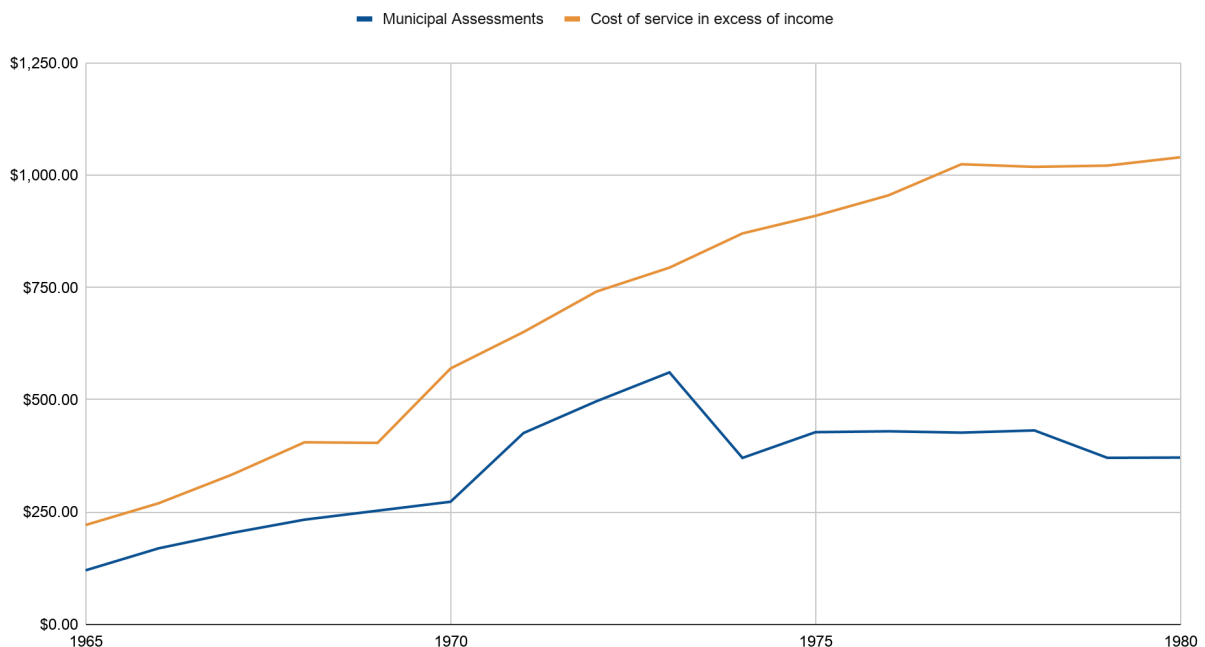
1996	\$137,588,326	2.5%	175
1997	\$141,028,033	2.5%	
1998	\$144,553,734	2.5%	
1999	\$144,553,734		
2000	\$144,553,734		
2001	\$144,553,734		
2002	\$142,872,642	-1.1%	
2003	\$141,142,768	-1.2%	
2004	\$139,437,832	-1.2%	
2005	\$137,732,280	-1.2%	
2006	\$136,026,829	-1.2%	
2007	\$139,427,540	2.5%	
2008	\$142,913,229	2.5%	
2009	\$146,486,060	2.5%	
2010	\$150,148,212	2.5%	
2011	150,429,215	0.18%	176
2012	\$152,100,140	1.1%	
2013	\$155,902,648	2.5%	
2014	\$157,149,865	0.79%	
2015	\$160,135,712	1.9%	
2016	\$162,858,019	1.7%	
2017	\$163,998,025	0.69%	
2018	\$166,408,207	1.5%	
2019	\$170,120,071	2.2%	
2020	\$174,373,073	2.5%	
2021	\$177,860,534	1.9%	

2022	\$179,283,415	0.79%	178
2023	\$183,765,509	2.5%	
2024	\$188,359,637	2.5%	
2025	193,068,633	2.5%	
2026	197,895,348 (<i>budgeted</i>)	2.5%	

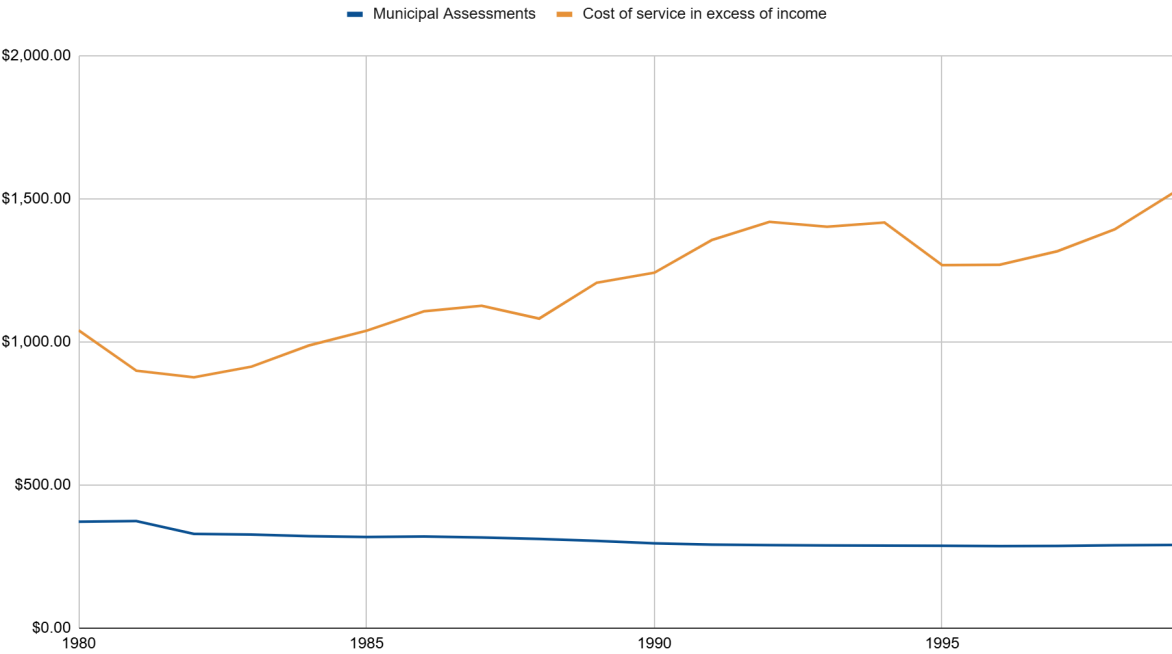
Assessments as a proportion of The MBTA's Operating Budget 1964-2026

In 1965, the first year of the MBTA, municipalities were assessed for \$16.4 million, or 78.6% of the total excess cost of service over operating revenue. In 2026, municipalities will be assessed \$198 million, or 7.3% of the total excess cost of service over operating revenue. The following graphs display the progression of that contribution adjusted to 2026 numbers.

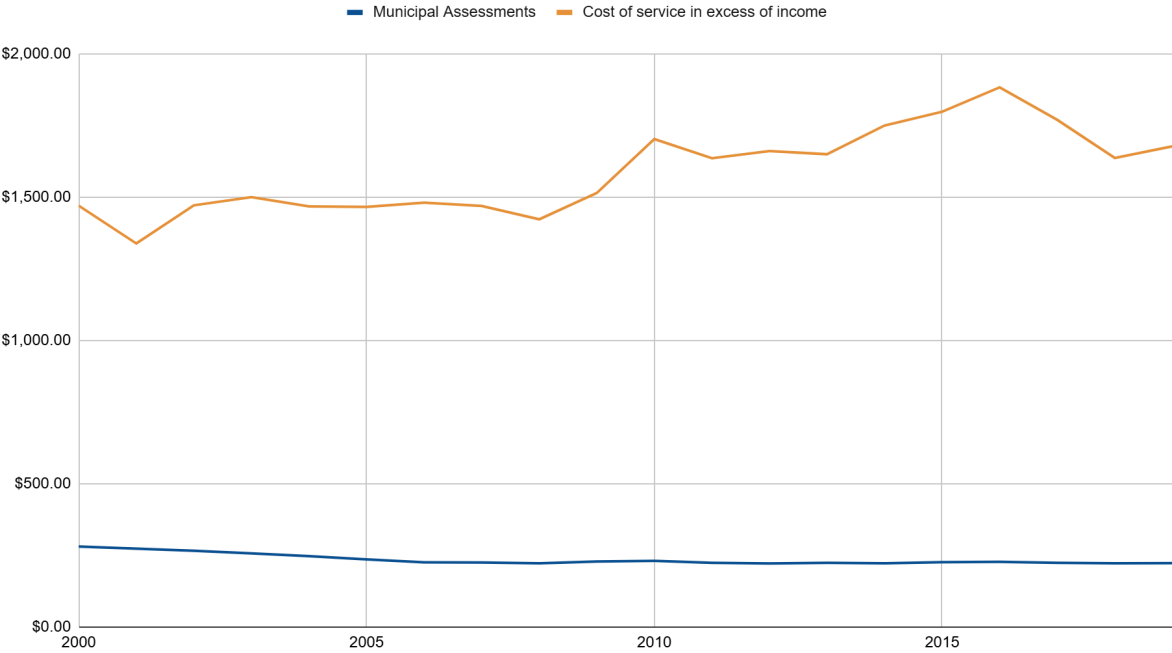
Municipal Assessments Adjusted for 2026 inflation (1964-1980)



Municipal Assessments Adjusted for 2026 inflation (1980-1999)



Municipal Assessments Adjusted for 2026 inflation (2000-2026)



Comparisons to local funding assessments received by peer transit systems

Another aspect of examining the MBTA's assessment structure is looking towards peer organizations around the country and how they assess the municipalities they serve. Of the peer organizations examined, only three receive a direct operating assessment from their service districts: SEPTA in the Philadelphia area, WMATA in DC, and the MTA in New York. All three have different approaches to their assessments, with a number of formulas and factors going into how they bill the cities and towns around them.

SEPTA (Southeastern Pennsylvania Transportation Authority)

SEPTA provides transportation for Philadelphia and the surrounding area through a combination of subway, heavy rail, and bus service. It receives direct local aid funding from the 5 counties it serves, Bucks, Chester, Delaware, Montgomery, and Philadelphia. In FY2027, local aid will make up roughly 8% of SEPTA's revenue. The Pennsylvania Public Transportation Trust Fund, or PTF, is a fund established by the state, funded primarily by 4.4% sales tax revenue, and this is where all public transit funding from the state is housed. In 2007, Act 44 was passed, which, in section 1513, establishes the formula that calculates how much transit agencies receive from the state. The formula, based on the number of passengers, senior citizen passengers, revenue vehicle hours, and revenue vehicle miles, is shown below.

State Allocation Formula	
Allocation Category	Allocation Percent
Number of Passengers	25%
Number of Senior Citizen Passengers	10%
Revenue Vehicle Hours	35%
Revenue Vehicle Miles	30%
Total	100%

In addition to the funding allocated by the state, Section 1513 also mandates that municipalities served by PTTF funded transit agencies are required to collectively match 15% of the states contribution to sed transit agency. For example, if SEPTA receives \$100m from the state, then together, all 5 counties served by SEPTA must fund SEPTA with an additional \$15M.

The way that this allotted funding is distributed to the counties involves two formulas. First is determining the deficit per service. SEPTA offers 4 types of service, City Transit, Victory bus line, Frontier bus line, and Regional Rail. Each service's respective deficit is calculated by “relative deficits before subsidy in each division as adjusted for Route Guarantees and Lease and Debt Service payments.”⁷⁴ In other words, what each service would cost to run that year adjusted to account for extenuating budget items such as debt service, lease payments, and route guarantees. Once the deficit per service is determined, it is distributed among the counties in accordance with the formula below.

Local Operating Subsidy by County				
	<u>City Transit</u>	<u>Victory</u>	<u>Frontier</u>	<u>Regional Rail</u>
Bucks	0.27%	0.00%	37.00%	5.90%
Chester	0.00%	2.00%	17.00%	4.30%
Delaware	0.00%	86.00%	0.00%	8.80%
Montgomery	0.25%	12.00%	46.00%	11.00%
Philadelphia	99.48%	0.00%	0.00%	70.00%
Total	100.00%	100.00%	100.00%	100.00%

⁷⁴ 2026 Subsidy Details

MTA (Metropolitan Transportation Authority)

The Metropolitan Transportation Authority, or MTA, serves the area around New York City, with service also extending into Connecticut and New Jersey. The MTA receives local operating assistance from the New York Counties it serves, with funding being determined by the STOA Payment Matching Program. The State Operating Assistance program, or STOA, comes from NYSDOT and allocates state funding to transit agencies throughout the state at a rate of \$.68 per passenger and \$1.15 per vehicle mile, both upstate and downstate. Any municipality that receives service from a transit agency funded by the STOA must give a matching payment to that organization: “Each county, municipality or Indian tribe served by a public transportation system which receives a service payment shall make a quarterly matching payment to the public transportation system at least equal to that portion of the section 18-b service payment received from the local assistance account of the general fund.”⁷⁵

The MTA provides service in Connecticut and New Jersey as well, however the lines that run in New Jersey and Connecticut are co-operated by NJTransit and CTDOT respectively, both of whom contribute to the maintenance and operation of their share, and neither of whom have a local assessment program.

WMATA (Washington Metropolitan Area Transit Authority)

The Washington Metropolitan Area Transit Authority, or WMATA, adopted a new subsidy allocation formula in 2025 to improve service, align more with service provided, and create financial incentives for ridership and revenue growth. WMATA relies heavily on local assessments as a funding source, with nearly 40% of their total FY26 budget coming from these subsidies. Local Metrorail and Metrobus subsidies, paid by the counties and cities with WMATA service, are assessed individually and each calculated with their own formulas.

⁷⁵ STOA Program Rules and Regulations

WMATA uses fare caps and fare tapers across their Metrorail service to provide more affordable transportation to DC residents. Fare caps refer to the maximum fare program used by WMATA. For any standard Metrorail trip, the price will start at \$2.25, then, increasing with each mile traveled by \$0.45 to a maximum fare of \$6.75. Fare tapers will reduce the cost of a trip depending on distance traveled and time spent traveling, although WMATA does not provide specific numbers for how these fare tapers are applied.

Metrorail Subsidy Calculations

The Metrorail subsidy that each city and county owes is calculated by and composed of two equally weighted and separately calculated components: the Maximum Fare Subsidy (MFS), and the Metrorail Base Operating Subsidy (MBOS). The first step WMATA takes in finding both of these numbers is to calculate what the total fare revenue would be if there were no fare caps or fare tapers. This number essentially functions as the total of what the WMATA is owed by the municipalities it operates in. That number is then split in half, with 50% being allocated by the MFS and 50% being allocated by MBOS.

Maximum Fare Subsidy

MFS is calculated using “Share of total surveyed rail fare taper and maximum rail fare trips by rider home jurisdiction multiplied by total possible rail fares without the taper or maximum fares in place.”⁷⁶ Basically, the 50% allocated to the MFS is allocated to the jurisdictions by calculating their share of the maximum fare and tapered ridership, then they are charged accordingly. The data necessary to make this calculation comes from the Metrorail rider survey, conducted every 5 years.

Metrorail Base Operating Subsidy Calculation

MBOS allocation is calculated using 3 equally weighted factors: Ridership, Density-weighted population, and Stations. See formula below.

⁷⁶ Revised Subsidy Allocation Report

Weight	Variable	Calculation	Benefit Proxy
33%	Ridership	Jurisdiction average weekly Metrorail ridership divided by Compact area total average weekly Metrorail ridership ^[2]	Users
33%	Density-weighted population	Average of: - Jurisdiction Census Urbanized Area Population divided by Compact Census Urbanized Area Population, and - Jurisdiction Census Urbanized Area Population multiplied by Jurisdiction Census Urbanized Area Population Density.	Non-users
33%	Stations	Jurisdiction number of Metrorail stations divided by Compact area total Metrorail stations ^[3]	Development

So using the 50% of the total subsidy, each jurisdiction's share of the MBOS is calculated using their ridership, population accounting for density, and the amount of stations within their county or city.

Metrobus Subsidy Calculations

Metrobus defines two different types of service: regional and non-regional. As a result, there are two separate subsidies and subsidy allocations. Regional service makes up 83% of provided service, with the remaining 17% being Non-regional. Service is determined to be regional if it benefits multiple jurisdictions, and this is defined as meeting one of two sets of criteria. The first set is operating interjurisdictionally. This is defined as service that crosses jurisdictional boundaries, travels at least ½ mile in at least two jurisdictions, and operates open doors in a portion of the route across 2 or more jurisdictions. If those categories do not apply to a route, it can still be considered regional if it meets 2 out of 3 of the following: Serving one or more regional activity centers, “Traveling considerable distance and serving a majority of riders on arterial streets,”⁷⁷ and having annual boardings per platform hour greater than 30 to

⁷⁷ Revised Subsidy Allocation Report

demonstrate cost effectiveness. Any Metrobus service that doesn't qualify through either set of criteria is then considered Non-regional.

Regional Metrobus Subsidy

The total regional Metrobus subsidy is calculated by subtracting regional bus revenue from the regional share of the service budget combined with overhead costs. Then, each jurisdiction's share of the total subsidy is determined using four variables: Ridership, density-weighted population, revenue hours, and revenue miles. They are weighed and calculated according to the formula shown below.

Weight	Variable	Calculation	Benefit Proxy
15%	Ridership	Jurisdiction average weekly Metrobus ridership divided by Compact area total average weekly Metrobus ridership ^[7]	Users
25%	Density-weighted population	Average of: - Jurisdiction Census Urbanized Area Population divided by Compact Census Urbanized Area Population, and - Jurisdiction Census Urbanized Area Population multiplied by Jurisdiction Census Urbanized Area Population Density.	Non-users
25%	Revenue Hours	Jurisdiction Regional route revenue hours divided by total Regional route revenue hours	Service (time)
35%	Revenue Miles	Jurisdiction Regional route revenue miles divided by total Regional route revenue hours	Service (distance)

Non-Regional Metrobus Subsidy

Non-regional service subsidies are calculated by first finding the Non-regional operating cost hourly rate. This is calculated by dividing the Non-regional share of the Metrobus service budget by the total Non-regional platform hours. Then, once the hourly rate is determined, the non-regional subsidy is calculated by multiplying the Non-regional operating cost hourly rate by platform hours by route, then subtracting the fare revenue for each route.

Transit Authorities Without Direct Subsidy Formulas

Among the transit organizations examined with no direct assessment structure are MARTA in Atlanta, Twin Cities Metro Transit, the Chicago RTA, BART in Northern California, LA Metro, King County Metro surrounding Seattle, TriMet in Portland, DART in Dallas, RTD Denver, Translink in Vancouver, and the TTC in Toronto.

Municipal Oversight

There does not seem to be any correlation between the amount of municipal oversight in these organizations and the amount of money that municipalities are contributing. WMATA, for example, which gets nearly 40% of its entire budget, operating and capital, from local assessments, and has the newest assessment formula, being revised in 2025, has only its board of directors as municipal oversight. The board is composed of 8 members, 2 from DC, 2 from the Federal Government, 2 from Maryland, and 2 from Virginia. This is less representation than SEPTA, whose assessments come out to roughly 8% of their total revenue, but who have a 15 member board composed of representatives from the counties that receive SEPTA service, the City of Philadelphia, the state legislature, and 1 governor appointee. Both of these organizations, however, have less representative boards than the Chicago RTA, which receives zero assessments. The RTA is a newly formed organization that funds, oversees, and coordinates the transit agencies in the Chicago region, including the CTA, METRA, and PACE. Their board consists of 16 members, appointed by the city of Chicago, Cook County, and the 5 surrounding suburban counties.

Considerations

To conclude the review, the following considerations of the effects of the current assessment formula are made as put forth by Mass. Acts, c. 73, § 187. This analysis is intended to consolidate the lessons learned from the historical, analytical, and

comparative analysis conducted on the assessment formula in each part of this report and provide a starting point for further evaluation and dialogue. The considerations discussed are observations made by the staff of the Advisory Board and do not reflect the positions of the municipal membership of the Board.

i. Considering relative service frequency

The current assigned weights 18, 12, 9, 3, and 1 reflect an estimation of the MBTA's relative service frequency across the district at the time of Forward Funding. The service experienced by municipalities has changed since 2000 and, with projects such as the Better Bus Project and Regional Rail underway, it will continue to evolve to the transportation needs of the district. However, the fixed weights do not reflect this evolution. The current formula allows for an automatic calculation of the assessment with no data input required beyond an updated population count. This is an improvement upon previous iterations which required the additional administrative burdens of regularly gathering and calculating data such as number of boardings per station. But, past iterations of this formula have also used a fixed multiplier that slowly grew out of step with the actual service. Until use of the variable was eliminated in 2000, boarding counts at each commuter station were calculated so infrequently that they were effectively a fixed input, meaning municipalities were charged based on a formula that did not reflect shifts in ridership patterns.⁷⁸ A similar occurrence has happened to New York's MTA assessment formula where counties pay the MTA directly for passengers and vehicle miles in their municipality, however the total amount received by the MTA and the amount paid by the counties hasn't been adjusted since 2005, despite shifting service and ridership rates.

As the formula has evolved, municipalities have advocated for the central core of the MBTA's service to account for a much greater share of the total assessment, which the RTA allocation helps to achieve. However, the manner in which RTA credits are administered creates a process where inner communities pay for the MBTA service received by the outer communities based on the budgets of independent transportation

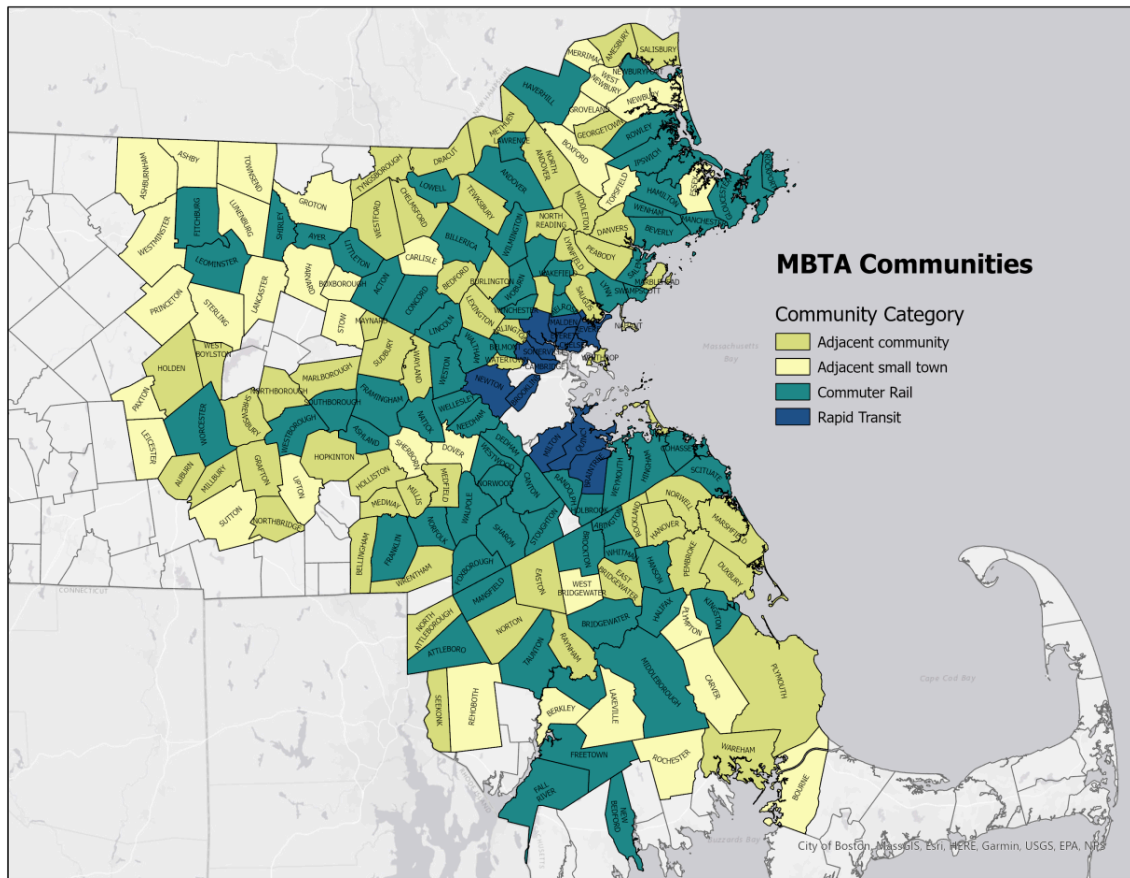
⁷⁸ Korsun, Georges. (1989) "MBTA Assessment Formula: An Evaluation and Recommendations" The MBTA Advisory Board

authorities. The formula currently reallocates around \$10 million to Boston annually from RTA credits.

This feature further distorts the intended goal of charging each municipality based on their relative service frequency. However, since the MBTA and RTAs do not assess municipalities using the same method, it would be difficult to integrate the assessment calculations. Thus, without unnecessarily complicating the calculation of the formula, a more detailed weight system might be conceived to represent the service more accurately, while preserving the necessary funding for the MBTA and RTAs.

Notably, in the 2022 MBTA Communities law (Section 3A of the Zoning Act), Forward Funding is referenced for the zoning law's categorization of municipalities. However, the following changes are made to the Forward Funding definition of a Rapid Transit (weighted 9) community in MBTA Communities: inclusion of Braintree and Quincy and exclusion of Arlington, Watertown and Belmont.⁷⁹ This demonstrates a revision to the Commonwealth's own categorization of the MBTA's regional service districts.

⁷⁹ Executive Office of Housing and Liveable Communities, 760 CMR 72 Section 2



Source: Mass.gov

ii. Considering ridership

The original 1964 formula for municipal assessments incorporated ridership into the calculation by using census data on commuters and boarding counts per station. A common concern with this variable is that perverse incentives are introduced by charging a municipality more for greater usage of the service. On the other hand, the 'Forward Funding' system of charging based on total municipal population, or total potential for ridership, prices public transportation as a public benefit to the entire community regardless of usage, rather than as an individual benefit received by each rider. However, the MBTA's three peer agencies that receive funding from assessments all consider ridership in their formulas. In the task force and commission reports that analyzed the 1964 formula prior to Forward Funding, the following observations were made about the use of ridership as a metric for charging assessments.

- “The premise that ridership measures lead to disincentives may deserve examination. When a community encourages an additional resident to board a train, its assessment rises by some insignificant amount. This amount plus the fare is the marginal cost of that additional ride, but the amount of subsidy from outside the community for that ride far outweighs these costs. Hence the sum of a community's welfare will rise as ridership rises as long as subsidies exceed fares and assessments in spite of the growth in the latter.”⁸⁰
- “Communities' ridership does not seem to correlate to their assessment amounts. While it is true the MBTA provides significant benefits to non-riders, ridership not only indicates usage but also the availability of access to the MBTA. Such access benefits non-riders by providing less congested roads, raising property values for homeowners, and facilitating economic development.”⁸¹

iii. Considering economic benefits

A Better City calculated in 2018 that through travel time and cost savings, crashes avoided, and reduced emissions, the MBTA provided an estimated \$11.4 billion in value to Greater Boston each year.⁸² In the MBTA's service district, the opportunity to shift over 250 million transportation trips annually to public transportation alleviates the congestion, safety, and environmental concerns that would otherwise impact the service district and the entire Commonwealth. These economic benefits are the rationale behind regional transportation funding mechanisms across the country. The benefits do not apply evenly to every taxpayer in the state; therefore the costs are not applied evenly to every taxpayer.

It is notable that MGL 161A does not provide explicit definition for membership of the service district, allowing for some discrepancies. For example, 161A does not define that commuter rail-adjacent communities are automatically members of the district, however state regulatory language for MBTA Communities categorizes such

⁸⁰ Korsun, Georges. (1989) “MBTA Assessment Formula: An Evaluation and Recommendations” *The MBTA Advisory Board*

⁸¹ “Policy Report: Restructuring the MBTA” Executive Office for Administration and Finance for the Special Commission on Forward Funding (1999)

⁸² “The Transportation Dividend: Transit Investments and the Massachusetts Economy” *A Better City*, 2018

municipalities as “adjacent communities.”⁸³ Currently, municipalities such as Acushnet, Avon, Dartmouth, Dighton, Plainville, and Westport are adjacent to commuter rail, bus, or paratransit service and are not considered a part of the service district. This has likely occurred due to scrivener's error in the original legislation and due to subsequent expansion of the system.

iv. Considering the fiscal capacity of the contributing cities and towns.

MBTA assessments make up a small fraction of municipal payments; however, municipalities face increasingly strained budgets as inflated costs continue to outpace strict constraints on spending. The charges levied each year constitute, on average, about 1% of total expenses to municipalities and a deduction from cherry sheet local aid of around 3-15% of estimated receipts. For example, Revere paid .4% of their 2026 budgeted expenses to the MBTA, Brookline paid .9%, Arlington paid 1.5% and Medford paid 1.7%.

Transportation assessments are the largest assessment on most municipal cherry sheets, surpassed only by tuition or county assessments in a few cities. While the total value of MBTA assessments is constrained by Proposition 2½, there are fluctuations in the amounts reallocated among paying communities. Thus, even without population growth, municipalities see year-to-year shifts in their MBTA assessments ranging from -1% to 6%.

The tax base for payment of assessments is primarily property taxes, creating a system where municipalities with greater property values have comparably greater fiscal capacity to pay assessments. It is important that the outcome of the assessment formula, with any future revisions, does not unduly place the burden for transportation costs on communities with a comparably smaller capacity to contribute. However, an analysis of each municipality's assessment as a percentage of their total expenditures indicates that the application of weights and RTA credits result in the shift of a greater share towards the communities with a greater share of the property value.

⁸³ Executive Office of Housing and Liveable Communities, 760 CMR 72 Section 2

Other municipal assessments and formulas for distributing state aid, including assessment for MTA debt payments (which concluded in 2025), are calculated using the Equalized Valuation assessment of a municipality, or the determination of the “full and fair” cash value of all property in that municipality that is subject to property tax. The value is cited as a consistent measure of a community’s wealth that allows both aid and costs to be administered in a way that addresses disparities in local resources and considers the relative fiscal capacity.⁸⁴ This variable has likely been employed in similar state formulas because the positive relationship between a municipality’s property values and their access to transportation has a strong correlation to both the benefits received by a municipality from the transportation service and ability to pay for it.

The MBTA is required by MGL ch. 161a § 9 to notify the Commonwealth’s Treasurer of the amount to be assessed to the communities through its annual Statement of Facts. The Statement of Facts is formally approved and certified by the MBTA Board of Directors, to which the Advisory Board appoints one member. The Advisory Board is the appropriate audience for any future policy discussions on assessments as it is the representative body of the leadership of the assessed municipalities.

Appendix

MBTA Service District

Municipality	Joined the District	Weight	RTA
Boston	1964	18	
Brookline	1964	12	
Cambridge	1964	12	
Arlington	1964	9	
Belmont	1964	9	
Chelsea	1964	9	

⁸⁴ “Massachusetts (EQV) Biennially determining an equalized valuation for each city and town in the Commonwealth.” *Bureau of Local Assessment*, May 6, 2025

Everett	1964	9	
Malden	1964	9	
Medford	1964	9	
Milton	1964	9	
Newton	1964	9	
Revere	1964	9	
Somerville	1964	9	
Watertown	1964	9	
Bedford	1964	3	
Beverly	1964	3	
Braintree	1964	3	
Burlington	1964	3	
Canton	1964	3	
Cohasset	1964	3	
Concord	1964	3	
Danvers	1964	3	
Dedham	1964	3	
Dover	1964	3	MWRTA
Framingham	1964	3	MWRTA
Hamilton	1964	3	CATA
Hingham	1964	3	
Holbrook	1964	3	
Hull	1964	3	
Lexington	1964	3	
Lincoln	1964	3	
Lynn	1964	3	
Lynnfield	1964	3	
Manchester-by-the-Sea	1964	3	CATA
Marblehead	1964	3	
Medfield	1964	3	
Melrose	1964	3	
Middleton	1964	3	
Nahant	1964	3	
Natick	1964	3	MWRTA
Needham	1964	3	
Norfolk	1964	3	GATRA

Norwood	1964	3	
Peabody	1964	3	
Quincy	1964	3	
Randolph	1964	3	
Reading	1964	3	
Salem	1964	3	
Saugus	1964	3	
Sharon	1964	3	
Stoneham	1964	3	
Swampscott	1964	3	
Topsfield	1964	3	
Wakefield	1964	3	
Walpole	1964	3	
Waltham	1964	3	
Wellesley	1964	3	MWRTA
Wenham	1964	3	
Weston	1964	3	MWRTA
Westwood	1964	3	
Weymouth	1964	3	
Wilmington	1964	3	
Winchester	1964	3	
Winthrop	1964	3	
Woburn	1964	3	
Abington	2000	1	BAT
Acton	2000	1	LRTA, CAT
Amesbury	2000	1	MeVa
Andover	2000	1	MeVa, LRTA
Ashburnham	2000	1	MART
Ashby	2000	1	MART
Ashland	1964	1	MWRTA
Attleboro	2000	1	GATRA
Auburn	2000	1	WRTA
Ayer	2000	1	MART
Bellingham	2000	1	GATRA
Berkley	2000	1	GATRA
Billerica	2000	1	LRTA

Bourne	2015	1	CCRTA
Boxborough	2000	1	MART
Boxford	2000	1	MeVa
Bridgewater	2000	1	BAT
Brockton	2000	1	BAT
Carlisle	2000	1	LRTA
Carver	2000	1	GATRA
Chelmsford	2000	1	LRTA
Dracut	2000	1	LRTA
Duxbury	1964	1	GATRA
East Bridgewater	2000	1	BAT
Easton	2000	1	BAT
Essex	2000	1	CATA
Fall River	2025	1	SRTA
Fitchburg	2000	1	MART
Foxborough	2000	1	GATRA
Franklin	2000	1	GATRA
Freetown	2000	1	SRTA
Georgetown	2000	1	MeVa
Gloucester	2000	1	CATA
Grafton	2000	1	WRTA
Groton	2000	1	LRTA
Groveland	2000	1	MeVa
Halifax	2000	1	GATRA
Hanover	1964	1	GATRA
Hanson	2000	1	BAT
Harvard	2000	1	MART
Haverhill	2000	1	MeVa
Holden	2000	1	WRTA
Holliston	2000	1	MWRTA
Hopkinton	2000	1	MWRTA
Ipswich	2000	1	CATA
Kingston	2000	1	GATRA
Lakeville	2000	1	GATRA
Lancaster	2000	1	MART
Lawrence	2000	1	MeVa

Leicester	2000	1	WRTA
Leominster	2000	1	MART
Littleton	2000	1	LRTA, MART
Lowell	2000	1	LRTA
Lunenburg	2000	1	MART
Mansfield	2000	1	GATRA
Marlborough	2000	1	MWRTA
Marshfield	1964	1	GATRA
Maynard	1965, 2000	1	LRTA
Medway	2000	1	GATRA
Merrimac	2000	1	MeVa
Methuen	2000	1	MeVa
Middleborough	2000	1	GATRA
Millbury	2000	1	WRTA
Millis	1964	1	MWRTA
New Bedford	2025	1	SRTA
Newbury	2000	1	MeVa
Newburyport	2000	1	MeVa
North Andover	2000	1	MeVa
North Attleborough	2000	1	GATRA
North Reading	1964	1	MeVa
Northborough	2000	1	WRTA
Northbridge	2000	1	WRTA
Norton	2000	1	GATRA
Norwell	1964	1	
Paxton	2000	1	WRTA
Pembroke	1964	1	GATRA
Plymouth	2000	1	GATRA
Plympton	2000	1	GATRA
Princeton	2000	1	WRTA
Raynham	2000	1	GATRA
Rehoboth	2000	1	GATRA
Rochester	2000	1	
Rockland	1964	1	BAT
Rockport	2000	1	CATA
Rowley	2000	1	MeVa

Salisbury	2000	1	MeVa
Scituate	1964	1	GATRA
Seekonk	2000	1	GATRA
Sherborn	1964	1	MWRTA
Shirley	2000	1	MART
Shrewsbury	2000	1	WRTA
Southborough	2000	1	MWRTA
Sterling	2000	1	MART
Stoughton	2000	1	BAT
Stow	2000	1	MART
Sudbury	1964	1	MWRTA
Sutton	2000	1	WRTA
Taunton	2000	1	GATRA
Tewksbury	2000	1	LRTA
Townsend	2000	1	MART, LRTA
Tyngsborough	2000	1	LRTA
Upton	2000	1	
Wareham	2000	1	GATRA
Wayland	1964	1	MWRTA
West Boylston	2000	1	WRTA
West Bridgewater	2000	1	BAT
West Newbury	2000	1	MeVa
Westborough	2000	1	WRTA
Westford	2000	1	LRTA
Westminster	2000	1	MART
Whitman	2000	1	BAT
Worcester	2000	1	WRTA
Wrentham	2000	1	GATRA

The City of Boston's MBTA Assessment Growth 2006-2026

Year	MBTA Assessment	Growth	Differential
2006	\$65,185,386.00		
2007	\$66,210,888.00	1.57%	\$1,025,502.00
2008	\$67,531,540.00	1.99%	\$1,320,652.00
2009	\$71,436,756.00	5.7%	\$3,905,216.00

2010	\$74,728,852.00	4.6%	\$3,292,096.00
2011	\$74,523,457.00	-0.2%	-\$205,395.00
2012	\$77,760,210.00	4.3%	\$3,236,753.00
2013	\$78,301,126.00	0.69%	\$540,916.00
2014	\$79,150,549.00	1.08%	\$849,423.00
2015	\$81,269,504.00	2.67%	\$2,118,955.00
2016	\$82,998,018.00	2.12%	\$1,728,514.00
2017	\$83,822,948.00	0.99%	\$824,930.00
2018	\$85,805,225.00	2.36%	\$1,982,277.00
2019	\$88,209,579.00	2.80%	\$2,404,354.00
2020	\$90,665,329.00	2.78%	\$2,455,750.00
2021	\$93,345,107.00	2.95%	\$2,679,778.00
2022	\$94,117,010.00	0.82%	\$771,903.00
2023	\$93,613,189.00	-0.53%	-\$503,821.00
2024	\$95,283,193.00	1.78%	\$1,670,004.00
2025	\$97,229,014.00	2.04%	\$1,945,821.00
2026	\$100,351,540.00	3.21%	\$3,122,526.00

2025 Calculation of Municipal MBTA Assessments

Muni	Weighted Pop.	District Share	Prelim Assessment	RTA Credit	Re-assess	Paratr. Credit	Re- assess	Final
Arlington	409,698	1.58%	3,052,972	-	347,877		2,566	3,403,415
Belmont	240,390	0.93%	1,791,329	-	204,117		1,506	1,996,951
Boston	11,712,708	45.21%	87,280,298	-	9,945,344		73,373	97,299,014
Brookline	750,420	2.90%	5,591,950	-	637,187		4,701	6,233,838
Cambridge	1,421,856	5.49%	10,595,331	-	1,207,308		8,906	11,811,545
Chelsea	347,733	1.34%	2,591,223	-	295,263		2,178	2,888,664
Everett	444,150	1.71%	3,309,700	-	377,131		2,782	3,689,613
Malden	582,408	2.25%	4,339,965	-	494,527		3,648	4,838,140
Medford	588,591	2.27%	4,386,039	-	499,777		3,687	4,889,503
Milton	255,276	0.99%	1,902,256	-	216,757		1,599	2,120,611
Newton	786,429	3.04%	5,860,281	-	667,762		4,926	6,532,969
Revere	526,752	2.03%	3,925,230	-	447,269		3,300	4,375,798
Somerville	717,858	2.77%	5,349,306	-	609,538		4,497	5,963,341
Watertown	315,198	1.22%	2,348,780	-	267,637		1,974	2,618,391
Bedford	42,483	0.16%	316,573	-	36,073		266	352,912

Beverly	126,705	0.49%	944,175	-	107,586	794	1,052,555
Braintree	115,701	0.45%	862,176	-	98,243	725	961,143
Burlington	77,898	0.30%	580,477	-	66,144	488	647,109
Canton	73,827	0.28%	550,141	-	62,687	462	613,291
Cohasset	25,038	0.10%	186,577	-	21,260	157	207,994
Concord	53,862	0.21%	401,367	-	45,735	337	447,439
Danvers	83,343	0.32%	621,052	-	70,767	522	692,341
Dedham	74,991	0.29%	558,815	-	63,675	470	622,960
Dover	17,580	0.07%	131,002	(6,200)	14,927	105	139,835
Framingham	212,889	0.82%	1,586,398	(1,512,801)	180,766	192	254,554
Hamilton	22,578	0.09%	168,246	(155,158)	19,171	24	32,283
Hingham	72,390	0.28%	539,433	-	61,467	453	601,353
Holbrook	33,855	0.13%	252,279	-	28,747	212	281,238
Hull	30,426	0.12%	226,727	-	25,835	191	252,753
Lexington	102,222	0.39%	761,734	-	86,797	640	849,172
Lincoln	20,565	0.08%	153,245	-	17,462	129	170,836
Lynn	302,673	1.17%	2,255,447	-	257,002	1,896	2,514,345
Lynnfield	38,853	0.15%	289,523	-	32,990	243	322,757
Manchester-by-the-Sea	16,062	0.06%	119,690	-	13,638	101	133,429
Marblehead	60,699	0.23%	452,314	-	51,540	380	504,235
Medfield	39,216	0.15%	292,228	-	33,299	246	325,772
Melrose	87,465	0.34%	651,768	-	74,267	548	726,583
Middleton	29,511	0.11%	219,909	-	25,058	185	245,152
Nahant	9,867	0.04%	73,527	-	8,378	62	81,966
Natick	108,816	0.42%	810,871	(630,414)	92,396	206	273,059
Needham	96,342	0.37%	717,918	-	81,805	603	800,326
Norfolk	34,656	0.13%	258,248	(130,258)	29,427	119	157,536
Norwood	93,951	0.36%	700,100	-	79,774	589	780,463
Peabody	161,688	0.62%	1,204,860	-	137,290	1,013	1,343,164
Quincy	305,181	1.18%	2,274,136	-	259,131	1,912	2,535,179
Randolph	103,590	0.40%	771,928	-	87,959	649	860,536
Reading	75,615	0.29%	563,465	-	64,205	474	628,144
Salem	134,166	0.52%	999,773	-	113,921	840	1,114,535
Saugus	85,641	0.33%	638,176	-	72,718	536	711,431
Sharon	55,224	0.21%	411,516	-	46,891	346	458,753
Stoneham	68,115	0.26%	507,577	-	57,837	427	565,840
Swampscott	45,840	0.18%	341,589	-	38,923	287	380,799
Topsfield	19,512	0.08%	145,399	-	16,568	122	162,089
Wakefield	81,207	0.31%	605,135	-	68,953	509	674,597
Walpole	78,831	0.30%	587,430	-	66,936	494	654,860
Waltham	192,195	0.74%	1,432,191	-	163,194	1,204	1,596,589
Wellesley	91,572	0.35%	682,373	(436,836)	77,754	244	323,535

Wenham	14,778	0.06%	110,122	- 12,548	93	122,763
Weston	34,983	0.14%	260,685	- 29,704	219	290,608
Westwood	48,693	0.19%	362,849	- 41,346	305	404,499
Weymouth	172,230	0.66%	1,283,417	- 146,242	1,079	1,430,737
Wilmington	68,712	0.27%	512,025	- 58,344	430	570,800
Winchester	67,920	0.26%	506,124	- 57,671	425	564,220
Winthrop	55,530	0.21%	413,796	- 47,151	348	461,295
Woburn	123,744	0.48%	922,111	- 105,072	775	1,027,958
Abington	16,965	0.07%	126,419	(31,565)	72	94,925.70
Acton	23,829	0.09%	177,568	(237,141)	-	-
Amesbury	17,179	0.07%	128,014	(213,353)	-	-
Andover	36,363	0.14%	270,968	(270,646)	0	322.61
Ashburnham	6,372	0.02%	47,483	(12,918)	26	34,590.70
Ashby	3,163	0.01%	23,570	(8,165)	12	15,416.54
Ashland	18,466	0.07%	137,604	(158,703)	-	-
Attleboro	46,601	0.18%	347,260	(461,800)	-	-
Auburn	16,762	0.06%	124,906	(284,160)	-	-
Ayer	8,424	0.03%	62,774	(38,689)	18	24,102.81
Bellingham	17,407	0.07%	129,713	(167,054)	-	-
Berkley	6,797	0.03%	50,650	(40,194)	8	10,463.51
Billerica	41,319	0.16%	307,899	(348,479)	-	-
Bourne	20,667	0.08%	154,006	(150,820)	2	3,187.94
Boxborough	5,412	0.02%	40,329	(10,575)	22	29,776.38
Boxford	8,112	0.03%	60,449	(58,838)	1	1,611.91
Bridgewater	28,780	0.11%	214,462	(60,224)	116	154,354.07
Brockton	104,826	0.40%	781,138	(2,827,924)	-	-
Carlisle	5,157	0.02%	38,429	(52,119)	-	-
Carver	11,626	0.04%	86,634	(64,363)	17	22,287.97
Chelmsford	35,906	0.14%	267,563	(286,723)	-	-
Dracut	32,060	0.12%	238,903	(239,482)	-	-
Duxbury	16,107	0.06%	120,026	(131,568)	-	-
East Bridgewater	14,338	0.06%	106,843	(49,915)	43	56,971.31
Easton	25,240	0.10%	188,082	(12,308)	133	175,907.08
Essex	3,668	0.01%	27,333	(26,542)	1	792.07
Fall River	93,682	0.36%	698,096	(1,656,759)	-	-
Fitchburg	41,502	0.16%	309,263	(1,087,503)	-	-
Foxborough	18,488	0.07%	137,768	(141,451)	-	-
Franklin	33,656	0.13%	250,796	(269,614)	-	-
Freetown	9,236	0.04%	68,824	(39,718)	(25,556) 22	3,572.82
Georgetown	8,408	0.03%	62,654	(60,754)	1	1,901.83
Gloucester	29,836	0.12%	222,331	(418,100)	-	-

Grafton	19,815	0.08%	147,657	(70,876)		58	76,838.57
Groton	11,162	0.04%	83,177	(92,825)		-	-
Groveland	6,721	0.03%	50,083	(49,641)		0	442.61
Halifax	7,698	0.03%	57,364	-		43	57,406.95
Hanover	14,758	0.06%	109,973	(100,300)		7	9,680.39
Hanson	10,587	0.04%	78,892	(1,876)		58	77,073.92
Harvard	6,870	0.03%	51,194	(18,639)		25	32,579.17
Haverhill	67,153	0.26%	500,408	(893,125)		-	-
Holden	19,880	0.08%	148,141	(13,262)		102	134,980.78
Holliston	14,856	0.06%	110,703	(154,120)		-	-
Hopkinton	19,249	0.07%	143,439	(57,028)		65	86,476.16
Ipswich	13,848	0.05%	103,192	(106,819)		-	-
Kingston	13,829	0.05%	103,050	(102,980)		0	70.45
Lakeville	11,895	0.05%	88,639	(61,805)		20	26,853.95
Lancaster	8,394	0.03%	62,550	(31,720)		23	30,853.35
Lawrence	87,954	0.34%	655,412	(1,279,064)		-	-
Leicester	11,033	0.04%	82,215	(137,621)		-	-
Leominster	43,646	0.17%	325,240	(761,190)		-	-
Littleton	10,139	0.04%	75,553	(16,972)		44	58,625.60
Lowell	113,608	0.44%	846,580	(1,152,755)		-	-
Lunenburg	11,835	0.05%	88,192	(71,033)		13	17,171.54
Mansfield	23,816	0.09%	177,471	(189,270)		-	-
Marlborough	40,971	0.16%	305,306	(372,805)		-	-
Marshfield	25,713	0.10%	191,607	(214,590)		-	-
Maynard	10,546	0.04%	78,586	(91,812)		-	-
Medway	13,393	0.05%	99,801	(100,811)		-	-
Merrimac	6,699	0.03%	49,919	(78,247)		-	-
Methuen	53,241	0.21%	396,739	(929,998)		-	-
Middleborough	24,376	0.09%	181,644	(187,775)		-	-
Millbury	13,936	0.05%	103,848	(106,044)		-	-
Millis	8,836	0.03%	65,844	-	(13,962)	50	51,931.74
New Bedford	100,682	0.39%	750,258	(1,404,966)		-	-
Newbury	6,695	0.03%	49,890	(48,173)		1	1,717.83
Newburyport	18,662	0.07%	139,065	(178,058)		-	-
North Andover	31,295	0.12%	233,203	(225,102)		6	8,106.96
North Attleborough	30,930	0.12%	230,483	(236,871)		-	-
North	15,549	0.06%	115,867	(101,152)		11	14,726.54

Reading							
Northborou							
gh	15,663	0.06%	116,717	(27,578)		67	89,206.21
Northbridge	16,337	0.06%	121,739	(97,057)		19	24,701.06
Norton	19,108	0.07%	142,388	(116,340)		20	26,067.91
Norwell	11,280	0.04%	84,056	-	(67,390)	63	16,729.30
Paxton	5,024	0.02%	37,438	(137)		28	37,328.80
Pembroke	18,297	0.07%	136,345	(160,860)		-	-
Plymouth	64,269	0.25%	478,917	(454,647)		18	24,288.52
Plympton	2,923	0.01%	21,782	-		16	21,797.94
Princeton	3,504	0.01%	26,111	(3,093)		17	23,035.34
Raynham	15,474	0.06%	115,309	(111,020)		3	4,291.78
Rehoboth	13,023	0.05%	97,044	(21,650)		57	75,451.18
Rochester	5,816	0.02%	43,339	-	(38,784)	33	4,588.00
Rockland	17,609	0.07%	131,218	(70,437)		46	60,826.92
Rockport	6,925	0.03%	51,603	(108,172)		-	-
Rowley	6,283	0.02%	46,819	(44,192)		2	2,629.39
Salisbury	9,189	0.04%	68,474	(80,234)		-	-
Scituate	19,190	0.07%	142,999	(138,699)		3	4,303.54
Seekonk	15,649	0.06%	116,613	(116,567)		0	45.63
Sherborn	4,372	0.02%	32,579	(3,664)		22	28,936.92
Shirley	6,782	0.03%	50,538	(23,760)		20	26,798.05
Shrewsbury	39,805	0.15%	296,617	(120,778)		133	175,972.03
Southborou							
gh	10,409	0.04%	77,565	(94,898)		-	-
Sterling	8,139	0.03%	60,650	(41,588)		14	19,076.27
Stoughton	28,969	0.11%	215,870	(235,604)		-	-
Stow	7,042	0.03%	52,475	(49,000)		3	3,478.30
Sudbury	18,965	0.07%	141,323	(130,606)		8	10,724.74
Sutton	9,379	0.04%	69,890	(9,326)		40	60,604.07
Taunton	59,922	0.23%	446,524	(471,201)		-	-
Tewksbury	30,833	0.12%	229,760	(306,998)		-	-
Townsend	8,948	0.03%	66,678	(66,322)		0	356.63
Tyngsborou							
gh	12,368	0.05%	92,163	(94,573)		-	-
Upton	8,128	0.03%	60,568	-		46	60,613.62
Wareham	23,151	0.09%	172,516	(231,366)		-	-
Wayland	13,664	0.05%	101,821	(68,086)		25	33,760.32
West							
Boylston	7,757	0.03%	57,803	(81,405)		-	-
West							
Bridgewater	7,625	0.03%	56,820	(11,078)		35	45,776.19
West							
Newbury	4,562	0.02%	33,995	(32,277)		2	1,719.93

Westborough	21,506	0.08%	160,258	(10,638)		113	149,732.46
Westford	24,353	0.09%	181,473	(189,618)		-	-
Westminster	8,330	0.03%	62,073	(16,923)		34	45,184.24
Whitman	15,259	0.06%	113,706	(29,002)		64	84,768.34
Worcester	205,319	0.79%	1,529,988	(4,192,482)		-	-
Wrentham	12,457	0.05%	92,827	(96,421)		-	-
TOTAL	25,909,129	100%	193,068,632	(30,587,457)	19,774,769	(145,692)	193,068,632

Relevant Reports and Recommendations on MBTA Municipal Assessments

2025: [*“Transportation Funding Task Force Report”*](#), prepared by the Transportation Funding Task Force in response to Governor Healey’s Executive Order No. 626: “Creating the Governor’s Transportation Funding Task Force.”

Recommended: “Examples of potential action include raising the cap on permitted annual increase of local assessments by 0.5%.”

2024: [*“Transportation Funding Recommendations”*](#) prepared by the Massachusetts Area Planning Council.

Recommended: “This formula should be amended to more directly account for population density, average weekday ridership, and the number of stations operating within each locality. Proposition 2 ½ caps municipal budgets, preventing cities and towns from contributing more funding to the MBTA without diminishing other services. The municipal assessment to the MBTA should be exempted from Prop 2 ½ if and when it is raised, so no municipality needs to reduce other services due to an increase in payment for the T.”

1999: ["Policy Report: Restructuring the MBTA"](#), prepared by Executive Office for Administration and Finance for the Special Commission on Forward Funding the MBTA established by Chapter 205 of the Acts of 1996.

Recommended: "The Governor has recommended eliminating the existing assessment structure, and replacing it with a simpler, less costly alternative. The old assessment system should transition to a new structure based on population, weighted to account for distance from the MBTA system's core. The new assessment structure will eliminate the complicated and inaccurate formula that caused much dissatisfaction with the current system. It will also be easily understandable. Basing assessments on population appropriately recognizes that all communities within the MBTA service area benefit from the system, with those at the system's core benefiting the most. Massachusetts residents outside the MBTA's service area might complain that with a limited local assessment for district communities, unserved communities bear an undue portion of the MBTA burden. However, under this proposal, the total State share of the MBTA's costs will also be limited. Without financial restructuring, the Commonwealth liability for the MBTA is unbounded. Other systems, such as Baltimore's, have no local funding mechanism. Moreover, no assessment system can meet the equity needs of every community. In attempting to construct such a system, the Commonwealth has created a complicated structure that is equitable to nobody."

1996: ["Report of the Special Commission established to make an investigation and study of the financing of the MBTA"](#) under Section 7 of Chapter 60 of the Acts of 1994 by the Special Commission on Financing of the MBTA.

Recommendations: "The property tax is an inappropriate, unacceptable source of revenue to finance the regional transit system, MBTA. The MBTA should evolve into a Regional Transit Agency, financed by the fare box, state revenues, and perhaps a dedicated revenue source. Thus all assessments should be eliminated. The present economic and state budget realities disallow immediate elimination of all assessments. Economic fairness and equity require, however, that some movement toward assessment relief be achieved. Commuter Rail Assessments on all communities shall be eliminated. Assessments on the 21 Fringe Communities shall be eliminated. All

remaining assessments on the 57 MBTA member cities and towns shall be frozen at \$107.591.564 with the ultimate goal to eliminate state wide community assessments for public transit. Forward Funding of Commuter Rail shall be initiated. The present Advisory Board shall be reduced from a membership representing 78 communities to that representing the remaining 57 communities. A new Advisory Board for Commuter Rail shall be established to be composed of all cities and towns which host a commuter rail station.”

1990: “[A Catalyst for Economic Growth: Funding of Public Transportation in Massachusetts](#)”, prepared by the MBTA in response to Chapter 653 of the Acts of 1989 in which the Legislature directed the MBTA to examine its financing mechanisms and potential changes in the local assessment formula.

Recommendation: “Consider Changes to Local Assessments: Review State reimbursement of assessment for certain communities (up to \$5 million), Consider internal changes to assessment formula, Expand the MBTA district to include other served communities and those where a majority of workers commute into the current district (\$3 to \$11 million).”

1989: “[MBTA Assessment Formula: An Evaluation and Recommendations](#)” a report prepared for the MBTA Advisory Board.

Recommendation: “A change from the current assessment formula to any of those recommended in this study implies significant changes in the pattern of assessments for the communities of the MBTA district. This change in pattern is itself dependent upon which of the recommended formulas is selected. The first suggested change (level A) leads to a new allocation of the general subsidy and favors those communities with little bus service, primarily the outer 64. It also penalizes communities with post 1973 express stations as well as those whose residents make heavy use of neighboring express stations. Breaking out commuter rail, as is done in level B, adversely affects many of the outer 64 communities since costs are proportionately higher and revenues lower than outlier express services. This serves to mitigate the

burden shift to local service which was introduced by level A since heavy bus users are also generally light commuter rail users. Level C primarily redistributes B level assessments within the small group of heavy rapid transit users. The group means at the bottom of Table 5.14 further indicate that the redistribution in assessments resulting from the imposition of A level changes heavily benefits outer 64 communities at the expense of the inner 14. Level C formulas, on the other hand, seem to effect the most neutral change from a group perspective although the range of assessments is the broadest”

1971: [“The Financial Management of the MBTA Express Service”](#) prepared by the Special Commission relative to the Finances and Operation of the MBTA pursuant to Resolves of 1967, Chapters 126, 135, 145.

Recommendation: “Certainly, it was recognized in the Special Commission that the present allocation formulas were grossly inequitable in that Boston is required to bear most of the cost of the MBTA services. Boston’s population, about 660,000 is about a quarter of that of the MBTA region, about 2.6 million. The result is that the per capita assessment for Boston for the rapid-transit service is at present about \$B, while for Wellesley it is \$2. These and other anomalies were discussed in the consultant report prepared for the Special Commission by EBS Management Inc. The Special Commission has aimed at a cost-sharing formula in each case which it believes is politically equitable. Boston’s per capita assessment is still, in general, the largest of all the communities and therefore much the largest in magnitude but has been greatly reduced from its previous unequal and illogical level.”

1969: [“Report of the Special Task Force Relative to Three Alternative Programs from Essential Public Transportation Service in Areas Currently Receiving Commuter Railroad Service.”](#) prepared by the Special Task Force Relative to Three Alternative Programs for Essential Public Transportation Service in Areas Currently Receiving Commuter Railroad Service

Recommendation: “The Task Force is painfully aware of the reluctance of the General Court to provide any further commuter railroad operating deficit subsidies from the state cigarette tax fund. The Task Force also recognizes that the formula for the assessment of future commuter railroad deficits is a critical question to the 79 cities and towns within the Authority district. Plan A, submitted by the Authority recommends continuation of the commuter railroad assessment formula authorized by Chapter 728 of the act of 1968. Unless the Chapter 728 formula or new railroad assessment formula is adopted by the General Court, the existing express service (i.e., MBTA rapid transit service) formula would automatically be applied to railroad deficits subsequent to July 31, 1969. For purposes of demonstration only, Exhibit attached shows the assessment distribution on the 79 cities and towns for B&MRR service under existing contract terms on an annual basis if not new legislation is enacted (Note A), while Note shows the same estimated annual assessment in the event that the Chapter 728 formula is continued through appropriate legislation. It is the recommendation of the Task Force that legislation be enacted to continue the use of the Chapter 728 formula for the assessment of commuter railroad deficits. Miss Ann Wood of Manchester, Mrs. Eleanor N. Johnson of Walpole, Mr. John J. McCarthy of Wakefield and Representative Harrison Chadwick of Winchester dissented from this recommendation of the Task Force.”

1969: [“Interim Report of the Special Commission Established to Make an Investigation and Study Relative to the Finances and Operation of the Massachusetts Bay Transportation Authority”](#) under Chapter 126 of the Resolves of 1967.

Recommendation: “The incentives towards increasing the patronage of the rail commuter service are presently negative. The larger the number of riders which board trains within a town, the higher is that town’s assessment, regardless of-whether the riders originate within the town or from outside. It is, therefore, no cause for surprise that in very few towns are there signposts indicating where trains may be boarded; nor are rudimentary services such as police surveillance provided. It is the wish of the Special Commission that an incentive be provided to cities and towns to increase patronage and to provide simple maintenance and police inspection of such boarding facilities as remain.”