

HOUSE No. 4413

The Commonwealth of Massachusetts

**In the One Hundred and Eighty-Ninth General Court
(2015-2016)**

An Act relative to job creation, workforce development and infrastructure investment.

Be it enacted by the Senate and House of Representatives in General Court assembled, and by the authority of the same, as follows:

1 SECTION 1. To provide for a program of economic development and job creation, the
2 sums set forth in sections 2A, 2B and 2C, for the several purposes and subject to the conditions
3 specified in this act, are hereby made available, subject to the laws regulating the disbursement
4 of public funds; provided, however, that the amounts specified in an item or for a particular
5 project may be adjusted in order to facilitate projects authorized in this act. These sums shall be
6 in addition to any amounts previously authorized and made available for these purposes;
7 provided further, that in order to expedite these improvements, which are critical to the continued
8 operation of the commonwealth, its economic well-being, and the immediate need for capital
9 appropriation, the sums set forth in said sections 2A, 2B, and 2C shall not be available later than
10 July 31, 2019 unless the governor requests that the state treasurer issue and sell bonds of the
11 commonwealth for the sums authorized in said sections 2A, 2B and 2C on or before July 31,
12 2019; and provided further, that upon such a request, the governor shall file a report with the
13 general court detailing the request and a capital plan.

14 SECTION 2A.

15 EXECUTIVE OFFICE OF HOUSING AND ECONOMIC DEVELOPMENT

16 Office of the Secretary

17 7002-8006 For the MassWorks infrastructure program established by section 63 of
18 chapter 23A of the General Laws \$300,000,000

19 7002-8007 For matching grants to enable institutions of higher education located in
20 the commonwealth to participate in and receive federal funding from the National Network for
21 Manufacturing Innovation \$71,000,000

22 7002-8008 For a program administered by the Massachusetts Development Finance
23 Agency for site assembly, site assessment, pre-development permitting and other pre-
24 development and marketing activities that enhance a site’s readiness for commercial or industrial
25 development; provided that a portion of such funds shall be used to facilitate the expansion or
26 replication of successful industrial parks; and provided further that a portion of such funds shall
27 be used to support the revitalization of downtown areas.
28\$15,000,000

29 7002-8009 For a program to be administered by the Massachusetts Development
30 Finance Agency to make grants and loans to municipalities, private property owners and
31 business operators for design, construction and, improvement of buildings and for equipment to
32 spur innovation and entrepreneurship across the state, including but not limited to co-working
33 spaces, innovation centers, maker spaces and artist spaces \$15,000,000

34 7002-8010 For the Brownfields Redevelopment Fund established by section 29A of
35 chapter 23G of the General Laws \$45,000,000

36 7002-8011 For the Transformative Development Fund established by section 46 of
37 chapter 23G of the General Laws\$30,000,000

38 7002-8012 For the Scientific and Technology Research and Development Matching
39 Grant Fund established by section 4G of chapter 40J of the General Laws\$15,000,000

40 7002-8013 For the Advanced Manufacturing, Technology and Hospitality Training
41 Trust Fund established in section 20000 of chapter 29 of the General
42 Laws.....\$30,000,000

43 7002-8014 For the Massachusetts Food Trust Program established by section 65 of
44 chapter 23A of the General Laws \$6,000,000

45 7002-8015 For the Massachusetts Technology Park Corporation, established in
46 section 3 of chapter 40J of the General Laws and doing business as the Massachusetts
47 Technology Collaborative, to create a cybersecurity and data analytics technology development
48 and training center of excellence pursuant to section 95 \$4,500,000

49 SECTION 2B.

50 EXECUTIVE OFFICE OF HOUSING AND ECONOMIC DEVELOPMENT

51 Department of Housing and Community Development

52 7004-8016 For the Smart Growth Housing Trust Fund established by section 35AA of
53 chapter 10 of the General Laws..... \$15,000,000

54 SECTION 2C.

55 EXECUTIVE OFFICE OF EDUCATION

56 Office of the Secretary

57 7009-2005 For a competitive grant program to be administered by the executive
58 office of education, in consultation with the executive office of housing and economic
59 development and the executive office of labor and workforce development, to provide funding
60 for the purchase and installation of equipment, and any related improvements and renovations to
61 facilities necessary for the installation and use of such equipment, for the purpose of establishing,
62 upgrading and expanding career technical education and training programs that are aligned to
63 regional economic and workforce development priorities; provided further, that grant
64 applications may facilitate collaboration to provide students enrolled in eligible vocational-
65 technical schools with post-secondary opportunities, consistent with the principles recognized in
66 subsection (o) of section 22 of chapter 15A and section 37A of chapter 74 of the General Laws;
67 and provided further, that the executive office of education, in consultation with the executive
68 office of housing and economic development and the executive office of labor and workforce
69 development, shall adopt additional guidelines as necessary for the administration of the
70 program..... \$45,000,000

71 7009-2006 For competitive grants to cities, towns, regional school districts and
72 institutions of public higher education for the establishment and implementation of early college
73 high school programs; provided, that the programs shall support students who work
74 simultaneously on the completion of a high school diploma from the partnering school district
75 while also earning free college credits towards an associate degree or certificate at the partnering
76 institution of higher education; provided further, that the programs shall provide full access to
77 college support services, student activities and tutoring and shall ensure holistic wrap-around
78 support which meets the academic, social and emotional needs of the student and shall ensure

79 full access to the same for students with physical or learning disabilities; provided further, that in
80 awarding these grants, preference shall be given to innovative joint proposals, developed by
81 partnering school districts, colleges and local and regional nonprofits where appropriate; and
82 provided further, that the grants shall be awarded, to the extent feasible, in a manner that reflects
83 geographic and demographic diversity.....\$2,400,000

84 SECTION 3. Notwithstanding any general or special law to the contrary, to meet the
85 expenditures necessary in carrying out section 2A, the state treasurer shall, upon receipt of a
86 request by the governor, issue and sell bonds of the commonwealth in an amount to be specified
87 by the governor from time to time but not exceeding, in the aggregate, \$531,500,000; provided,
88 however, that such request by the governor shall be made on or before July 31, 2019. All bonds
89 issued by the commonwealth, as aforesaid, shall be designated on their face, Commonwealth
90 Economic Development Act of 2016, and shall be issued for a maximum term of years, not
91 exceeding 30 years, as the governor may recommend to the general court pursuant to Section 3
92 of Article LXII of the Amendments to the Constitution; provided, however, that all such bonds
93 shall be payable not later than June 30, 2049. All interest and payments on account of principal
94 on such obligations shall be payable from the General Fund. Bonds and interest thereon issued
95 under the authority of this section shall, notwithstanding any other provision of this act, be
96 general obligations of the commonwealth.

97 SECTION 4. Notwithstanding any general or special law to the contrary, to meet the
98 expenditures necessary in carrying out section 2B, the state treasurer shall, upon receipt of a
99 request by the governor, issue and sell bonds of the commonwealth in an amount to be specified
100 by the governor from time to time but not exceeding, in the aggregate, \$15,000,000; provided,
101 however, that such request by the governor shall be made on or before July 31, 2019. All bonds

102 issued by the commonwealth, as aforesaid, shall be designated on their face, Commonwealth
103 Economic Development Act of 2016, and shall be issued for a maximum term of years, not
104 exceeding 30 years, as the governor may recommend to the general court pursuant to Section 3
105 of Article LXII of the Amendments to the Constitution; provided, however, that all such bonds
106 shall be payable not later than June 30, 2049. All interest and payments on account of principal
107 on such obligations shall be payable from the General Fund. Bonds and interest thereon issued
108 under the authority of this section shall, notwithstanding any other provision of this act, be
109 general obligations of the commonwealth.

110 SECTION 5. Notwithstanding any general or special law to the contrary, to meet the
111 expenditures necessary in carrying out section 2C, the state treasurer shall, upon receipt of a
112 request by the governor, issue and sell bonds of the commonwealth in an amount to be specified
113 by the governor from time to time but not exceeding, in the aggregate, \$47,400,000; provided,
114 however, that such request by the governor shall be made on or before July 31, 2019. All bonds
115 issued by the commonwealth, as aforesaid, shall be designated on their face, Commonwealth
116 Economic Development Act of 2016, and shall be issued for a maximum term of years, not
117 exceeding 30 years, as the governor may recommend to the general court pursuant to Section 3
118 of Article LXII of the Amendments to the Constitution; provided, however, that all such bonds
119 shall be payable not later than June 30, 2049. All interest and payments on account of principal
120 on such obligations shall be payable from the General Fund. Bonds and interest thereon issued
121 under the authority of this section shall, notwithstanding any other provision of this act, be
122 general obligations of the commonwealth.

123 SECTION 6. Section 18 of chapter 21A of the General Laws, as appearing in the 2014
124 Official Edition, is hereby amended by striking out, in line 269, the figure “3D” and inserting in
125 place thereof the following figure:- 3G.

126 SECTION 7. Section 2 of chapter 21E of the General Laws, as so appearing, is hereby
127 amended by striking out, in line 80, the figure“3D” and inserting in place thereof the following
128 figure:- 3G.

129 SECTION 8. Chapter 23A of the General Laws, as so appearing, is hereby amended by
130 striking out sections 3A to 3G inclusive and inserting in place thereof the following 9 sections:-

131 Section 3A. (a) The Economic Development Incentive Program shall be
132 administered by the economic assistance coordinating council, under the oversight of the
133 secretary of the executive office of housing and economic development, to provide incentives
134 that stimulate job creation and investment of private capital and to promote economic growth and
135 expand economic opportunity to all areas of the commonwealth. EDIP tax credits and other
136 incentives shall be administered to stimulate job creation, attract new business activity and
137 promote investment that would not otherwise occur in the commonwealth.

138 (b) As used in sections 3A to 3H, inclusive, the following words shall, unless the
139 context clearly requires otherwise, have the following meanings:

140 “Affiliate”, any business which directly or indirectly controls or is controlled by or is
141 under direct or indirect common control with another business, including, but without limitation,
142 any business with whom a business is merged or consolidated, or which purchases all or
143 substantially all of the assets of a business.

144 “Alternative EDIP tax credits”, tax credits that may be awarded to the controlling
145 business of a certified project that has been designated as an extraordinary economic
146 development opportunity, or to an affiliate of the controlling business, as allowed by paragraph
147 (2) of subsection (g) of section 6 of chapter 62, or subsection (b) of section 38N of chapter 63.

148 “Business”, a corporation, partnership, firm, unincorporated association or other entity
149 engaging or proposing to engage in economic activity within the commonwealth, and any
150 affiliate thereof, which is subject to taxation under chapter 62 or chapter 63.

151 “Certified project”, a proposed project that is certified by the economic assistance
152 coordinating council pursuant to section 3C.

153 “Controlling business”, a business that owns, leases or has the power to direct the
154 operation or management of all or a portion of a facility at which the business employs, or
155 intends to employ, permanent full-time employees.

156 “Economic assistance coordinating council” or “EACC”, the council established pursuant
157 to section 3B.

158 “EDIP contract”, a written and enforceable agreement between MOBD and the recipient
159 of EDIP tax credits setting forth the amount of credits awarded, the schedule on which the credits
160 may be claimed, any restriction on the carryover of unused credits, the consequences for failing
161 to produce the projected new jobs or new investment, and such other terms and conditions as
162 MOBD may in its discretion require.

163 “EDIP tax credits”, the tax credits authorized by the EACC pursuant to section 3D of this
164 chapter and claimed by a taxpayer pursuant to subsection (g) of section (6) of chapter 62 or
165 section 38N of chapter 63.

166 “Expansion of an existing facility”, the relocation of business functions and employees
167 from one location in the commonwealth to another location in the commonwealth, or the
168 expansion of an existing facility located in the commonwealth, provided that such relocation or
169 expansion results in a net increase in the number of permanent full-time employees at the
170 relocated or expanded facility.

171 “Extraordinary economic development opportunity”, a proposed project that is jointly
172 designated by the secretary of the executive office of housing and economic development and the
173 secretary of the executive office for administration and finance as an extraordinary economic
174 development opportunity as provided in subsection (d) of section 3C.

175 “Facility”, the real property, which may include multiple buildings or locations, owned or
176 leased, on which a business is undertaking or will undertake a commercial, manufacturing or
177 industrial activity.

178 “Gateway municipality”, a municipality with a population greater than 35,000 and less
179 than 250,000, a median household income below the commonwealth’s average and a rate of
180 educational attainment of a bachelor’s degree or above that is below the commonwealth’s
181 average.

182 “Material non-compliance”, the failure of a controlling business to substantially achieve
183 the capital investment, job creation, job retention or other economic benefits set forth in the

184 EDIP contract, or any other act, omission or misrepresentation by the controlling business that
185 frustrates the public purpose of the economic development incentive program.

186 “MOBD”, the Massachusetts office of business development established in section 1.

187 “Municipal project endorsement”, an endorsement of a proposed project by the
188 municipality in which a proposed project will be located, which must include (i) a finding by the
189 municipality that the proposed project is consistent with the municipality’s economic
190 development objectives; (ii) a finding by the municipality that the proponent of the proposed
191 project has the means to undertake and complete the proposed project; (iii) a finding by the
192 municipality that the proposed project will have a reasonable chance of increasing or retaining
193 employment opportunities as advanced in the proposal; (iv) a determination by the municipality
194 that the proposed project will not overburden the municipality’s infrastructure and other
195 supporting resources; and (v) a description of the local tax incentive, if any, offered by the
196 municipality in support of the proposed project, together with a copy of the fully executed tax
197 increment financing agreement or agreement setting forth the terms of the special tax assessment,
198 as applicable.

199 “Municipality”, a city or town in the commonwealth or, in a case in which two or more
200 cities or towns agree to act jointly for some purpose hereunder then, collectively, all cities and
201 towns participating in such a collaborative agreement.

202 “Permanent full-time employee”, an individual who is paid wages by a controlling
203 business and who (i) at the inception of the employment relationship does not have a termination
204 date which is either a date certain or determined with reference to the completion of some
205 specified scope of work; (ii) works at least 35 hours per week; and (iii) receives employee

206 benefits at least equal to those provided to other full-time employees of the controlling business.
207 For purposes of this chapter, the term permanent full-time employee shall not include any
208 contractors or part-time employees who may be included in a calculation of the controlling
209 business's full-time equivalent workforce.

210 "Proportion of compliance", a fraction which has as its numerator the number of actual
211 permanent full-time employees at a facility and which has as its denominator the number of
212 permanent full-time employees required to be employed at the facility under the terms of an
213 EDIP contract.

214 "Proposed project", a proposal submitted by a controlling business to the EACC for
215 designation as a certified project.

216 "Real estate project", the construction, rehabilitation or improvement of one or more
217 buildings or other structures on a parcel of real property, which, when completed, will result in
218 an increase in the assessed value of the real property of at least 100 per cent over the assessed
219 value of said real property prior to the project.

220 "Refundable credit", a tax credit awarded pursuant to this chapter that is not limited by
221 the amount of the controlling business's tax liability and which may result in a payment from the
222 department of revenue to the controlling business.

223 "Replacement of an existing facility", the relocation of business functions and personnel
224 from one facility located in the commonwealth to another facility in the commonwealth, or the
225 improvement of an existing facility, provided that such relocation or improvement does not
226 qualify as an expansion of the existing facility as defined in this chapter.

227 “Special tax assessment”, a temporary reduction in real property tax offered by a
228 municipality and approved by the EACC in accordance with subsection (c) of section 3E of this
229 chapter.

230 “Tax increment financing agreement”, a binding agreement between a municipality and a
231 real property owner consistent with the requirements of subsection (b) of section 3E of this
232 chapter, and with section 59 of chapter 40.

233 Section 3B. (a) There shall be an economic assistance coordinating council
234 established within MOBD consisting of: the secretary of the executive office of housing and
235 economic development or the secretary’s designee, who shall serve as co-chairperson; the
236 director of housing and community development or a designee, who shall serve as co-
237 chairperson; a second person designated by the secretary of the executive office of housing and
238 economic development; the director of career services or a designee; the secretary of labor and
239 workforce development or a designee; the director of the office of business development or a
240 designee; the president of the Commonwealth Corporation or a designee; and 7 persons to be
241 appointed by the governor, 1 of whom shall be from the western region of the commonwealth, 1
242 of whom shall be from the central region of the commonwealth, 1 of whom shall be from the
243 eastern region of the commonwealth, 1 of whom shall be from the southeastern region of the
244 commonwealth, 1 of whom shall be from Cape Cod or the Islands, 1 of whom shall be a
245 representative of a higher educational institution within the commonwealth and 1 of whom shall
246 be from the Merrimack Valley, all of whom shall have expertise in issues pertaining to training,
247 business relocation and inner-city and rural development, and all of whom shall be
248 knowledgeable in public policy and international and state economic and industrial trends. Each

249 member appointed by the governor shall serve at the pleasure of the governor. The council shall
250 adopt by-laws to govern its affairs.

251 (b) The EACC shall administer the economic development incentive program and, in
252 so doing, shall be empowered to exercise the following powers and duties:

253 (1) promulgate regulations and adopt policies and guidance to effectuate the purposes
254 of sections 3A to 3H, inclusive;

255 (2) certify projects for participation in the economic development incentive program
256 and establish regulations for evaluating the proposals of said projects;

257 (3) certify and approve tax increment financing agreements and special tax
258 assessments pursuant to section 3E and section 59 of chapter 40;

259 (4) authorize municipalities to apply to the foreign trade zone board for the privilege
260 of establishing, operating and maintaining a foreign trade zone in accordance with section 3G;

261 (5) assist municipalities in obtaining state and federal resources and assistance for
262 certified projects and other job creation and retention opportunities within the commonwealth;

263 (6) provide appropriate coordination with other state programs, agencies, authorities
264 and public instrumentalities to enable certified projects and other job creation and retention
265 opportunities to be more effectively promoted by the commonwealth; and

266 (7) monitor the implementation of the economic development incentive program.

267 (c) The secretary of the executive office of housing and economic development shall
268 appoint within MOBD a director of economic assistance who shall be responsible for

269 administering the EDIP in consultation with the secretary of the executive office of housing and
270 economic development, the director of MOBD and the EACC. The director of economic
271 assistance shall advise the EACC on matters related to the EDIP, but shall not serve as a member
272 of the EACC. MOBD shall annually submit to the governor, the senate and the house ways and
273 means committees, and the joint committee on economic development and emerging
274 technologies, within ninety days after the end of its fiscal year, a report setting forth its
275 operations and accomplishments, including a listing of all projects certified under the EDIP.
276 Such report shall also include recommended policies or actions, if any, to improve the
277 effectiveness of the EDIP.

278 Section 3C. (a) A controlling business may petition the EACC to certify a
279 proposed project that will create new permanent full-time employees within the commonwealth.
280 Every proposed project submitted by a controlling business to the EACC for review and
281 certification shall include a detailed description of the proposed project; a representation by the
282 controlling business regarding the amount of capital investment to be made, the number of new
283 jobs to be created, the number of existing jobs to be retained; a representation by the controlling
284 business regarding any other economic benefits or other public benefits expected to result from
285 the construction of the proposed project; a municipal project endorsement; and such other
286 information as the EACC shall require by regulation, policy or guidance.

287 (b) Upon receipt of a complete project proposal and municipal project endorsement,
288 the EACC may certify the proposed project, deny certification of the proposed project, or certify
289 the proposed project with conditions. In order to certify a proposed project, with or without
290 conditions, the EACC shall make the following required findings based on the project proposal,

291 the municipal project endorsement, and such additional investigation, if any, as the EACC shall
292 make and incorporate in its minutes:

293 (1) The proposed project is located or will be located within the commonwealth;

294 (2) If the controlling business has one or more existing facilities in the
295 commonwealth, then the proposed project is an expansion of an existing facility and not merely
296 the replacement of an existing facility, except in the case of a proposed project that will enable a
297 controlling business to retain jobs in a gateway city as provided in subclause (ii) of clause (3)
298 below, or

299 (3) The proposed project will either (i) enable the controlling business to hire new
300 permanent full-time employees in the commonwealth, or (ii) enable the controlling business to
301 retain at least 50 permanent full-time jobs at a facility located in a gateway city, or in an adjacent
302 city or town that is accessible by public transportation to residents of a gateway city, and such
303 jobs otherwise would be relocated outside of the commonwealth;

304 (4) The controlling business shall commit to maintain new and retained jobs for a
305 period of at least 5 years after the completion of the proposed project;

306 (5) The proposed project appears to be economically feasible, and the controlling
307 business has the financial and other means to undertake and complete the proposed project,

308 (6) Unless the proposed project will be located in a gateway municipality, a duly
309 authorized representative of the controlling business has certified to the EACC that the
310 controlling business would not undertake the proposed project but for the EDIP tax credits and
311 local tax incentives available to it under this chapter; and

312 (7) The proposed project complies with all applicable statutory requirements and with
313 such other criteria that the EACC may from time to time prescribe by regulation, policy or
314 guidance.

315 The EACC shall by regulation, policy or guidelines provide for the contents of an
316 application for project certification, which may include a requirement that the controlling
317 business provide written evidence to support the certification provided for in clause (6) of this
318 subsection.

319 (c) A certified project shall retain its certification for the period specified by the
320 EACC in its certification decision; provided, however, that such specified period shall be not less
321 than 5 years from the date of certification nor more than 20 years from such date.

322 (d) The secretary of the executive office of housing and economic development and
323 the secretary of the executive office for administration and finance may from time to time jointly
324 designate a proposed project as an extraordinary economic development opportunity if the
325 secretaries jointly determine that the proposed project involves the construction or substantial
326 rehabilitation of a new facility or expansion of an existing facility within the commonwealth that
327 is not a replacement of an existing facility in the commonwealth, or involves the relocation of an
328 existing business to the commonwealth from a facility located outside of the commonwealth, and
329 the proposed project meets at least one of the following additional criteria:

330 (1) The proposed project, if approved and constructed, will create at least 400 new
331 jobs; or

332 (2) The proposed project, if approved and constructed, will result in the creation of at
333 least 200 new jobs in a gateway municipality or in an adjacent city or town that is accessible by
334 public transportation to residents of a gateway municipality.

335 The decision by the secretaries to designate or not to designate a proposed project as an
336 extraordinary economic development opportunity shall be a decision that is within the sole
337 discretion of each of the secretaries, and may include such conditions as the secretaries shall in
338 their discretion impose. Such decisions shall be final and shall not be subject to administrative
339 appeal or judicial review under chapter 30A or give rise to any other cause of action or legal or
340 equitable claim or remedy.

341 Section 3D. (a) The EACC may award to the controlling business of a certified
342 project, or to its affiliate, tax credits available under subsection (g) of section 6 of chapter 62 or
343 section 38N of chapter 63. The amount of any such credits awarded, and the schedule on which
344 such credits may be claimed, shall be determined by the EACC based on the following criteria:

345 (1) The degree to which the certified project is expected to increase employment
346 opportunities for residents of the commonwealth, with consideration given to the number of new
347 full-time jobs to be created, the number of full-time jobs to be retained, the salary or other
348 compensation that will be paid to the employees, and the amount of new state income tax to be
349 generated;

350 (2) The timeframe within which new jobs will be created and the commitment of the
351 controlling business for how long they will be maintained, with preference given to certified
352 projects in which a significant portion of the new jobs shall be created within 2 years;

353 (3) The amount of capital to be invested by the controlling business in the certified
354 project;

355 (4) The degree to which the certified project is expected to generate net new
356 economic activity within the commonwealth by generating substantial sales from outside of the
357 commonwealth;

358 (5) The extent to which the certified project is expected to contribute to the economic
359 revitalization of a Gateway municipality or increase employment opportunities to residents of a
360 Gateway municipality;

361 (6) The economic need of the municipality or region in which the certified project is
362 located, as determined by income levels, employment levels, or educational attainment level; and

363 (7) Commitments, if any, made by the controlling business to use Massachusetts
364 firms, suppliers and vendors, or to retain women or minority-owned businesses, during the
365 construction of the certified project.

366 The EACC shall have discretion as to how to weigh and apply these criteria. When
367 making an award of tax credits pursuant to subsection (g) of section 6 of chapter 62 and section
368 38N of chapter 63, the EACC may at its sole discretion limit the award to a specific dollar
369 amount, may specify the schedule on which such credits may be claimed, and may limit or
370 restrict the right of the controlling business to carry unused credits forward to future tax years.

371 When a controlling business expects that new jobs will be created over a period of multiple
372 years, the EACC award of tax credits may allocate and make such credits available to the
373 taxpayer on a schedule that ensures credits are claimed on or after the date that the jobs are
374 created.

375 (b) A certified project that has been designated as an extraordinary economic
376 development opportunity shall be eligible, at the discretion of the secretary of housing and
377 economic development and the secretary of administration and finance, for the alternative EDIP
378 tax credit provided for in paragraph (2) of subsection (g) of section 6 of chapter 62 and
379 subsection (b) of section 38N of chapter 63. The EACC shall not make an award of alternative
380 EDIP tax credits unless the award of such credits is expressly authorized by the secretaries in
381 their decision to designate a certified project as an extraordinary economic development
382 opportunity. A controlling business that receives an award of alternative EDIP tax credits shall
383 not be eligible to receive any other EDIP tax credits for the same certified project.

384 (c) The EACC shall have the discretion to grant refundable credits to a certified
385 project; provided that the council shall not authorize more than \$5,000,000 in refundable credits
386 for any single calendar year. Refundable credits awarded to a certified project that has been
387 designated as an extraordinary economic development opportunity shall not be counted against
388 the cap set forth in this subsection.

389 (d) The total amount of credits that may be authorized by the EACC under this
390 section for any single calendar year shall not exceed \$30,000,000, to be calculated in accordance
391 with the relevant provisions of subsection (g) of section 6 of chapter 62 and section 38N of
392 chapter 63. Notwithstanding the cap set forth in the preceding sentence, the EACC may
393 authorize credits in excess of the annual cap of \$30,000,000 for a certified project that is
394 designated as an extraordinary economic development opportunity; provided that the total
395 amount awarded shall not exceed \$50,000,000 in a calendar year. The EACC may authorize an
396 award of credits to a controlling business that spans multiple years so long as the total amount of
397 credits due to be taken in any single calendar year does not exceed the applicable cap.

398 (e) MOBD shall require the recipient of tax credits awarded pursuant to this section
399 to execute an EDIP contract after the EACC awards tax credits under this section.

400 (f) The decision by the EACC to certify or deny certification to a proposed project
401 pursuant to section 3C, and the decision by the EACC to award or deny tax credits to the
402 controlling business of a certified project pursuant to this section, including without limitation
403 the amount of such award, and any conditions or limitations on such award, shall be decisions
404 that are within the sole discretion of the EACC. Such decisions by the EACC shall be final and
405 shall not be subject to administrative appeal or judicial review under chapter 30A or give rise to
406 any other cause of action or legal or equitable claim or remedy.

407 Section 3E. (a) A municipality may offer a local tax incentive to the owner or
408 controlling business of a certified project, or to the owner of a real estate project, if the
409 municipality determines such project is consistent with the municipality's economic
410 development objectives and is likely to increase or retain employment opportunities for residents
411 of the municipality.

412 (b) Tax increment financing may be offered by a municipality in accordance with
413 section 59 of chapter 40 to the controlling business of a certified project, or to any person or
414 entity undertaking a real estate project, or to any person or entity expanding a facility in an area
415 designated by the EACC as a TIF-eligible area. The EACC may designate an area as a TIF-
416 eligible area if it finds, upon petition from the municipality, that there is a strong likelihood that
417 any of the following will occur within the area in question within a specific and reasonably
418 proximate period of time: (i) a significant influx or growth in business activity; (ii) the creation
419 of a significant number of new jobs and not merely a replacement or relocation of current jobs

420 within the commonwealth; or (iii) a private project or investment that will contribute
421 significantly to the resiliency of the local economy.

422 If a municipality offers tax increment financing to the owner of a certified project, the
423 municipal project endorsement for said certified project shall include a fully executed copy of the
424 tax increment financing agreement adopted in accordance with section 59 of chapter 40. Any
425 TIF agreement shall be approved by the EACC before it shall be valid and enforceable. The
426 EACC may approve such tax increment financing agreement pursuant to regulations adopted by
427 the EACC. Any such approval shall include a finding, reflected in the EACC's minutes, that the
428 tax increment financing agreement complies with section 59 of chapter 40 and will further the
429 public purpose of encouraging increased industrial and commercial activity in the
430 commonwealth.

431 (c) A municipality may offer a special tax assessment to the controlling business of a
432 certified project, or to a person or entity undertaking a real estate project, or to a person or entity
433 proposing to retain permanent full-time jobs at a facility that otherwise would be at risk of
434 relocating outside of the commonwealth. Any special tax assessment shall be set forth in a
435 written agreement between the municipality and the property owner. Such agreement shall set
436 forth the amount of the tax reduction and the period of time over which such reduction shall be in
437 effect, which shall be not fewer than 5 years or more than 20 years. Every special tax assessment
438 approved by the EACC shall provide for a reduction of the real property tax that otherwise would
439 be due based on a percentage reduction in the tax that otherwise would be due based on the full
440 assessed value of the affected property. The special tax assessment shall provide for tax
441 reduction at least equal to the following:

442 (1) in the first year, the tax reduction shall be at least 50 per cent of the tax that would
443 be due based on the full assessed value of the affected property;

444 (2) in the second and third years, the tax reduction shall be at least 25 per cent of the
445 tax that would be due based on the full assessed value of the affected property;

446 (3) in the fourth and fifth years, the tax reduction shall be at least 5 per cent of the tax
447 that would be due based on the full assessed value of the affected property.

448 The municipality may at its discretion provide for greater real property tax reductions
449 than provided in clauses (1) to (3) above.

450 The written agreement required by the first paragraph of this subsection (c) shall be
451 approved by the EACC before it shall be valid and enforceable. The EACC may approve such
452 special tax assessments pursuant to rules or regulations adopted by the EACC if the EACC shall
453 determine: (i) the municipality has made a formal determination that the property owner is either
454 undertaking a project or making other investment that will contribute to economic revitalization
455 of the municipality and will significantly increase employment opportunities for residents of the
456 municipality, or is retaining permanent full-time employees that otherwise would be relocated to
457 a facility outside the commonwealth, (ii) the special tax assessment is reasonably necessary to
458 enable the owner's investment in the project or to retain the jobs that otherwise would be
459 relocated; and (iii) the total amount of local tax foregone is reasonably proportionate to the
460 public benefits resulting from the special tax assessment. Any such approval shall include a
461 finding, reflected in the EACC's minutes, that the special tax assessment complies with the
462 requirements of this section 3E.

463 (d) Any tax increment financing agreement or special tax assessment approved by the
464 EACC may not be amended without the approval of the EACC.

465 Section 3F. (a) No later than 2 years after the initial certification of a project by
466 the EACC, and annually thereafter, the controlling business or affiliate awarded EDIP tax credits
467 shall file with MOBD a report, signed by an authorized representative of the controlling business
468 or affiliate, certifying whether the controlling business or affiliate has achieved the job creation
469 projections, job retention projections and other material obligations or representations set forth in
470 the EDIP contract.

471 (b) In the event that MOBD shall find that a controlling business or an affiliate is in
472 material non-compliance with a representations made to the EACC in its application for project
473 certification or the obligations set forth in an EDIP contract, MOBD may recommend to the
474 EACC that it revoke the project certification. Prior to making such recommendation, MOBD
475 shall provide written notice to the controlling business stating the basis for the recommended
476 revocation and offering the controlling business an opportunity for a hearing at which the
477 controlling business may contest the basis for the recommendation or establish mitigating
478 circumstances which may be relevant to the recommendation.

479 (c) The EACC may revoke a project certification if it determines that a controlling
480 business or affiliate is in material non-compliance with a representations made in its application
481 for project certification or the obligations set forth in an EDIP contract. The EACC shall have
482 the discretion to determine whether material non-compliance shall result in revocation of a
483 project certification, taking into account:

484 (1) the conduct of the controlling business subsequent to the project certification;

485 (2) the extent to which the material non-compliance is the result of unforeseen
486 conditions that are outside the control of the controlling business;

487 (3) the potential impact on the municipality in which the certified project is located;
488 and

489 (4) such other considerations as the EACC shall establish by regulation or policy.

490 Where the EACC determines that material non-compliance is due to factors outside the
491 control of the controlling business, the EACC may elect to provide the controlling business with
492 reasonable opportunity to cure the material non-compliance. If the EACC revokes a project's
493 certification, it shall determine the proportion of compliance with job creation requirements
494 applicable to the certified project, and shall report the proportion of compliance to the controlling
495 business and to the department of revenue.

496 (d) Revocation of a project certification shall take effect on the first day of the tax
497 year in which the material non-compliance occurred, as determined by the EACC. If the EACC
498 revokes a project certification, then (i) all EDIP tax credits available to the controlling business
499 shall be recaptured in accordance with subsection (g) of section 6 of chapter 62 and subsection
500 (h) of section 38N of chapter 63, and (ii), the local tax incentive, if any, shall terminate unless the
501 written agreements between the municipality and the controlling business provide otherwise. In
502 the event of such termination, the municipality may, at its discretion, preserve the local tax
503 incentive by amending the written agreement with the controlling business in same manner as the
504 municipality approved it, and submitting such amendment to the EACC for approval in
505 accordance with this section.

506 (e) If a controlling business has claimed tax credits awarded under this chapter prior
507 to the date on which the EACC makes a determination to revoke project certification, then the
508 recapture provisions of subsection (g) of section 6 of chapter 62 and subsection (h) of section
509 38N of chapter 63 shall apply. If a controlling business has benefited from a local tax incentive
510 under this chapter prior to the revocation of a project certification, then notwithstanding any
511 provision of the general laws to the contrary, the municipality that offered the local tax incentive
512 may recapture the value of the tax not paid by making a special assessment on the controlling
513 business in the tax year that follows the EACC's decision to revoke project certification. The
514 assessment, payment and collection of the special assessment shall be governed by procedures
515 provided for the taxation of omitted property under section 75 of chapter 59 notwithstanding the
516 time period set forth in said chapter 59 for which omitted property assessments may be imposed
517 for each of the fiscal years included in the special assessment.

518 Section 3G. (a) The EACC shall have the authority to designate one or more areas
519 of the commonwealth as an economic target area or economic opportunity area in connection
520 with an application from a municipality seeking such designation under the federal
521 empowerment zones and enterprise communities program, so called, or other local, state or
522 federal programs that contemplate such designations. Designations of new economic target
523 areas, if any, shall be made in accordance with the criteria set forth in subsection (b) of this
524 section. Designations of new economic opportunity areas, if any, shall be made at the discretion
525 of the EACC in accordance with regulations to be promulgated by the EACC, or rules or policies
526 adopted by the EACC.

527 (b) The EACC may from time to time designate as an economic target area an area of
528 the commonwealth comprised of 3 or more contiguous census tracts or 1 or more contiguous

529 municipalities, provided that the area proposed for designation meets one of the following
530 criteria:

531 (1) the proposed economic target area has an unemployment rate that exceeds the
532 statewide average by at least 25 percent; or

533 (2) if the proposed economic target area is located in a metropolitan area, then at least
534 51 percent of the households in the proposed economic target area have incomes that are below
535 80 per cent of the median income for households in the metropolitan area; or

536 (3) if the proposed economic target area is not located in a metropolitan area, then at
537 least 51 per cent of the households in the proposed economic target area have incomes that are
538 below 80 per cent of the median income for households in the commonwealth; or

539 (4) the proposed economic target area has a poverty rate which is at least 20 per cent
540 higher than the average poverty rate for the commonwealth; or

541 (5) the area proposed for designation has heightened economic need due to an
542 industrial or military base closure; presence of underutilized maritime or electric generation
543 facilities; or a commercial vacancy rate exceeding 20 percent; or

544 (6) the area proposed for designation has exceptional potential for economic
545 development as a result of the proposed redevelopment of blighted real estate or abandoned
546 buildings totaling at least 1,000,000 square feet; the proposed establishment of a regional
547 technology center of 3,000,000 or more square feet; or the proposed development of a Class I
548 renewable energy generating facility.

549 (c) Any municipality which contains an economic opportunity area is hereby
550 authorized to make application to the foreign trade zone board established by an act of Congress,
551 Public Law 397, 19 U.S.C. sections 81(a) to 81(u), inclusive, for a grant to said city or town for
552 the privilege of establishing, operating and maintaining a foreign trade zone within its economic
553 opportunity area. Upon petition from a city or town, the EACC may authorize any other city or
554 town to make application to said foreign trade zone board for a grant to said city or town for the
555 privilege of establishing, operating and maintaining a foreign trade zone.

556 SECTION 9. Section 3J of said chapter 23A, as so appearing, is hereby amended by
557 striking out, in lines 1 to 22 inclusive, the first paragraph of subsection (a) and inserting in place
558 thereof the following paragraph:-

559 The Massachusetts office of business development shall establish a plan to support
560 regionally-based efforts to grow and retain existing businesses and attract new business to the
561 commonwealth. To implement the regional plan and to provide efficient and consistent response
562 to businesses seeking assistance from the commonwealth, the office shall contract with regional
563 economic development organizations, as defined in section 3K. The contracts and
564 reimbursements shall be designed to support regionally-based efforts to stimulate, encourage,
565 facilitate and nurture economic growth and prosperity in the commonwealth, including, but not
566 limited to, the identification of regional competitive strengths, challenges and opportunities,
567 regional cluster development strategies, long-range regional skills pipeline, transportation and
568 land use planning, and other systems-based activities related to the growth and retention of
569 existing businesses and the attraction of new businesses into the commonwealth. The contracts
570 shall support a network of partnerships between regional economic development organizations
571 and the Massachusetts office of business development.

572 SECTION 10. Said section 3J of said chapter 23A, as so appearing, is hereby further
573 amended by striking out subsection (c) and inserting in place thereof the following subsection:-

574 (c) Contracts for services entered into under this section shall include, but not be
575 limited to, the following services to be performed by the organization on behalf of the
576 commonwealth: (i) assess regional competitive strengths, weaknesses and opportunities; (ii)
577 represent the regional business community in long-range skills pipeline planning efforts to
578 ensure robust skills and talent pipelines that meet regional needs; (iii) represent the regional
579 business community in collaborative, long-range skills, transportation and land use planning; (iv)
580 promote regionally significant industry clusters; (v) promote connections across sectors of the
581 regional economy; (vi) maintain an inventory of key development parcels; (vii) market the
582 region in coordination with the Massachusetts marketing partnership established under section
583 13A; and (viii) furnish advice and assistance to businesses and industrial prospects which may
584 locate in the region.

585 SECTION 11. Section 65 of chapter 23A of the General Laws, as so appearing, is hereby
586 amended by striking subsection (j) and inserting in place thereof the following subsection:

587 (j) The department shall consult with the Massachusetts department of agricultural
588 resources in the development and implementation of the Massachusetts food trust program. To
589 the maximum extent feasible, a community development financial institution and the department
590 shall seek to align efforts with the recommendations of the Massachusetts local food action plan
591 accepted by the Massachusetts food policy council in 2015, or subsequent plans accepted by said
592 council.

593 SECTION 12. Section 5 of Chapter 23G of the General Laws, as so appearing, is hereby
594 amended by striking out paragraph (1) of subsection (c) and inserting in place thereof the
595 following language:

596 (1) that the loan is to be secured by a mortgage or security interest in, real or
597 personal property, or a combination thereof, deemed satisfactory to the board;

598 SECTION 13. Said section of said chapter 23G, as so appearing, is further amended by
599 striking out paragraph (8) of subsection (c) and inserting in place thereof the following
600 paragraph:

601 (8) that the principal amount of the loan, excluding any portion thereof the proceeds of
602 which are to fund reserves and disregarding any other funds or other arrangements obtained for
603 reserve purposes, does not exceed the value of the sum of all assets securing the loan as
604 determined by the agency;

605 SECTION 14. Section 7 of chapter 23G of the General Laws, as so appearing, is hereby
606 amended by striking out, in line 31, the figure “\$500,000” and inserting in place thereof the
607 following figure:- \$1,000,000.

608 SECTION 15. Section 8 of chapter 23H of the General Laws, as so appearing, is hereby
609 amended by striking out, in lines 7 to 8, the words “persons residing in economic opportunity
610 areas,”.

611 SECTION 16. Section 5 of chapter 23I of the General Laws, as so appearing, is hereby
612 amended by striking out, in lines 69 to 70, the words “in an economic opportunity area pursuant
613 to section 3F” and inserting in place thereof the following words:- as defined in section 3A.

614 SECTION 17. Section 49 of chapter 23K of the General Laws, as so appearing, is hereby
615 amended by striking out in line 3, the figure “3F” and inserting in place thereof the following
616 figure:- 3C.

617 SECTION 18. Said section 49 of said chapter 23K, as so appearing, is hereby further
618 amended by striking out, in line 5, the figure “3E” and inserting in place thereof the following
619 figure:- 3G.

620 SECTION 19. Said section 49 of said chapter 23K, as so appearing, is hereby further
621 amended by striking out, in lines 25 to 26, the words, “the economic opportunity area credit” and
622 inserting in place thereof the following words:- EDIP tax credit and alternative EDIP tax credit.

623 SECTION 20. Section 59 of said chapter 40, as so appearing, is hereby amended by
624 striking out, in lines 11 to 15, the words “an economic target area or an area presenting
625 exceptional opportunities for increased economic development, as defined by section 3D of
626 chapter 23A and as may be defined further by regulations adopted by the economic assistance
627 coordinating council” and inserting in place thereof the following words:-

628 an economic target area as defined in section 3G of chapter 23A, or an area designated by
629 the economic assistance coordinating council as a TIF-eligible area pursuant to subsection (b) of
630 section 3E of said chapter 23A.

631 SECTION 21. Said section 59 of said chapter 40, as so appearing, is hereby further
632 amended by striking out, in lines 84 and 88, the figure “3F” and inserting in place thereof, in
633 each instance, the figure:- 3E.

634 SECTION 22. Section 60 of said chapter 40, as so appearing, is hereby amended by
635 striking out, in lines 5 to 7, the words “the director of housing and community development, in
636 consultation with the department of economic development and the department of revenue” and
637 inserting in place thereof the following words:- the department of housing and community
638 development, in consultation with the department of revenue.

639 SECTION 23. Said section 60 of chapter 40, as so appearing, is hereby further amended
640 by striking out, in lines 15 to 18, the words “characterized by a predominance of commercial
641 land uses, a high daytime or business population, a high concentration of daytime traffic and
642 parking and a need for multi-unit residential properties” and inserting in place thereof the
643 following words:-

644 located within an area of concentrated development, as that term is defined in section 2 of
645 chapter 40R, characterized by a predominance of commercial land uses and a need for multi-unit
646 residential properties.

647 SECTION 24. Said section 60 of said chapter 40, as so appearing, is hereby further
648 amended by striking out clause (ii) of subsection (a) and inserting in place thereof the following
649 clause:-

650 (ii) describe the construction, reconstruction, rehabilitation and related activities, public
651 and private, contemplated for such UCH-TIF zone as of the date of the adoption of the UCH-TIF
652 plan; provided, however, that in the case of public construction as aforesaid, the UCH-TIF plan
653 shall include a detailed projection of the costs and a betterment schedule for the defrayal of such
654 costs; provided further, that the UCH-TIF plan shall provide that no costs of such public
655 construction shall be recovered through betterments or special assessments imposed on a party

656 which has not executed an UCH-TIF agreement in accordance with clause (v); and provided,
657 further, that in the case of private construction as aforesaid, the UCH-TIF plan shall include the
658 types of affordable housing and residential and commercial growth which are projected to occur
659 within such UCH-TIF zone together with such documentary evidence of the projected public
660 benefits as are required by the regulations;

661 SECTION 25. Said section 60 of said chapter 40, as so appearing, is hereby further
662 amended by striking out subclause (1) and subclause (2) of clause (iii) of subsection (a) and
663 inserting in place thereof the following subclause:-

664 (1) the numerator of which shall be:

665 In an UCH-TIF zone where the property includes primarily residential uses, the total
666 assessed value of all parcels of all residential real estate that are assessed at full and fair cash
667 value for the current fiscal year minus the new growth adjustment factor for the current fiscal
668 year attributable to the residential real estate as determined by the commissioner of revenue
669 under paragraph (f) of section 21C of said chapter 59; or

670 In an UCH-TIF zone where the property includes a mix of residential and commercial
671 uses, the total assessed value of all parcels of all residential and commercial real estate that are
672 assessed at full and fair cash value for the current fiscal year minus the new growth adjustment
673 factor for the current fiscal year attributable to the residential and commercial real estate as
674 determined by the commissioner of revenue under said paragraph (f) of said section 21C of said
675 chapter 59; and

676 SECTION 26. Said section 60 of said chapter 40, as so appearing, is hereby further
677 amended by striking out clause (v) of subsection (a) and inserting in place thereof the following
678 clause:-

679 (v) that each owner of property located in an UCH-TIF zone seeking to establish
680 eligibility for tax increment exemptions from annual property taxes under clause (iii) shall
681 execute an agreement, hereinafter referred to as an UCH-TIF agreement, with the city or town,
682 the form of which shall be included as an attachment to the UCH-TIF plan, which agreement
683 shall include, but not be limited to, the following: (1) all material representations of the parties
684 which served as a basis for the granting of a UCH-TIF exemption; (2) any terms deemed
685 appropriate by the city or town relative to compliance with the UCH-TIF agreement including,
686 but not limited to, what shall constitute a default by the property owner and what remedies shall
687 be allowed between the parties for any such defaults, including an early termination of the
688 agreement; (3) provisions requiring that one of the affordability thresholds described in
689 subsection (b) below is met; (4) provisions stating that housing units that meet the affordability
690 requirements of subsection (b) shall be subject to use restrictions as defined in this section; (5) a
691 detailed recitation of the tax increment exemptions and the maximum percentage of the cost of
692 public improvements that can be recovered through betterments or special assessments regarding
693 a parcel of real property pursuant to clauses (iii) and (iv); (6) a detailed recitation of all other
694 benefits and responsibilities inuring to and assumed by the parties to an agreement; and (7) a
695 provision that the agreement shall be binding upon subsequent owners of the parcel of real
696 property; and

697 SECTION 27. Said section 60 of said chapter 40, as so appearing, is hereby further
698 amended by striking out subsections (b) to (e), inclusive, and inserting in place thereof the
699 following 5 subsections:-

700 (b) As a condition of the granting of an UCH-TIF exemption, a property owner must
701 satisfy 1 of the following affordability thresholds:

702 (i) At least 15 per cent of the housing units assisted by the UCH-TIF agreement shall
703 be affordable to occupants or families with incomes at or below 80 per cent of the median
704 income for the area in which the city or town is located as defined by the United States
705 Department of Housing and Urban Development (“AMI”); or

706 (ii) At least 25 per cent of the housing units assisted by the UCH-TIF agreement shall
707 be affordable to occupants or families with incomes at or below 110 per cent of the AMI; or

708 (iii) The property shall satisfy the requirements of an existing inclusionary zoning
709 ordinance or bylaw in the city or town, under which the property owner is required to make a
710 portion of the housing units assisted by the UCH-TIF agreement affordable to low- and
711 moderate-income households.

712 In addition, to support a finding of public benefit based on residential and commercial
713 growth in an urban center, at least one of the following additional conditions must be met:

714 The UCH-TIF zone has either (1) an unemployment rate that exceeds the statewide
715 average by at least 25 per cent, (2) a commercial vacancy rate of 15 per cent or more; or (3) an
716 average household income below 115 per cent of the AMI, or

717 At least 51% of the land area within the UCH-TIF zone is located within a qualified
718 census tract as defined in Section 42(d)(5) of the Internal Revenue Code, or

719 At least 51% of the land area within the UCH-TIF zone constitutes a blighted open,
720 decadent or sub-standard area as defined in G.L. c. 121A.

721 (c) The department shall review each UCH-TIF plan to determine whether it
722 complies with the terms of this section and any regulations which may be adopted by the
723 department; provided further, that the department shall certify, based upon the information
724 submitted in support of the UCH-TIF plan by the city or town and through such additional
725 investigation as the department may make, that the plan is consistent with the requirements of
726 this section and will further the public purpose of encouraging increased residential growth,
727 affordable housing and commercial growth in the commonwealth; provided further, that a city or
728 town may, at any time, revoke its designation of a UCH-TIF zone and, as a consequence of such
729 revocation, shall immediately cease the execution of any additional agreements under clause (v)
730 of subsection (a); provided, further, that a revocation shall not affect agreements relative to
731 property tax exemptions and limitations on betterments and special assessments under said
732 clause (v) of said subsection (a) or use restrictions or options to purchase and rights of first
733 refusal required by this section which were executed before the revocation.

734 (d) The board, agency, or officer of the city or town authorized under clause (vi) of
735 said subsection (a) to execute UCH-TIF agreements shall submit each executed UCH-TIF
736 agreement to the department of housing and community development for its approval. The
737 department shall, as a condition of such approval, certify that the UCH-TIF agreement complies
738 with the terms of this section and furthers the public purpose of encouraging increased residential

739 growth, affordable housing and commercial growth in the Commonwealth. Upon receipt of the
740 department's certification, the board, agency or officer of the city or town authorized under
741 clause (vi) of said subsection (a) to execute UCH-TIF agreements shall forward to the board of
742 assessors a copy of the approved UCH-TIF agreement, together with a list of the parcels included
743 therein. An executed and approved UCH-TIF shall be recorded in the registry of deeds or the
744 registry district of the land court wherein the land lies.

745 (e) Notwithstanding any other general or special law to the contrary, an affordable
746 housing development benefiting from a real estate tax exemption under this section that meets
747 the affordability requirements of subsection (c) and subclause (3) of clause (v) of subsection (a)
748 shall continue to meet those requirements for 30 years or for the term of any municipal bonds
749 issued to finance the construction, reconstruction or rehabilitation of such development,
750 whichever is shorter as may be specified in the recorded restriction. Such restriction shall be
751 approved by the department of housing and community development in accordance with section
752 32 of chapter 184 and shall be recorded in the registry of deeds or the registry district of the land
753 court wherein the land lies.

754 (f) The owner of property subject to an UCH-TIF agreement shall certify to the city
755 or town the incomes of the families or occupants, upon initial occupancy, of the affordable
756 housing units designated in the UCH-TIF agreement and such certification shall be provided to
757 the department on an annual basis. If the owner fails to provide certification or otherwise fails to
758 comply with the UCH-TIF agreement, including failing to maintain the affordability of housing
759 units assisted under this section, the city or town may place a lien on the property in the amount
760 of the real estate tax exemptions granted pursuant to the UCH-TIF agreement for any year in
761 which the owner is not in compliance with this subsection. If the city or town determines, with

762 the approval of the department of housing and community development, that the owner is
763 unlikely to come into compliance with the affordability requirements of subsection (c) and
764 subclause (3) of clause (v) of subsection (a), the city or town may place a lien on the property in
765 the amount of the total real estate tax exemption granted pursuant to the UCH-TIF agreement.
766 Any such lien shall be recorded in the registry of deeds or the registry district of the land court
767 wherein the land lies.

768 SECTION 28. Section 6 of chapter 40A, as so appearing, is hereby amended by striking
769 out, in line 29, the word “six” and inserting in place thereof the following word:- 12.

770 SECTION 29. Section 9 of said chapter 40A, as so appearing, is hereby amended by
771 striking out, in line 165, the word “two” and inserting in place thereof the following word:- three.

772 SECTION 30. Section 4 of chapter 40G of the General Laws, as so appearing, is hereby
773 amended by striking out, in line 85, the words “as defined in section 3D” and inserting in place
774 thereof the following words:- designated pursuant to section 3G.

775 SECTION 31. Section 2 of chapter 40H of the General Laws, as so appearing, is hereby
776 amended by striking out, in lines 59 to 60, the words “section 3D of chapter 23A” and inserting
777 in place thereof the following words:- section 3G of chapter 23A, or meeting the criteria for
778 such designation.

779 SECTION 32. Section 4G of chapter 40J of the General Laws, as so appearing, is hereby
780 amended by striking out the figure “\$3” in lines 19 and 24 and inserting in place thereof, in each
781 instance, the following figure:- \$1.

782 SECTION 33. Section 6D of said chapter 40J, as so appearing, is hereby amended by
783 adding the following subsection:-

784 (g) The institute shall, in consultation with the secretary of housing and economic
785 development and informal advisers from the public and private sectors, develop strategies and
786 action plans to facilitate the continued development and accelerating growth of the e-health
787 cluster in the commonwealth involving a range of products, services and systems at the
788 intersection of medicine/healthcare and information technology, including without limitation
789 electronic health records, consumer wearable devices, care systems, payment management
790 systems, healthcare robotics, telemedicine and big data analytics, for the purpose of improving
791 health care quality, reducing costs and supporting the expansion of economic opportunities for
792 the citizens of the commonwealth. Without limiting the generality of the foregoing, the institute
793 is authorized (i) to develop a market access program connecting provider and payer needs with
794 ideas and products through pilot programs, (ii) to undertake a healthcare big data initiative
795 designed to improve healthcare data transparency and availability, and (iii) to create
796 opportunities for e-health cluster stakeholders, including investors, entrepreneurs and healthcare
797 providers, to convene to exchange ideas and make connections. In furtherance of the purposes of
798 this subsection, the institute shall coordinate and collaborate with such other commonwealth
799 agencies, authorities and public instrumentalities as the secretary of housing and economic
800 development may suggest and shall endeavor to identify moneys and resources that could be
801 made available for such purposes. The corporation is authorized to expend moneys credited to
802 the e-Health Institute Fund established in section 6E for the purposes of this subsection, without
803 compliance with any further restrictions contained in section 6E, and to expend for such

804 purposes any other moneys available to the corporation that are not otherwise expressly
805 restricted by law.

806 SECTION 34. Section 2 of chapter 40R of the General Laws, as so appearing, is hereby
807 amended by inserting after the definition of “Approved smart growth zoning district” the
808 following definition:

809 “Approved starter home zoning district”, a starter home zoning district that has been
810 adopted by a city or town and approved by the department in accordance with this chapter and
811 the regulations of the department, so as to be eligible for the receipt of financial and other
812 incentives. The department may revoke its approval if the obligations of the city or town are not
813 met.

814 SECTION 35. Said section 2 of said chapter 40R, as so appearing, is hereby further
815 amended by inserting after the definition of “Approving authority” the following definition:-

816 “Area of concentrated development”, a center of commercial activity within a
817 municipality, including town and city centers, other existing commercial districts in cities and
818 towns, and existing rural village districts.

819 SECTION 36. Said section 2 of said chapter 40R, as so appearing, is hereby further
820 amended by striking out the definition of “developable land area” and inserting in place thereof
821 the following definition:-

822 “Developable land area”, that area within an approved smart growth or starter home
823 zoning district that can be feasibly developed into residential or mixed use development
824 determined in accordance with regulations of the department. Developable land area shall not

825 include: (1) land area that is already substantially developed, including existing parks and
826 dedicated, perpetual open space within such substantially developed portion; (2) open space
827 designated by the city or town as provided in section 6; or (3) areas exceeding ½ acre of
828 contiguous land that are unsuitable for development because of topographic features or for
829 environmental reasons, such as wetlands.

830 It shall include the land area occupied by or associated with underutilized residential,
831 commercial, industrial or institutional buildings or uses that have the potential to be recycled or
832 converted into residential or mixed use developments as determined in accordance with
833 regulations of the department.

834 SECTION 37. Said section 2 of said chapter 40R, as so appearing, is hereby further
835 amended by striking out the definition of “eligible locations” and inserting in place thereof the
836 following definition:-

837 “Eligible locations”, areas that by virtue of their infrastructure, transportation access,
838 existing underutilized facilities, and/or location make highly suitable locations for residential or
839 mixed use smart growth zoning districts or starter home zoning districts, including without
840 limitation (1) areas near transit stations, including rapid transit, commuter rail and bus and ferry
841 terminals; or (2) areas of concentrated development, including town and city centers, other
842 existing commercial districts in cities and towns, and existing rural village districts.

843 SECTION 38. Said section 2 of said chapter 40R, as so appearing, is hereby further
844 amended by inserting after the definition of “Historic district” the following 2 definitions:-

845 “Housing production plan”, an affordable housing plan adopted by a municipality and
846 approved by the department in accordance with its regulations.

847 “Housing production summary”, a detailed summary of the city or town’s affordable
848 housing production history, housing needs and housing demand assessment, analysis of
849 development constraints and capacity, current housing goals and strategy for achieving those
850 goals, and proposed locations for affordable housing production.

851 SECTION 39. Said section 2 of said chapter 40R, as so appearing, is hereby further
852 amended by striking out the definition of “Letter of eligibility” and inserting in place thereof the
853 following definition:-

854 “Letter of eligibility”, a letter to a city or town to be issued by the department within 60
855 days of receiving a complete and approvable application from a city or town for approval of a
856 smart growth or starter home zoning district.

857 SECTION 40. Said section 2 of said chapter 40R, as so appearing, is hereby further
858 amended by striking out the definition of “Mixed use development” and inserting in place
859 thereof the following definition:-

860 “Mixed use development”, a development containing a mix of residential uses and non-
861 residential uses (including without limitation commercial, institutional, industrial and/or other
862 uses), all conceived, planned and integrated to create vibrant, workable, livable and attractive
863 neighborhoods.

864 SECTION 41. Said section 2 of said chapter 40R, as so appearing, is hereby further
865 amended by inserting after the definition of “Open space” the following definition:-

866 “Production bonus payment”, a one-time payment to a municipality from the trust fund
867 established in section 35AA of chapter 10 for each housing unit of new construction that is

868 created in a starter home zoning district pursuant to the starter home overlay provisions of the
869 applicable zoning ordinance or bylaw.

870 SECTION 42. Said section 2 of said chapter 40R, as so appearing, is hereby further
871 amended by striking out the definition of “Project” and inserting in place thereof the following
872 definition:-

873 “Project”, a proposed residential or mixed-use development within a smart growth or
874 starter home zoning district.

875 SECTION 43. Said section 2 of said chapter 40R, as so appearing, is hereby further
876 amended by inserting after the definition of “Smart growth zoning district certificate of
877 compliance” the following 3 definitions:-

878 “Starter home”, a single family home not exceeding 1,850 square feet in heated living
879 area; provided, that nothing herein shall preclude a city or town from adopting a starter home
880 zoning district that would permit construction on a single lot in a starter home zoning district of
881 an accessory dwelling unit of 600 square feet or less on the same lot as a starter home.

882 “Starter home zoning district”, a zoning district consisting of not less than three (3)
883 contiguous acres of developable land area, adopted by a city or town under this chapter, that is
884 superimposed over 1 or more zoning districts in an eligible location, within which a developer
885 may elect to either develop starter homes in accordance with requirements of the starter home
886 zoning district ordinance or by-law, or develop a project in accordance with requirements of the
887 underlying zoning district, and otherwise consistent with department guidance.

888 “Starter home zoning district certificate of compliance”, a written certification by the
889 department in accordance with section 7.

890 SECTION 44. Section 3 of said chapter 40R, as so appearing, is hereby amended by
891 inserting, after the word “district” in lines 2 and 7, in each instance, the following words:- or
892 starter home zoning district.

893 SECTION 45. Said section 3 of said chapter 40R, as so appearing, is hereby further
894 amended by inserting, after the word “districts” in line 15, the following words:- or starter home
895 zoning districts.

896 SECTION 46. Section 4 of said chapter 40R, as so appearing, is hereby amended by
897 inserting after the word “growth” in line 3 the following words:- or starter home.

898 SECTION 47. Said section 4 of said chapter 40R, as so appearing, is hereby further
899 amended by inserting after the word “districts” in line 14 the following words:- or starter home
900 zoning districts.

901 SECTION 48. Said chapter 40R, as so appearing, is hereby amended by striking out
902 sections 5 to 10 inclusive and inserting in place thereof the following 6 sections:-

903 Section 5. The chief executive of a city or town desiring to adopt a smart growth zoning
904 district or starter home zoning district ordinance or by-law shall submit the necessary materials
905 to the department for a preliminary determination of eligibility for approval. The information in
906 the application shall:

907 (a) identify and describe the boundaries of the proposed smart growth zoning district
908 or starter home zoning district;

909 (b) identify and describe the developable land area within the proposed smart growth
910 zoning district or starter home zoning district;

911 (c) identify and describe other residential development opportunities for infill
912 housing and the residential re-use of existing buildings and underutilized buildings within
913 already developed areas (applicable to smart growth zoning districts only);

914 (d) include any comprehensive housing plan or housing production plan previously
915 adopted by the city town or, if the city or town has no comprehensive housing plan or housing
916 production plan, a housing production summary, as set forth in section 8;

917 (e) include a copy of the proposed smart growth district or starter home zoning
918 district ordinance or by-law;

919 (f) by narrative and exhibits, establish the elements set forth in section 6.

920 Section 6. (a) A proposed smart growth zoning district or starter home zoning district
921 shall satisfy the following minimum requirements:

922 (1) Each proposed district shall be located in an eligible location.

923 (2) The zoning for each proposed smart growth zoning district shall provide for
924 residential use to permit a mix of housing for families, individuals, persons with special needs
925 and the elderly.

926 (3) Housing density in a proposed smart growth district shall be at least 20 units per
927 acre for multi-family housing on the developable land area: 8 units per acre for single-family
928 homes on the developable land area; and 12 units per acre for 2 and 3 family buildings on the
929 developable land area. Housing density in a proposed starter home district shall satisfy the

930 following criteria: (a) the density shall be no less than 4 units per acre of developable land area;
931 (b) the development shall emphasize smart growth principles of development, such as cluster
932 development and other forms of development providing for common open space usable for
933 passive or active recreational activities, and/or the use of low-impact development techniques;
934 and (c) at least 50% of the starter homes to be developed in a proposed starter home district
935 (excluding accessory dwelling units) must contain 3 or more bedrooms.

936 (4) The zoning ordinance or by-law for each proposed smart growth zoning district
937 shall provide that not less than 20 per cent of the residential units constructed in projects of more
938 than 12 units shall be affordable, as defined in section 2, and shall contain mechanisms to ensure
939 that not less than 20 per cent of the total residential units constructed in each proposed district
940 shall be affordable.

941 (5) The zoning ordinance or by-law for each proposed starter home zoning district
942 shall provide that, as a condition of the increased density permitted in a starter home zoning
943 district, not less than 20 per cent of the residential units created as starter homes shall be
944 affordable to and occupied by individuals and families whose annual income is less than 100 per
945 cent of the area median income as determined by the United States Department of Housing and
946 Urban Development, and shall contain mechanisms to ensure that the required percentage of the
947 total residential units constructed in each proposed starter home district shall meet such
948 affordability requirements, including an affordable housing restriction as defined in section 31 of
949 chapter 184 having a term of not less than 30 years.

950 (6) A proposed smart growth zoning district shall permit infill housing on existing
951 vacant lots and shall allow the provision of additional housing units in existing buildings,
952 consistent with neighborhood building and use patterns, building codes and fire and safety codes.

953 (7) A proposed smart growth zoning district or starter home zoning district shall not
954 be subject to limitation of the issuance of building permits for residential uses or a local
955 moratorium on the issuance of such permits. In addition, a proposed starter home zoning district
956 shall not be subject to any municipal environmental or health ordinances, bylaws or regulations
957 that exceed applicable requirements of state law or regulation, unless the department has
958 determined, after consultation with the department of environmental protection or other agency
959 having relevant expertise, that specific local conditions warrant imposition of more restrictive
960 local standards, and the imposition of such standards would not render infeasible the
961 development contemplated under the comprehensive housing plan, housing production plan or
962 housing production summary submitted as part of the application for such district.

963 (8) A proposed smart growth zoning district or starter home zoning district shall not
964 impose restrictions on age or any other occupancy restrictions on the district as a whole. This
965 shall not preclude the development of specific projects within a smart growth zoning district that
966 may be exclusively for the elderly, the disabled or for assisted living. Not less than 25 per cent of
967 the housing units in such a project within a smart growth zoning district shall be affordable
968 housing, as defined in section 2.

969 (9) Housing in a smart growth zoning district or starter home zoning district shall
970 comply with federal, state and local fair housing laws.

971 (10) A proposed smart growth zoning district or starter home zoning district may not
972 exceed 15 per cent of the total land area in the city or town. Upon request, the department may
973 approve a larger land area if such approval serves the goals and objectives of the chapter.

974 (11) The aggregate land area of all approved smart growth zoning districts and starter
975 home zoning districts in the city or town may not exceed 25 per cent of the total land area in the
976 city or town. The department may approve a larger combined land area if the department
977 determines that such approval serves the goals and objectives of this chapter.

978 (12) Housing density in any proposed district shall not over burden infrastructure as it
979 exists or may be practicably upgraded in light of anticipated density and other uses to be retained
980 in the district.

981 (13) A proposed smart growth zoning district or starter home zoning district ordinance
982 or by-law shall define the manner of review by the approving authority in accordance with
983 section 11 and shall specify the procedure for such review in accordance with regulations of the
984 department.

985 (b) A city or town may modify or eliminate the dimensional standards contained in
986 the underlying zoning in the smart growth zoning district or starter home zoning district
987 ordinance or by-law in order to support desired densities, mix of uses and physical character. The
988 standards that are subject to modification or waiver may include, but shall not be limited to,
989 height, setbacks, lot coverage, parking ratios and locations and roadway design standards.
990 Modified requirements may be applied as of right throughout all or a portion of the smart growth
991 zoning district or starter home zoning district, or on a project specific basis through the smart
992 growth zoning district or starter home zoning district plan review process as provided in the

993 ordinance or by-law. A city or town may designate certain areas within a smart growth zoning
994 district or starter home zoning district as dedicated perpetual open space through the use of a
995 conservation restriction as defined in section 31 of chapter 184 or such other means as may be
996 created by state law. The amount of such open space shall not be included as developable land
997 area within the smart growth zoning district or starter home zoning district. Open space may
998 include an amount of land equal to up to 10 per cent of what would otherwise be the developable
999 land area if the developable land would be less than 50 acres, and 20 per cent of what would
1000 otherwise be the developable land area if the developable land area would be 50 acres or more.

1001 (c) The zoning for a proposed smart growth zoning district may provide for mixed
1002 use development.

1003 (d) A smart growth zoning district or starter home zoning district may encompass an
1004 existing historic district or districts. A city or town, with the approval of the department, may
1005 establish a historic district in an approved smart growth zoning district or starter home zoning
1006 district in accordance with chapter 40C, so long as the establishment of the historic district meets
1007 requirements for such a historic district and does not render the city or town noncompliant with
1008 this chapter, as determined by the department. The historic districts may be coterminous or non-
1009 coterminous with the smart growth zoning district or starter home zoning district. Within any
1010 such historic district, the provisions and requirements of the historic district may apply to
1011 existing and proposed buildings.

1012 (e) A city or town may require more affordability than required by this chapter, both
1013 in the percentage of units that must be affordable, and in the levels of income for which the

1014 affordable units must be accessible, provided, however, that affordability thresholds shall not
1015 unduly restrict opportunities for development.

1016 (f) With respect to a city or town with a population of fewer than 10,000 persons, as
1017 determined by the most recent federal decennial census, for hardship shown, the department
1018 may, pursuant to regulations adopted under this chapter, approve zoning for a smart growth
1019 zoning district with lower densities than provided in this chapter, if the city or town satisfies the
1020 other requirements set forth in this section; provided, however, that such approval shall not be
1021 withdrawn solely because, in a future census, the population of the city or town exceeds 10,000.

1022 (g) Any amendment or repeal of the zoning for an approved smart growth zoning
1023 district or starter home zoning district ordinance or by-law shall not be effective without the
1024 written approval by the department. Each amendment or repeal shall be submitted to the
1025 department with an evaluation of the effect on the city or town's comprehensive housing plan or
1026 housing production plan, if any. Amendments shall be approved only to the extent that the
1027 district remains in compliance with this chapter. If the department does not respond to a
1028 complete request for approval of an amendment or repeal within 60 days of receipt, the request
1029 shall be deemed approved.

1030 (h) Nothing in this chapter shall affect a city or town's authority to amend its zoning
1031 ordinances or by-laws under chapter 40A, so long as the changes do not affect the smart growth
1032 zoning district or starter home zoning district.

1033 Section 7. (a) On or before October 1 of each year after the year of approval of a district
1034 by the department, the department shall send a smart growth zoning district certificate of
1035 compliance or starter home zoning district certificate of compliance, as applicable, to each city or

1036 town with an approved district. In order to receive such a certificate, the city or town shall verify
1037 within the time specified by the department:

1038 (1) that the city or town has adopted an approved a smart growth zoning district or a
1039 starter home zoning district, as applicable;

1040 (2) that the certification has not been revoked by the department;

1041 (3) that the district is being developed in a manner that reasonably complies with the
1042 applicable minimum requirements set forth in section 6 for housing density and affordability;

1043 (4) that the approving authority has not unreasonably denied plans for projects, or has
1044 only denied plans for projects in a manner consistent with its smart growth zoning district
1045 ordinance or by-law or starter home zoning district ordinance or by-law, as applicable, the city or
1046 town's comprehensive housing plan, housing production plan, or the housing production
1047 summary submitted with the city or town's initial application for approval by the department, as
1048 applicable, and this chapter.

1049 (b) If the department is unable to certify compliance, the department shall hold a
1050 public hearing subject to chapter 30A. If the department concludes that the city or town is in
1051 material noncompliance with the requirements set forth in this section, the department may
1052 revoke certification. A revocation of certification shall be recorded with the registry of deeds or
1053 land court registry district for the county or district within which the city or town is located,
1054 indexed in the grantor index under the name of the city or town. Any revocation of certification
1055 or other sanctions imposed by the department shall not affect the validity of the smart growth
1056 zoning ordinance or by-law or starter home zoning district ordinance or by-law, as applicable, or

1057 the application of such ordinance or by-law to land, development or proposed development
1058 within the smart growth zoning district.”

1059 Section 8. A city or town shall submit to the department, concurrently with the city or
1060 town’s application for a letter of eligibility, either an existing comprehensive housing plan, an
1061 existing housing production plan, or a housing production summary. The plan or summary shall
1062 include an estimate of the projected number of units of new construction that could be built in
1063 the proposed smart growth zoning district or starter home zoning district. If a city or town has
1064 already completed a comprehensive housing plan or housing production plan, the city or town
1065 shall submit with its application to the department a description of how the proposed smart
1066 growth zoning district or starter home zoning district relates to and will further the goals of its
1067 comprehensive housing plan or housing production plan, as well as an estimate of the projected
1068 number of units of new construction that could be built within the district.

1069 Section 9. Each city or town with an approved smart growth zoning district or starter
1070 home zoning district shall be entitled to payments as described below.

1071 (a) The commonwealth shall pay from the trust fund a zoning incentive payment,
1072 according to the following schedule:

1073	Projected Units of	
1074	New Construction	Payment
1075	Up to 20	\$10,000
1076	21 to 100	\$75,000
1077	101 to 200	\$200,000

1078 201 to 500 \$350,000

1079 501 or more \$600,000

1080 Subject to any conditions imposed by the Department as a condition of approving a smart
1081 growth zoning district or starter home zoning district, the zoning incentive payment shall be
1082 payable upon confirmation of approval of the district by the department. The projected number
1083 of units shall be based upon the zoning adopted in the smart growth zoning district or start home
1084 zoning district, and consistent with either the city or town's comprehensive housing plan or
1085 housing production plan, if any, or the housing production summary submitted in accordance
1086 with Section 8.

1087 (b) The commonwealth shall pay from the trust fund a one-time density bonus
1088 payment to each city or town with an approved smart growth zoning district and a one-time
1089 production bonus payment to each city or town with an approved starter home zoning district.
1090 This payment shall be \$3,000 for each housing unit of new construction created in the smart
1091 growth zoning district and \$3,000 for each housing unit of new construction created in the starter
1092 home zoning district. The amount due shall be paid on a unit-by-unit basis in accordance with
1093 department regulations, upon submission by a city or town of proof of issuance of a building
1094 permit for a particular housing unit or units within the district.

1095 (c) The executive office of environmental affairs, the executive office of
1096 transportation, the department of housing and community development and the secretary of
1097 administration and finance shall, when awarding discretionary funds, use a methodology of
1098 awarding such funds that favors cities or towns with approved smart growth zoning districts or
1099 starter home zoning districts and other approved zoning policies or initiatives that encourage

1100 increased affordable housing production in the commonwealth including, but not limited to,
1101 inclusionary zoning.

1102 Section 10. A city or town may adopt, in accordance with the regulations of the
1103 department, design standards applicable to projects undergoing review by the approving
1104 authority, to ensure that the physical character of development within the smart growth zoning
1105 district or starter home zoning district is complementary to adjacent buildings and structures and
1106 is consistent with the city or town's comprehensive housing plan or housing production plan, if
1107 any, and any applicable master plan or plans for the city or town. Such standards may address the
1108 scale and proportions of buildings, the alignment, width and grade of streets and sidewalks, the
1109 type and location of infrastructure, the location of building and garage entrances, off-street
1110 parking, the protection of significant natural site features, the location and design of on-site open
1111 spaces, exterior signs and buffering in relation to adjacent properties. In a smart growth zoning
1112 district, the standards shall provide for high-density quality development consistent with the
1113 character of building types, streetscapes and other city or town features traditionally found in
1114 densely settled areas of the city or town or in the region of the city or town.

1115 A design standard shall not be adopted if it will add unreasonable costs to residential or
1116 mixed-use developments. A design standard shall not unreasonably impair the economic
1117 feasibility of proposed projects. The department may disapprove a request for the determination
1118 of eligibility for a smart growth zoning district or starter home zoning district on account of a
1119 design standard adding such unreasonable costs or unreasonably impairing such feasibility.

1120 SECTION 49. Section 11 of said chapter 40R, as so appearing, is hereby amended by
1121 striking out, in line 2, the words “district zoning” and inserting in place thereof the following
1122 words:- zoning district or starter home zoning district.

1123 SECTION 50. Section 11 of said chapter 40R, as so appearing, is hereby amended by
1124 inserting after the word “district”, in line 11, the following words:- or starter home zoning
1125 district.

1126 SECTION 51. Said section 11 of said chapter 40R, as so appearing, is hereby further
1127 amended by inserting after the word “zoning”, in line 17, the following words:- district or starter
1128 home zoning district.

1129 SECTION 52. Said section 11 of said chapter 40R, as so appearing, is hereby further
1130 amended by inserting after the word “district” in lines 70, 74 and 128, in each instance, the
1131 following words:- or starter home zoning district.

1132 SECTION 53. Said chapter 40R, as so appearing, is hereby amended by striking out
1133 section 12 and inserting in place thereof the following section:-

1134 Section 12. The department shall be responsible for the administration, review, and
1135 reporting on the smart growth zoning district and starter home zoning district programs as
1136 provided in this chapter. The department shall undertake or cause to be undertaken an annual
1137 review and the preparation of a report on the programs set forth in this chapter and may require
1138 data to be provided by cities and towns with smart growth zoning districts or starter home zoning
1139 districts. The report shall be prepared on the basis of such data and shall be made available to
1140 the general public and submitted to the general court annually not later than November 15 of
1141 each year, and shall cover the status of the program through the end of the prior fiscal year. The

1142 report shall identify and describe the status of cities and towns that are actively seeking letters of
1143 eligibility. It shall identify approved smart growth zoning districts and starter home zoning
1144 districts and the amounts and anticipated timing of one-time density bonus payments and one-
1145 time production bonus payments during the prior and current fiscal year. It shall summarize the
1146 amount of land areas zoned for particular types of projects in both proposed and approved
1147 districts, the number of projects being reviewed by cities and towns under section 11, including
1148 the number and type of proposed residential units, the number of building permits issued, the
1149 number of completed housing units and their type, and it shall set out the one-time density bonus
1150 payments and one-time production bonus payments made to each city or town. For the then
1151 current and the immediately succeeding fiscal years it shall make estimates for the: (i) number
1152 and size of proposed new districts; (ii) the potential number of residential units to be allowed in
1153 new districts; and (iii) anticipated construction activity.

1154 SECTION 54. Said chapter 40R, as so appearing, is hereby further amended by striking
1155 out section 14 and inserting in place thereof the following section:-

1156 Section 14. The department shall require the cities and towns, if within 3 years no
1157 construction has been started within the smart growth zoning district or starter home zoning
1158 district, to repay to the department all monies paid to the city or town under this chapter for said
1159 smart growth zone or starter home zone. The 3 years shall commence on the date of the payment
1160 of the zoning incentive payment for said smart growth zoning district or starter home zoning
1161 district. All monies returned to the department under this section shall be returned to the trust
1162 fund.

1163 SECTION 55. Section 1 of chapter 40V of the General Laws, as so appearing, is hereby
1164 amended by striking out the definition of “Certified housing development project”, and inserting
1165 in place thereof the following definition:-

1166 “Certified housing development project”, the new construction or substantial
1167 rehabilitation of a housing development project that has been approved by the department for
1168 participation in the housing development incentive program.

1169 SECTION 56. Said section 1 of said chapter 40V, as so appearing, is hereby further
1170 amended by striking out the definitions of “Market rate residential unit” and “Qualified
1171 substantial rehabilitation expenditure” and inserting in place thereof following 2 definitions:-

1172 “Market rate residential unit”, a residential unit that is not subject to a deed restriction
1173 setting a maximum rent or sales price, or restricting occupancy based on the income of the tenant
1174 or owner.

1175 “Qualified project expenditure”, an expenditure directly related to the construction or
1176 substantial rehabilitation of a certified housing development project, including the cost of site
1177 assessment and remediation of hazardous materials, but excluding the purchase of the property,
1178 provided that: (i) the department has certified that the proposed project meets the definition of
1179 certified housing development project; (ii) prior to construction, the department has certified that
1180 all or a portion of the project costs are for new construction or substantial rehabilitation; and (iii)
1181 after the construction of the project has been completed and occupied, the department has
1182 certified that the project has been completed in compliance with this chapter and the
1183 requirements and conditions of any prior certifications.

1184 SECTION 57. Said section 1 of said chapter 40V, as so appearing, is hereby further
1185 amended by inserting after the word “property”, in line 34, the following words:-

1186 including site assessment and remediation of hazardous materials, but.

1187 SECTION 58. Section 4 of said chapter 40V, as so appearing, is hereby amended by
1188 striking out, in line 12, the words “is a” and inserting in place thereof the following words:-

1189 involves either new construction or.

1190 SECTION 59. Said section 4 of said chapter 40V, as so appearing, is hereby further
1191 amended by striking out, in line 13, the word “approve” and inserting in place thereof the
1192 following word:- certify.

1193 SECTION 60. Said section 4 of said chapter 40V, as so appearing, is hereby further
1194 amended by striking out, in line 35, the words “HDIP zone” and inserting in place thereof the
1195 following words:- HD zone.

1196 SECTION 61. Said section 4 of said chapter 40V, as so appearing, is hereby further
1197 amended further by inserting after the word “certified” in line 44 the following words:- housing
1198 development.

1199 SECTION 62. Said section 4 of said chapter 40V, as so appearing, is hereby further
1200 amended further by inserting after the word “certified” in lines 56, 57 and 83, in each instance,
1201 the following words:- housing development.

1202 SECTION 63. Section 5 of said chapter 40V, as so appearing, is hereby amended by
1203 striking out the first sentence and inserting in place thereof the following sentence:-

1204 The department may award to a sponsor of a certified housing development project tax
1205 credits available under subsection (q) of section 6 of chapter 62 and section 38BB of chapter 63
1206 up to but not to exceed 25 per cent of the cost of qualified project expenditures allocable to the
1207 market rate units in the project, as determined by the department.

1208 SECTION 64. Said section 5 of said chapter 40V, as so appearing, is hereby further
1209 amended further by inserting before the word “project” in lines 9, 13 and 15, in each instance,
1210 the following words:- certified housing development.

1211 SECTION 65. Section 3 of chapter 62 of the General Laws, as so appearing, is hereby
1212 amended by striking out, in lines 114 to 115, the words “established by section three B of chapter
1213 twenty-three A” and inserting in place thereof the following words:- pursuant to section 3G of
1214 chapter 23A.

1215 SECTION 66. Paragraph (11) of subsection (a) of part B of section 3 of chapter 62 of the
1216 General Laws, as appearing in the 2014 Official Edition, is hereby amended by inserting at the
1217 end thereof the following sentence:-

1218 An individual who is a nonresident for all or part of the taxable year shall not be eligible
1219 to claim this deduction.

1220 SECTION 67. Subsection (a) of part B of section 3 of chapter 62 of the General Laws, as
1221 appearing in the 2014 Official Edition, is hereby amended by inserting at the end thereof the
1222 following new paragraphs:-

1223 (19) An amount equal to the amount expended in such taxable year for the purchase of an
1224 interest in, or contributed in such taxable year to an account in, a prepaid tuition program or

1225 college savings program established by the commonwealth or any instrumentality or authority
1226 thereof. In the case of a single person or a married person filing a separate return or a head of
1227 household, the total amount deducted in such taxable year shall not exceed \$1,000. In the case of
1228 a married couple filing a joint return, the total amount deducted in such taxable year shall not
1229 exceed \$2,000.

1230 Notwithstanding any statute of limitations on the assessment of an income tax under this
1231 chapter, any deduction taken hereunder shall be subject to recapture in the taxable year or years
1232 in which distributions or refunds are made for any reason other than (a) to pay qualified higher
1233 education expenses, as defined by 26 U.S. Code §529 (e)(3), or (b) the beneficiary's death,
1234 disability, or receipt of a scholarship. For the purposes of this subdivision, the term "purchaser"
1235 or "contributor" means the person shown as such on the records of the qualifying Massachusetts
1236 prepaid tuition or college savings plans as of December 31 of the taxable year. In the case of a
1237 transfer of ownership of a prepaid tuition contract or savings trust account, the transferee shall
1238 succeed to the transferor's tax attributes associated with a prepaid tuition contract or savings trust
1239 account, including, but not limited to, carryover and recapture of deductions.

1240 On or before October 15 of each year beginning on or after January 1, 2018, the
1241 commissioner shall submit a report to the secretary of administration and finance, the house and
1242 senate committees on ways and means, and the joint committee on revenue. The annual report
1243 shall provide the following information: the number of 529 college savings accounts opened by
1244 Massachusetts residents during the prior year; the amount of the allowable deductions claimed
1245 under this paragraph during the prior year; the adjusted gross income of each taxpayer qualifying
1246 for the deduction allowed under this section.

1247 The deduction allowed under this paragraph shall apply for taxable years beginning on or
1248 after January 1, 2017; provided, however, that, in taxable years beginning on or after January 1,
1249 2022, no such deduction shall be allowed in any taxable year unless the deduction is reauthorized
1250 by legislative action.

1251 SECTION 68. Section 6 of said chapter 62, as so appearing, is hereby amended by
1252 striking out subsection (g) and inserting in place thereof the following subsection:-

1253 (g)(1) A credit shall be allowed against the tax liability imposed by this chapter on the
1254 owner or lessee of a certified project, to the extent such credit is authorized by the economic
1255 assistance coordinating council, up to an amount equal to 50 per cent of such liability in any
1256 taxable year; provided, however, that the 50 per cent limitation shall not apply where the credit is
1257 refundable under paragraph (6). The amount of the credit shall be determined by the economic
1258 assistance coordinating council in accordance with criteria set forth in section 3D of chapter 23A
1259 and such other criteria or guidelines as the council shall from time to time adopt; provided that a
1260 credit awarded in connection with a certified project that will retain permanent full-time
1261 employees in a gateway city without creating a net increase in permanent full-time employees
1262 shall not exceed \$5,000 per retained employee. A credit allowed under this section may be taken
1263 only after the taxpayer executes an EDIP contract as set forth in section 3D of chapter 23A.

1264 (2) An alternative EDIP tax credit may be allowed against the tax liability imposed
1265 by this chapter on the owner or lessee of a certified project that has been designated as an
1266 extraordinary economic development opportunity, but only to the extent such alternative EDIP
1267 tax credit is authorized by the economic assistance coordinating council, up to an amount equal
1268 to 100 per cent of such liability in any taxable year; provided, however, that the 100 per cent

1269 limitation shall not apply where the credit is refundable under paragraph (6). The amount of the
1270 alternative EDIP tax credit shall be equal to a percentage of gross wages of the new permanent
1271 full-time employees employed by the controlling business at the certified project as reportable on
1272 employee Forms W-2 wage and tax statements. Such percentage shall be determined by the
1273 EACC but shall in no event exceed 5 per cent of such gross wages. An alternative EDIP tax
1274 credit allowed under this section shall reduce the liability of the taxpayer under this chapter for
1275 the taxable year in which the new permanent full-time employee is first employed by the
1276 taxpayer and any subsequent years authorized by the EACC. An alternative EDIP tax credit
1277 allowed under this section may be taken only after the taxpayer executes an EDIP contract as set
1278 forth in section 3D of chapter 23A.

1279 (3) The total amount of credits that may be authorized by the EACC in a calendar
1280 year pursuant to this section and section 38N of chapter 63 shall not exceed an annual cap equal
1281 to \$30,000,000 minus the credits granted pursuant to subsection (q)(5) of section of 6 of this
1282 chapter and section 38BB(5) of said chapter 63, and shall include: refundable credits granted
1283 during the year pursuant to this section or said section 38N of said chapter 63; nonrefundable
1284 credits granted during the year pursuant to this section or said section 38N of said chapter 63, to
1285 the extent that such nonrefundable credits are estimated by the commissioner to offset tax
1286 liabilities during the year; and carryforwards of credits from prior years under this section or said
1287 section 38N of said chapter 63, to the extent that such credit carryforwards, if any, are estimated
1288 by the commissioner to offset tax liabilities during the year. Any portion of the annual cap not
1289 awarded by the economic assistance coordinating council in a calendar year shall not be applied
1290 to awards in a subsequent year.

1291 Notwithstanding the cap set forth in the preceding paragraph, the EACC may authorize
1292 credits in excess of the annual cap of \$30,000,000 for a project that is designated as an
1293 extraordinary economic development opportunity; provided that the total amount awarded shall
1294 not exceed \$50,000,000 in a calendar year.

1295 The economic assistance coordinating council shall provide the commissioner with any
1296 documentation that the commissioner deems necessary to confirm compliance with the annual
1297 cap and the commissioner shall provide a report confirming compliance with the annual cap to
1298 the secretary of administration and finance and the secretary of housing and economic
1299 development.

1300 (4) Any taxpayer entitled to a credit under this subsection for any taxable year may,
1301 to the extent authorized by the economic assistance coordinating council, carry over and apply to
1302 the tax for any one or more of the next succeeding 10 taxable years, the portion, as reduced from
1303 year to year, of those credits which exceed the tax for the taxable year; provided, however, that
1304 in no event shall the taxpayer apply the credit to the tax for any taxable year beginning more than
1305 5 years after the certified project ceases to qualify as such under the provisions of chapter 23A.
1306 Notwithstanding the foregoing, the economic assistance coordinating council may limit or
1307 restrict carryover of credits as set forth section 3D of said chapter 23A.

1308 (5) For purposes of this subsection, the commissioner of revenue may aggregate the
1309 activities of all entities, whether or not incorporated, under common control as defined in
1310 subsection (f) of section 41 of the Code.

1311 (6) The commissioner of revenue shall promulgate such rules and regulations
1312 necessary to implement the provisions of this subsection including, but not limited to, provisions
1313 to prevent the generation of multiple credits with respect to the same property.

1314 (7) If a credit allowed under paragraph (1) or paragraph (2) is designated by the
1315 economic assistance coordinating council as a refundable credit, the credit shall first be applied
1316 against the tax liability of the taxpayer under this section, and 100 per cent of the balance of such
1317 credit may, at the option of the taxpayer and to the extent authorized by the economic assistance
1318 coordinating council, be refundable to the taxpayer. The economic assistance coordinating
1319 council shall in each case specify the timing of such refund, which may be for the taxable year in
1320 which all or a portion of the certified project is placed in service, or the taxable year subsequent
1321 to the year in which the required jobs are created. If such credit balance is refunded to the
1322 taxpayer, the credit carryover provisions of paragraph (4) shall not apply.

1323 (8) If the economic assistance coordinating council revokes the certification of a
1324 project as provided in section 3F of chapter 23A, then a portion of the tax credits otherwise
1325 allowed by this section and claimed by the taxpayer prior to the date on which the economic
1326 assistance coordinating council makes the determination to revoke project certification must be
1327 added back as additional tax due and shall be reported as such on the return of the taxpayer for
1328 the taxable period in which the economic assistance coordinating council makes the
1329 determination to revoke project certification. The amount of credits subject to recapture shall be
1330 proportionate to the taxpayer's compliance with the job creation requirements applicable to the
1331 certified project. The taxpayer's proportion of compliance shall be determined by the economic
1332 assistance coordinating council as part of its revocation process and shall be reported to the
1333 taxpayer and the department of revenue at the time certification is revoked.

1334 (9) If a certified project is sold or otherwise disposed of, tax credits allowed under
1335 this subsection may be transferred to the purchaser of the certified project, provided that the
1336 EDIP contract is assigned to and assumed by the purchaser of the certified project, and such
1337 assignment and assumption is approved in writing by the economic assistance coordinating
1338 council.

1339 (10) Nothing in this section shall limit the authority of the commissioner to make
1340 adjustments to a taxpayer's liability upon audit.

1341 (11) For purposes of this subsection (g), the terms certified project, proposed project,
1342 economic assistance coordinating council, EDIP contract, alternative EDIP tax credit and
1343 extraordinary economic development opportunity have the meanings ascribed to them in section
1344 3A of chapter 23A.

1345 SECTION 69. Said section 6 of said chapter 62, as so appearing, is hereby further
1346 amended by striking out the word "ten" in line 893, and inserting in place thereof the following
1347 figure:- 25.

1348 SECTION 70. Said section 6 of said chapter 62, as so appearing, is hereby further
1349 amended by striking out, in line 894, the words "substantial rehabilitation" and inserting in place
1350 thereof the following word:- project.

1351 SECTION 71. Said section 6 of said chapter 62, as so appearing, is hereby further
1352 amended by striking out, in lines 905 and 939 to 940, the word "rehabilitation" and inserting in
1353 place thereof, in each instance, the following word:- project.

1354 SECTION 72. Said section 6 of said chapter 62, as so appearing, is hereby further
1355 amended by striking out, in lines 923 and 935, the figure “5” and inserting in place thereof, in
1356 each instance, the figure:- 10.

1357 SECTION 73. Said section 6 of said chapter 62, as so appearing, is hereby further
1358 amended by adding the following subsection:-

1359 (t) (1) As used in this subsection, the following words shall have the following
1360 meanings unless the context clearly requires otherwise:-

1361 “Business”, a profession, sole proprietorship, trade partnership, corporation, general
1362 partnership, limited liability company, limited partnership, joint venture, business trust, public
1363 benefit corporation, non-profit entity or other business entity.

1364 “Gateway municipality”, a gateway municipality as defined in section 3A of chapter
1365 23A.

1366 “Qualifying business”, a business which: (a) has its principal place of business in the
1367 commonwealth; (b) has at least 50 per cent of its employees located in the business’s principal
1368 place of business; (c) has a fully developed business plan that includes all appropriate long-term
1369 and short-term forecasts and contingencies of business operations, including research and
1370 development, profit, loss and cash flow projections and details of angel investor funding; (d)
1371 employs 20 or fewer full-time employees at the time of the taxpayer investor’s initial qualifying
1372 investment as provided for in paragraph (2); (e) has a federal tax identification number; and (f)
1373 has gross revenues equal to or less than \$500,000 in the fiscal year prior to eligibility.

1374 “Qualifying investment”, a monetary investment that is at risk and not secured or
1375 guaranteed; provided, however, that a “qualifying investment” shall not include venture capital
1376 funds, hedge funds and commodity funds with institutional investors or investments in a business
1377 involved in retail, real estate, professional services, gaming or financial services.

1378 “Taxpayer investor”, accredited investors, as defined by the United States Securities
1379 and Exchange Commission pursuant to section 2(15)(ii) of the Securities Act of 1933, 15 U.S.C.
1380 77b(15)(ii) and who is not the principal owner of the qualifying business who is involved as a
1381 full-time professional activity.

1382 (2) A taxpayer investor who makes a qualifying investment in a qualifying business
1383 shall be allowed a credit against the taxes imposed by this chapter in an amount equal to 20 per
1384 cent of the amount of the taxpayer’s qualifying investment. A taxpayer investor who makes a
1385 qualifying investment in a qualifying business with its principal place of business located in a
1386 gateway municipality shall be allowed a credit against the taxes imposed by this chapter in an
1387 amount equal to 30 per cent of the amount of the taxpayer’s qualifying investment. Taxpayer
1388 investors may invest up to \$125,000 per qualifying business per year with a \$250,000 maximum
1389 for each qualifying business. The total of all tax credits available to a taxpayer investor under
1390 this subsection shall not exceed \$50,000 in any single calendar year.

1391 (3) Qualifying investments may be used by a qualifying business for the following
1392 purposes: (a) capital improvements; (b) plant equipment; (c) research and development; and (d)
1393 working capital. Qualifying investments shall not be used to pay dividends, fund or repay
1394 shareholders’ loans, redeem shares, repay debt or pay wages or other benefits of the taxpayer
1395 investor.

1396 (4) The credits allowed under paragraph (2) may be taken against income tax due in
1397 either the tax year of the initial investment or in any of the 3 subsequent taxable years. Any
1398 amount of the tax credit that exceeds the tax due for a taxable year may be carried forward by the
1399 taxpayer investor to any of the 3 subsequent taxable years. If the qualifying business ceases to
1400 have its principal place of business in the commonwealth within such 3 year period, the taxpayer
1401 investor shall not claim any further credits and shall repay the total amount of credits claimed to
1402 the commonwealth.

1403 (5) The Massachusetts life sciences center, in consultation with the executive office
1404 of housing and economic development and the commissioner of revenue, shall authorize,
1405 administer and determine eligibility for this tax credit and allocate the credit in accordance with
1406 the standards and requirements as set forth in regulations promulgated pursuant to this
1407 subsection, and with the goal of creating and maintaining jobs including, but not limited to, the
1408 following sectors: digital e-health, information technology, and healthcare. Any tax credits
1409 authorized pursuant to this subsection shall be subject to the annual cumulative cap pursuant to
1410 subsection (d) of section 5 of chapter 23I.

1411 (6) The commissioner of revenue, the Massachusetts life sciences center, and the
1412 executive office of housing and economic development shall promulgate regulations necessary to
1413 carry out this subsection.

1414 SECTION 74. Section 6M of said chapter 62, as so appearing, is hereby amended by
1415 striking out, in line 89, the words “as defined in section 3A” and inserting in place thereof the
1416 following words:- designated under section 3G.

1417 SECTION 75. Chapter 63 of the General Laws, as so appearing, is hereby amended by
1418 striking out section 38N and inserting in place thereof the following section:

1419 Section 38N. (a) A corporation subject to tax under this chapter that is the
1420 controlling business of a certified project, as defined in section 3A of chapter 23A, or an affiliate
1421 of a controlling business, may take a credit against the excise imposed by this chapter to the
1422 extent such credit is authorized by the economic assistance coordinating council, up to an
1423 amount equal to 50 per cent of such liability in any taxable year; provided, however, that the 50
1424 per cent limitation shall not apply where the credit is refundable under subsection (d). The
1425 amount of the credit shall be determined by the economic assistance coordinating council based
1426 on criteria set forth in section 3D of chapter 23A and such other criteria or guidelines as the
1427 council shall from time to time adopt; provided that a credit awarded in connection with a
1428 certified project that will retain permanent full-time employees in a gateway city without
1429 creating a net increase in permanent full-time employees shall not exceed \$5,000 per retained
1430 employee. A credit allowed under this section may be taken only after the corporation executes
1431 an EDIP contract as set forth in said section 3D of chapter 23A.

1432 (b) An alternative EDIP tax credit may be allowed against the tax liability imposed
1433 by this chapter on the owner or lessee of a certified project that has been designated as an
1434 extraordinary economic development opportunity, but only to the extent such alternative EDIP
1435 tax credit is authorized by the economic assistance coordinating council, up to an amount equal
1436 to 100 per cent of such liability in any taxable year; provided, however, that the 100 per cent
1437 limitation shall not apply where the credit is refundable under paragraph (d). The amount of the
1438 alternative EDIP tax credit shall be equal to a percentage of gross wages of the new permanent
1439 full-time employees employed by the controlling business at the certified project as reportable on

1440 employee Forms W-2 wage and tax statements. Such percentage shall be determined by the
1441 EACC but shall in no event exceed 5 per cent of such gross wages. An alternative EDIP tax
1442 credit allowed under this section shall reduce the liability of the taxpayer under this chapter for
1443 the taxable year in which the new permanent full-time employee is first employed by the
1444 taxpayer and any subsequent years authorized by the EACC. An alternative EDIP tax credit
1445 allowed under this section may be taken only after the taxpayer executes an EDIP contract as set
1446 forth in section 3D of chapter 23A.

1447 (c) The total amount of credits that may be authorized by the economic assistance
1448 coordinating council in a calendar year pursuant to this section and subsection (g) of section 6 of
1449 chapter 62 shall not exceed an annual cap equal to \$30,000,000 minus the credits granted
1450 pursuant to section 38BB of this chapter and subsection (q) of section 6 of chapter 62 and shall
1451 include: refundable credits granted during the year pursuant to this section or said section 38N of
1452 said chapter 63; nonrefundable credits granted during the year pursuant to this section or said
1453 section 38N of said chapter 63, to the extent that such nonrefundable credits are estimated by the
1454 commissioner to offset tax liabilities during the year; and carryforwards of credits from prior
1455 years under this section or said section 38N of said chapter 63, to the extent that such credit
1456 carryforwards, if any, are estimated by the commissioner to offset tax liabilities during the year.
1457 Any portion of the annual cap not awarded by the economic assistance coordinating council in a
1458 calendar year shall not be applied to awards in a subsequent year.

1459 Notwithstanding the cap set forth in the preceding paragraph, the EACC may authorize
1460 credits in excess of the annual cap of \$30,000,000 for a project that is designated as an
1461 extraordinary economic development opportunity; provided that the total amount awarded shall
1462 not exceed \$50,000,000 in a calendar year.

1463 The economic assistance coordinating council shall provide the commissioner with any
1464 documentation that the commissioner deems necessary to confirm compliance with the annual
1465 cap and the commissioner shall provide a report confirming compliance with the annual cap to
1466 the secretary of administration and finance and the secretary of housing and economic
1467 development.

1468 The credit allowed under this section may be taken by an eligible corporation; provided,
1469 however, that the credit allowed by section 31A or section 31H shall not be taken by such
1470 corporation.

1471 (d) Any corporation entitled to a credit under this section for any taxable year may, to
1472 the extent authorized by the economic assistance coordinating council, carry over and apply to
1473 the tax for any one or more of the next succeeding 10 taxable years, the portion, as reduced from
1474 year to year, of those credits which exceed the tax for the taxable year; provided, however, that
1475 in no event shall the corporation apply the credit to the tax for any taxable year beginning more
1476 than 5 years after the certified project ceases to qualify as such under the provisions of chapter
1477 23A. Notwithstanding the foregoing, the economic assistance coordinating council may limit or
1478 restrict carryover of credits as set forth section 3D of said chapter 23A.

1479 (e) If a credit allowed under subsection (a) or subsection (b) is designated by the
1480 economic assistance coordinating council as a refundable credit, the credit shall first be applied
1481 against the tax liability of the corporation under this chapter, and 100 per cent of the balance of
1482 such credit may, at the option of the corporation and to the extent authorized by the economic
1483 assistance coordinating council, be refundable to the corporation. The economic assistance
1484 coordinating council shall in each case specify the timing of such refund, which may be for the

1485 taxable year in which all or a portion of the certified project is placed in service, or the taxable
1486 year subsequent to the year in which the required jobs are created. If such credit balance is
1487 refunded to the corporation, the credit carryover provisions of subsection (d) shall not apply.

1488 (f) In the case of a corporation that is subject to a minimum excise under any
1489 provision of this chapter, the amount of the credit allowed by this section shall not reduce the
1490 excise to an amount less than such minimum excise.

1491 (g) In the case of corporations filing a combined return of income under section 32B,
1492 a credit generated by an individual member corporation under the provisions of this section shall
1493 first be applied against the separately determined excise attributable to that member, except as
1494 otherwise provided in this section. A member corporation with an excess credit may apply its
1495 excess credit against the excise of another group member, to the extent that such other member
1496 corporation can use additional credits. Unused, unexpired credits generated by member
1497 corporations shall be carried over from year to year by the individual corporation that generated
1498 the credit, to the extent authorized by the economic assistance coordinating council.

1499 (h) The commissioner of revenue may promulgate such rules and regulations as are
1500 necessary to implement the provisions of this section, including, but not limited to, provisions to
1501 prevent the generation of multiple credits with respect to the same property.

1502 (i) If the economic assistance coordinating council revokes the certification of a
1503 project as provided in section 3F of chapter 23A, then a portion of the tax credits otherwise
1504 allowed by this section and claimed by the taxpayer prior to the date on which the economic
1505 assistance coordinating council makes the determination to revoke project certification must be
1506 added back as additional tax due and shall be reported as such on the return of the taxpayer for

1507 the taxable period in which the economic assistance coordinating council makes the
1508 determination to revoke project certification. The amount of credits subject to recapture shall be
1509 proportionate to the taxpayer's compliance with the job creation requirements applicable to the
1510 certified project. The taxpayer's proportion of compliance shall be determined by the economic
1511 assistance coordinating council as part of its revocation process and shall be reported to the
1512 taxpayer and the department of revenue at the time certification is revoked.

1513 (j) If a certified project is sold or otherwise disposed of, tax credits allowed under
1514 this subsection may be transferred to the purchaser of the certified project, provided that the
1515 EDIP contract is assigned to and assumed by the purchaser of the certified project, and such
1516 assignment and assumption is approved in writing by the economic assistance coordinating
1517 council.

1518 (k) Nothing in this section shall limit the authority of the commissioner to make
1519 adjustments to a corporation's liability upon audit.

1520 (l) For purposes of this section, the terms certified project, certified project proposal,
1521 economic assistance coordinating council, EDIP contract, alternative EDIP tax credit and
1522 extraordinary economic development opportunity shall have the meanings ascribed to them in
1523 section 3A of chapter 23A.

1524 SECTION 76. Section 38O of said chapter 63, as so appearing, is hereby amended by
1525 striking out, in lines 4 to 5, the words "as defined by section 3A" and inserting in place thereof
1526 the following words:- designated under section 3G.

1527 SECTION 77. Clause (i) of paragraph (1) of subsection (b) of section 38R of said
1528 chapter 63, as so appearing, is hereby amended by adding the following words:- ; provided,

1529 however, that the Massachusetts historical commission shall ensure the award of tax credits
1530 pursuant to this section shall allow a taxpayer that acquires a qualified historic structure to
1531 receive any tax credits for qualified rehabilitation expenditures previously awarded to the
1532 transferor of the qualified historic structure if: (A) the rehabilitation was not placed in service by
1533 the transferor; (B) no credit has been claimed by anyone other than the acquiring taxpayer as
1534 verified by the department of revenue to the commission; (C) the taxpayer completes the
1535 rehabilitation and obtains certification as provided in this section; and (D) the taxpayer conforms
1536 with all other requirements of this section; and provided further, that in the case of a multi-phase
1537 project, tax credits may be transferred for any phase that meets the criteria in subclauses (A) to
1538 (D), inclusive.

1539 SECTION 78. Section 38BB of said chapter 63, as so appearing, is hereby amended by
1540 striking out, in line 5, the word “ten” and inserting in place thereof the following figure:- 25.

1541 SECTION 79. Said section 38BB of said chapter 63, as so appearing, is hereby amended
1542 further by striking out, in line 6, the words “substantial rehabilitation” and inserting in place
1543 thereof the following word:- project.

1544 SECTION 80. Said section 38BB of said chapter 63, as so appearing, is hereby amended
1545 further by striking out, in line 17 and lines 38 to 39, the word “rehabilitation” and inserting in
1546 place thereof, in each instance, the following word:- project.

1547 SECTION 81. Said section 38BB of said chapter 63, as so appearing, is hereby further
1548 amended by striking out, in lines 23 and 34, the figure “5” and inserting in place thereof, in each
1549 instance, the figure:- 10.

1550 SECTION 82. Section 38EE of said chapter 63, as so appearing, is hereby amended by
1551 striking out, in line 76, the words “as defined in section 3A” and inserting in place thereof the
1552 following words:- designated under section 3G.

1553 SECTION 83. Section 33 of chapter 138 of the General Laws, as so appearing, is hereby
1554 amended by striking out, in lines 14 and 15, 17 and 18, 24 and 25, and 27 and 28, the words “or
1555 on the day following when Christmas occurs on a Sunday”.

1556 SECTION 84. Section 162M of chapter 175 of the General Laws, as so appearing, is
1557 hereby amended by inserting after subsection (7) the following subsection:-

1558 (7 1/2) Travel, limited line travel insurance, as that term is defined in section 162Z of
1559 chapter 175 of the General Laws.

1560 SECTION 85. Said chapter 175 is hereby further amended by adding the following
1561 section:-

1562 Section 162Z. (a) As used in this section, the following words shall have the following
1563 meanings unless the context clearly requires otherwise:-

1564 (1) “Designated Responsible Producer” or “DRP”, a person responsible for the limited
1565 lines travel insurance producer’s compliance with the travel insurance laws, rules and regulations
1566 of the state.

1567 (2) “Limited lines travel insurance producer”, a (i) licensed managing general
1568 underwriter; (ii) licensed managing general agent or third party administrator; or (iii) licensed
1569 insurance producer, including a limited lines producer, designated by an insurer as the travel
1570 insurance supervising entity as set forth in subsection (g).

1571 (3) “Offer and disseminate”, to provide general information, including a description of
1572 the coverage and price, as well as processing the application, collecting premiums, and
1573 performing other non-licensable activities permitted by the state.

1574 (4) “Travel insurance”, insurance coverage for personal risks incident to planned travel,
1575 including but not limited to: (i) interruption or cancellation of trip or event; (ii) loss of baggage
1576 or personal effects; (iii) damages to accommodations or rental vehicles; or (iv) sickness,
1577 accident, disability or death occurring during travel. Travel insurance does not include major
1578 medical plans, which provide comprehensive medical protection for travelers with trips lasting 6
1579 months or longer, including for example, those working overseas as an expatriate or military
1580 personnel being deployed.

1581 (5) “Travel retailer”, a business entity that makes, arranges or offers travel services and
1582 may offer and disseminate travel insurance as a service to its customers on behalf of and under
1583 the direction of a limited lines travel insurance producer.

1584 (b) Notwithstanding any general or special law to the contrary:

1585 (1) The commissioner may issue to an individual or business entity that has filed with the
1586 commissioner an application for such limited license in a form and manner prescribed by the
1587 commissioner, a limited lines travel insurance producer license, which authorizes the limited
1588 lines travel insurance producer to sell, solicit or negotiate travel insurance through a licensed
1589 insurer.

1590 (2) A travel retailer may offer and disseminate travel insurance under a limited lines
1591 travel insurance producer business entity license if the following conditions are met:

1592 (i) The limited lines travel insurance producer or travel retailer provides to purchasers of
1593 travel insurance:

1594 (a) A description of the material terms or the actual material terms of the insurance
1595 coverage;

1596 (b) A description of the process for filing a claim;

1597 (c) A description of the review or cancellation process for the travel insurance policy; and

1598 (d) The identity and contact information of the insurer and limited lines travel insurance
1599 producer.

1600 (ii) At the time of licensure, the limited lines travel insurance producer shall establish and
1601 maintain a register on a form prescribed by the commissioner of each travel retailer that offers
1602 travel insurance on the limited lines travel insurance producer's behalf. The register shall be
1603 maintained and updated annually by the limited lines travel insurance producer and shall include
1604 the name, address, and contact information of the travel retailer and an officer or person who
1605 directs or controls the travel retailer's operations, and the travel retailer's federal tax
1606 identification number. The limited lines travel insurance producer shall submit such register to
1607 the division of insurance upon reasonable request. The limited lines travel insurance producer
1608 shall also certify that the travel retailer registered complies with 18 U.S.C. section 1033.

1609 (iii) The limited lines travel insurance producer has designated one of its employees who
1610 is a licensed individual producer as the DRP.

1611 (iv) The DRP, president, secretary, treasurer, and any other officer or person who directs
1612 or controls the limited lines travel insurance producer's insurance operations shall comply with

1613 the fingerprinting requirements applicable to insurance producers in the resident state of the
1614 limited lines travel insurance producer.

1615 (v) The limited lines travel insurance producer has paid all applicable insurance producer
1616 licensing fees as set forth in applicable state law.

1617 (vi) The limited lines travel insurance producer requires each employee and authorized
1618 representative of the travel retailer, whose duties include offering and disseminating travel
1619 insurance, to receive a program of instruction or training, which may be subject to review by the
1620 commissioner. The training material shall, at a minimum, contain instructions on the types of
1621 insurance offered, ethical sales practices, and required disclosures to prospective customers.

1622 (vii) Limited lines travel insurance producers, and those registered under its license, are
1623 exempt from the examination requirements under section 162K of chapter 175 of the General
1624 Laws and the continuing education requirements under section 177E of chapter 175 of the
1625 General Laws.

1626 (c) Any travel retailer offering or disseminating travel insurance shall make available to
1627 prospective purchasers, brochures or other written materials that:

1628 (1) Provide the identity and contact information of the insurer and the limited lines travel
1629 insurance producer;

1630 (2) Explain that the purchase of travel insurance is not required in order to purchase any
1631 other product or service from the travel retailer; and

1632 (3) Explain that an unlicensed travel retailer is permitted to provide general information
1633 about the insurance offered by the travel retailer, including a description of the coverage and

1634 price, but is not qualified or authorized to answer technical questions about the terms and
1635 conditions of the insurance offered by the travel retailer or to evaluate the adequacy of the
1636 customer's existing insurance coverage.

1637 (d) A travel retailer's employee or authorized representative who is not licensed as an
1638 insurance producer may not:

1639 (1) Evaluate or interpret the technical terms, benefits, and conditions of the offered travel
1640 insurance coverage;

1641 (2) Evaluate or provide advice concerning a prospective purchaser's existing insurance
1642 coverage; or

1643 (3) Hold himself out as a licensed insurer, licensed producer, or insurance expert.

1644 (e) Notwithstanding any general or special law to the contrary, a travel retailer whose
1645 insurance-related activities, and those of its employees and authorized representatives, are
1646 limited to offering and disseminating travel insurance on behalf of and under the direction of a
1647 limited lines travel insurance producer meeting the conditions stated in this section, is authorized
1648 to do so and receive related compensation, upon registration by the limited lines travel insurance
1649 producer as described in subsection (b)(1) and (2).

1650 (f) Travel insurance may be provided under an individual policy or under a group or
1651 master policy.

1652 (g) As the insurer designee, the limited lines travel insurance producer is responsible for
1653 the acts of the travel retailer and shall use reasonable means to ensure compliance by the travel
1654 retailer with this section.

1655 (h) The limited lines travel insurance producer and any travel retailer offering and
1656 disseminating travel insurance under the limited lines travel insurance producer license shall be
1657 subject to the: (i) laws regarding unfair methods of competition and unfair and deceptive acts and
1658 practices in the business of insurance; and (ii) the enforcement provisions applicable to insurance
1659 producers.

1660 SECTION 86. Section 7 of chapter 293 of the acts of 2006, as amended by section 6 of
1661 chapter 129 of the acts of 2008, is hereby further amended by striking out clauses (ii), (iii) and
1662 (iv) of subsection (c) and inserting in place thereof the following 2 clauses:-

1663 (ii) the secretary certifies that the developer has received commitments satisfactory to the
1664 department for financing sufficient, with equity or other amounts to be provided by the developer
1665 and other persons, to fund the costs of construction of the proposed economic development
1666 project exclusive of those public infrastructure improvements to be financed by the agency, and
1667 shall have obtained a blanket performance bond or other security satisfactory to the secretary and
1668 payable to the agency securing the developer's obligation to complete the construction of the
1669 public infrastructure improvements included in the economic development proposal in an
1670 amount equal to or greater than the outstanding principal amount of any bonds to be issued by
1671 the agency to finance costs of public infrastructure improvements; and (iii) the agency certifies
1672 that it has approved the proposal.

1673 SECTION 87. Said section 7 of said chapter 293, as most recently amended by section
1674 87 of chapter 287 of the acts of 2014, is hereby further amended by striking out in subsection (d)
1675 the words, “; provided, further, that the secretary shall not approve more than 31 per cent of the
1676 total amount for projects, in the aggregate, for any municipality” and inserting in place thereof

1677 the following words:- ; provided, further, that the secretary shall not approve more than 50 per
1678 cent of the total amount for projects, in the aggregate, for any municipality.

1679 SECTION 88. Said section 7 of said chapter 293, as most recently amended by section
1680 88 of said chapter 287, is hereby further amended by striking out the second sentence of
1681 subsection (e).

1682 SECTION 89. Section 8 of said chapter 293, as amended by section 8 of chapter 129 of
1683 the acts of 2008, is hereby further amended by striking out clauses (iii), (iv) and (v) of subsection
1684 (a) and inserting in place thereof the following 2 clauses:-

1685 (iii) the municipality shall provide local infrastructure development assistance to the
1686 commonwealth with respect to the economic development project to the extent and for such time
1687 as is provided in section 10; and (iv) the commonwealth shall provide infrastructure development
1688 assistance to the agency to pay the debt service due in each fiscal year on any bonds issued by
1689 the agency to finance the costs of public infrastructure improvements included in such economic
1690 development project, subject to reimbursement of all or a portion of such state infrastructure
1691 development assistance through the collection of infrastructure assessments as provided in
1692 section 9 of this act and from local infrastructure assistance provided by the municipality as
1693 provided in section 10.

1694 SECTION 90. Section 11 of said chapter 293, as amended by sections 13 and 14 of said
1695 chapter 129, is hereby further amended by striking out the following words in subsection (b):-

1696 ; provided, however, that notwithstanding any other general or special law to the
1697 contrary, a certified economic development project receiving financial assistance for public
1698 infrastructure improvements pursuant to this act shall not be eligible for: (i) designation as a TIF

1699 zone pursuant to section 59 of chapter 40 of the General Laws; provided, however, that a
1700 certified economic development project designated as a TIF zone pursuant to said section 59 of
1701 said chapter 40 prior to January 1, 2009 shall be eligible to receive financial assistance for public
1702 infrastructure improvements pursuant to this act; (ii) the tax credit described in section 38N of
1703 chapter 63 of the General Laws; (iii) a community development action grant pursuant to section
1704 57A of chapter 121B of the General Laws; (iv) a public works economic development program
1705 grant under clause (c) of the first paragraph of section 17 of chapter 732 of the acts of 1981; or
1706 (v) or any other economic assistance program as may be determined by the secretary or the
1707 commissioner. The ineligibility to participate in economic assistance programs as provided in
1708 clauses (i) to (v), inclusive, shall not apply to any tenant of a certified economic development
1709 project which is not an affiliate of the developer”.

1710 SECTION 91. A controlling business or affiliate of a controlling business which has
1711 been awarded state tax credits under chapter 19 of the acts of 1993 or sections 3A to 3H of
1712 chapter 23A, and which intends to claim such credits on tax filings for tax years beginning on or
1713 after January 1, 2016, shall enter into an EDIP contract setting forth the amount of the credits
1714 awarded, the amount of credits claimed or carried over, and the job creation obligations of the
1715 controlling business. Any controlling business or affiliate of a controlling business that fails to
1716 enter into an EDIP contract in form and substance acceptable to MOBD on or before December
1717 31, 2016 shall forfeit such credits. For purposes of this section, the terms controlling business,
1718 EDIP contract and MOBD shall have the meanings ascribed to them in section 3A of chapter
1719 23A of the General Laws, as amended by this act.

1720 SECTION 92. Any and all references in the General Laws to “economic target area” or
1721 “ETA” shall be deemed to mean an economic target area designated by the EACC and in

1722 existence as of the effective date of this act, or an area designated by the EACC as an economic
1723 target area in accordance with section 3G of chapter 23A of the General Laws. As of the
1724 effective date of this act, all references in the General Laws to “economic opportunity area” or
1725 “EOA” shall be deemed to mean an economic opportunity area designated by the EACC and in
1726 existence as of the effective date of this act, or an area designated by the EOA as an economic
1727 opportunity area in accordance with said section 3G of said chapter 23A. Existing economic
1728 target areas and economic opportunity areas designated by the EACC prior to January 1, 2017
1729 shall remain in effect until their scheduled termination date, if any.

1730 SECTION 93. Notwithstanding any general or special law to the contrary, sections 92
1731 through 96, inclusive, shall not apply to economic development projects approved by the
1732 Secretary of Administration and Finance under section 7(c) of chapter 293 of the acts of 2006, as
1733 amended by section 6 of chapter 129 of the acts of 2008, before January 1, 2017.

1734 SECTION 94. Notwithstanding any general or special law to the contrary, the term
1735 “Massachusetts Industrial Finance Agency”, wherever it appears in the general and special laws,
1736 shall be deemed to mean “Massachusetts Development Finance Agency.”

1737 SECTION 95. The Massachusetts Technology Park Corporation, established in section 3
1738 of chapter 40J of the General Laws and doing business as the Massachusetts Technology
1739 Collaborative, shall, subject to appropriation, create a cybersecurity and data analytics
1740 technology development and training center of excellence, in this section referred to as the
1741 center. The center shall convene interested public and private universities, governmental bodies
1742 and industry participants to share public and private data sets for the purposes of expanding the
1743 Commonwealth’s data analytics capabilities. The center may: (1) match public and private

1744 universities with industry participants to develop cybersecurity technology and expand data
1745 analytic capabilities; (2) provide a forum for sharing data sets for analysis; and (3) provide skills
1746 building and workforce training in cybersecurity and data analytics.

1747 The collaborative shall file a report detailing the activities of the center not later than
1748 September 1, 2017 with the clerks of the house of representatives and the senate who shall
1749 forward the same to the house and senate committees on ways and means and the joint
1750 committee on economic development and emerging technologies.

1751 SECTION 96. Sections 6 through 8, inclusive, 15 through 21, inclusive, 30, 31, 55
1752 through 82, inclusive, 86 through 90, inclusive, and 92 shall take effect on January 1, 2017 and
1753 shall be effective for all tax years beginning on or after January 1, 2017.

1754 SECTION 97. Sections 22 through 27, inclusive, 34 through 54, inclusive, shall take
1755 effect on October 1, 2016.