

HOUSE No. 4432

The Commonwealth of Massachusetts

HOUSE OF REPRESENTATIVES, June 27, 2016.

The committee on Ways and Means, to whom was referred the Bill relative to job creation, workforce development and infrastructure investment (House, No. 4413), reports recommending that the same ought to pass with an amendment substituting therefor the accompanying bill (House, No. 4432).

For the committee,

ANTONIO F. D. CABRAL.

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, industrial
25 or mixed-use development; provided that a portion of such funds shall be used to facilitate the
26 expansion or replication of successful industrial parks; and provided further that a portion of
27 such funds shall 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\$45,000,000

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 provided further, that innovation centers that receive funds from the Massachusetts Life Sciences
68 Center shall also be eligible for funds from this program; and provided further, that the executive
69 office of education, in consultation with the executive office of housing and economic
70 development and the executive office of labor and workforce development, shall adopt additional
71 guidelines as necessary for the administration of the program..... \$45,000,000

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

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

85 SECTION 3. Notwithstanding any general or special law to the contrary, to meet the
86 expenditures necessary in carrying out section 2A, the state treasurer shall, upon receipt of a
87 request by the governor, issue and sell bonds of the commonwealth in an amount to be specified
88 by the governor from time to time but not exceeding, in the aggregate, \$546,500,000; provided,
89 however, that such request by the governor shall be made on or before July 31, 2019. All bonds
90 issued by the commonwealth, as aforesaid, shall be designated on their face, Commonwealth
91 Economic Development Act of 2016, and shall be issued for a maximum term of years, not
92 exceeding 30 years, as the governor may recommend to the general court pursuant to Section 3
93 of Article LXII of the Amendments to the Constitution; provided, however, that all such bonds
94 shall be payable not later than June 30, 2049. All interest and payments on account of principal
95 on such obligations shall be payable from the General Fund. Bonds and interest thereon issued
96 under the authority of this section shall, notwithstanding any other provision of this act, be
97 general obligations of the commonwealth.

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

102 however, that such request by the governor shall be made on or before July 31, 2019. All bonds
103 issued by the commonwealth, as aforesaid, shall be designated on their face, Commonwealth
104 Economic Development Act of 2016, and shall be issued for a maximum term of years, not
105 exceeding 30 years, as the governor may recommend to the general court pursuant to Section 3
106 of Article LXII of the Amendments to the Constitution; provided, however, that all such bonds
107 shall be payable not later than June 30, 2049. All interest and payments on account of principal
108 on such obligations shall be payable from the General Fund. Bonds and interest thereon issued
109 under the authority of this section shall, notwithstanding any other provision of this act, be
110 general obligations of the commonwealth.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

369 The EACC shall have discretion as to how to weigh and apply these criteria. When
370 making an award of tax credits pursuant to subsection (g) of section 6 of chapter 62 and section
371 38N of chapter 63, the EACC may at its sole discretion limit the award to a specific dollar
372 amount, may specify the schedule on which such credits may be claimed, and may limit or
373 restrict the right of the controlling business to carry unused credits forward to future tax years.

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

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

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

392 (d) The total amount of credits that may be authorized by the EACC under this
393 section for any single calendar year shall not exceed \$30,000,000, to be calculated in accordance
394 with the relevant provisions of subsection (g) of section 6 of chapter 62 and section 38N of
395 chapter 63. Notwithstanding the cap set forth in the preceding sentence, the EACC may

396 authorize credits in excess of the annual cap of \$30,000,000 for a certified project that is
397 designated as an extraordinary economic development opportunity; provided that the total
398 amount awarded shall not exceed \$50,000,000 in a calendar year. The EACC may authorize an
399 award of credits to a controlling business that spans multiple years so long as the total amount of
400 credits due to be taken in any single calendar year does not exceed the applicable cap.

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

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

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

415 (b) Tax increment financing may be offered by a municipality in accordance with
416 section 59 of chapter 40 to the controlling business of a certified project, or to any person or
417 entity undertaking a real estate project, or to any person or entity expanding a facility in an area

418 designated by the EACC as a TIF-eligible area. The EACC may designate an area as a TIF-
419 eligible area if it finds, upon petition from the municipality, that there is a strong likelihood that
420 any of the following will occur within the area in question within a specific and reasonably
421 proximate period of time: (i) a significant influx or growth in business activity; (ii) the creation
422 of a significant number of new jobs and not merely a replacement or relocation of current jobs
423 within the commonwealth; or (iii) a private project or investment that will contribute
424 significantly to the resiliency of the local economy.

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

434 (c) A municipality may offer a special tax assessment to the controlling business of a
435 certified project, or to a person or entity undertaking a real estate project, or to a person or entity
436 proposing to retain permanent full-time jobs at a facility that otherwise would be at risk of
437 relocating outside of the commonwealth. Any special tax assessment shall be set forth in a
438 written agreement between the municipality and the property owner. Such agreement shall set
439 forth the amount of the tax reduction and the period of time over which such reduction shall be in
440 effect, which shall be not fewer than 5 years or more than 20 years. Every special tax assessment

441 approved by the EACC shall provide for a reduction of the real property tax that otherwise would
442 be due based on a percentage reduction in the tax that otherwise would be due based on the full
443 assessed value of the affected property. The special tax assessment shall provide for tax
444 reduction at least equal to the following:

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

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

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

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

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

463 public benefits resulting from the special tax assessment. Any such approval shall include a
464 finding, reflected in the EACC's minutes, that the special tax assessment complies with the
465 requirements of this section 3E.

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

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

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

482 (c) The EACC may revoke a project certification if it determines that a controlling
483 business or affiliate is in material non-compliance with a representations made in its application
484 for project certification or the obligations set forth in an EDIP contract. The EACC shall have

485 the discretion to determine whether material non-compliance shall result in revocation of a
486 project certification, taking into account:

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

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

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

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

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

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

506 incentive by amending the written agreement with the controlling business in same manner as the
507 municipality approved it, and submitting such amendment to the EACC for approval in
508 accordance with this section.

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

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

528 of the EACC in accordance with regulations to be promulgated by the EACC, or rules or policies
529 adopted by the EACC.

530 (b) The EACC may from time to time designate as an economic target area an area of
531 the commonwealth comprised of 3 or more contiguous census tracts or 1 or more contiguous
532 municipalities, provided that the area proposed for designation meets one of the following
533 criteria:

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

536 (2) if the proposed economic target area is located in a metropolitan area, then at least
537 51 percent of the households in the proposed economic target area have incomes that are below
538 80 per cent of the median income for households in the metropolitan area; or

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

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

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

547 (6) the area proposed for designation has exceptional potential for economic
548 development as a result of the proposed redevelopment of blighted real estate or abandoned

549 buildings totaling at least 1,000,000 square feet; the proposed establishment of a regional
550 technology center of 3,000,000 or more square feet; or the proposed development of a Class I
551 renewable energy generating facility.

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

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

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

571 land use planning, and other systems-based activities related to the growth and retention of
572 existing businesses and the attraction of new businesses into the commonwealth. The contracts
573 shall support a network of partnerships between regional economic development organizations
574 and the Massachusetts office of business development.

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

577 (c) Contracts for services entered into under this section shall include, but not be
578 limited to, the following services to be performed by the organization on behalf of the
579 commonwealth: (i) assess regional competitive strengths, weaknesses and opportunities; (ii)
580 represent the regional business community in long-range skills pipeline planning efforts to
581 ensure robust skills and talent pipelines that meet regional needs; (iii) represent the regional
582 business community in collaborative, long-range skills, transportation and land use planning; (iv)
583 promote regionally significant industry clusters; (v) promote connections across sectors of the
584 regional economy; (vi) maintain an inventory of key development parcels; (vii) market the
585 region in coordination with the Massachusetts marketing partnership established under section
586 13A; and (viii) furnish advice and assistance to businesses and industrial prospects which may
587 locate in the region.

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

590 (j) The department shall consult with the Massachusetts department of agricultural
591 resources in the development and implementation of the Massachusetts food trust program. To
592 the maximum extent feasible, a community development financial institution and the department

593 shall seek to align efforts with the recommendations of the Massachusetts local food action plan
594 accepted by the Massachusetts food policy council in 2015, or subsequent plans accepted by said
595 council.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

653 (ii) describe the construction, reconstruction, rehabilitation and related activities, public
654 and private, contemplated for such UCH-TIF zone as of the date of the adoption of the UCH-TIF
655 plan; provided, however, that in the case of public construction as aforesaid, the UCH-TIF plan

656 shall include a detailed projection of the costs and a betterment schedule for the defrayal of such
657 costs; provided further, that the UCH-TIF plan shall provide that no costs of such public
658 construction shall be recovered through betterments or special assessments imposed on a party
659 which has not executed an UCH-TIF agreement in accordance with clause (v); and provided,
660 further, that in the case of private construction as aforesaid, the UCH-TIF plan shall include the
661 types of affordable housing and residential and commercial growth which are projected to occur
662 within such UCH-TIF zone together with such documentary evidence of the projected public
663 benefits as are required by the regulations;

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

667 (1) the numerator of which shall be:

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

673 In an UCH-TIF zone where the property includes a mix of residential and commercial
674 uses, the total assessed value of all parcels of all residential and commercial real estate that are
675 assessed at full and fair cash value for the current fiscal year minus the new growth adjustment
676 factor for the current fiscal year attributable to the residential and commercial real estate as

677 determined by the commissioner of revenue under said paragraph (f) of said section 21C of said
678 chapter 59; and

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

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

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

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

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

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

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

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

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

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

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

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

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

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

748 (e) Notwithstanding any other general or special law to the contrary, an affordable
749 housing development benefiting from a real estate tax exemption under this section that meets
750 the affordability requirements of subsection (c) and subclause (3) of clause (v) of subsection (a)
751 shall continue to meet those requirements for 30 years or for the term of any municipal bonds
752 issued to finance the construction, reconstruction or rehabilitation of such development,
753 whichever is shorter as may be specified in the recorded restriction. Such restriction shall be
754 approved by the department of housing and community development in accordance with section
755 32 of chapter 184 and shall be recorded in the registry of deeds or the registry district of the land
756 court wherein the land lies.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

995 ordinance or by-law. A city or town may designate certain areas within a smart growth zoning
996 district or starter home zoning district as dedicated perpetual open space through the use of a
997 conservation restriction as defined in section 31 of chapter 184 or such other means as may be
998 created by state law. The amount of such open space shall not be included as developable land
999 area within the smart growth zoning district or starter home zoning district. Open space may
1000 include an amount of land equal to up to 10 per cent of what would otherwise be the developable
1001 land area if the developable land would be less than 50 acres, and 20 per cent of what would
1002 otherwise be the developable land area if the developable land area would be 50 acres or more.

1003 (c) The zoning for a proposed smart growth zoning district may provide for mixed
1004 use development.

1005 (d) A smart growth zoning district or starter home zoning district may encompass an
1006 existing historic district or districts. A city or town, with the approval of the department, may
1007 establish a historic district in an approved smart growth zoning district or starter home zoning
1008 district in accordance with chapter 40C, so long as the establishment of the historic district meets
1009 requirements for such a historic district and does not render the city or town noncompliant with
1010 this chapter, as determined by the department. The historic districts may be coterminous or non-
1011 coterminous with the smart growth zoning district or starter home zoning district. Within any
1012 such historic district, the provisions and requirements of the historic district may apply to
1013 existing and proposed buildings.

1014 (e) A city or town may require more affordability than required by this chapter, both
1015 in the percentage of units that must be affordable, and in the levels of income for which the

1016 affordable units must be accessible, provided, however, that affordability thresholds shall not
1017 unduly restrict opportunities for development.

1018 (f) With respect to a city or town with a population of fewer than 10,000 persons, as
1019 determined by the most recent federal decennial census, for hardship shown, the department
1020 may, pursuant to regulations adopted under this chapter, approve zoning for a smart growth
1021 zoning district with lower densities than provided in this chapter, if the city or town satisfies the
1022 other requirements set forth in this section; provided, however, that such approval shall not be
1023 withdrawn solely because, in a future census, the population of the city or town exceeds 10,000.

1024 (g) Any amendment or repeal of the zoning for an approved smart growth zoning
1025 district or starter home zoning district ordinance or by-law shall not be effective without the
1026 written approval by the department. Each amendment or repeal shall be submitted to the
1027 department with an evaluation of the effect on the city or town's comprehensive housing plan or
1028 housing production plan, if any. Amendments shall be approved only to the extent that the
1029 district remains in compliance with this chapter. If the department does not respond to a
1030 complete request for approval of an amendment or repeal within 60 days of receipt, the request
1031 shall be deemed approved.

1032 (h) Nothing in this chapter shall affect a city or town's authority to amend its zoning
1033 ordinances or by-laws under chapter 40A, so long as the changes do not affect the smart growth
1034 zoning district or starter home zoning district.

1035 Section 7. (a) On or before October 1 of each year after the year of approval of a district
1036 by the department, the department shall send a smart growth zoning district certificate of
1037 compliance or starter home zoning district certificate of compliance, as applicable, to each city or

1038 town with an approved district. In order to receive such a certificate, the city or town shall verify
1039 within the time specified by the department:

1040 (1) that the city or town has adopted an approved a smart growth zoning district or a
1041 starter home zoning district, as applicable;

1042 (2) that the certification has not been revoked by the department;

1043 (3) that the district is being developed in a manner that reasonably complies with the
1044 applicable minimum requirements set forth in section 6 for housing density and affordability;

1045 (4) that the approving authority has not unreasonably denied plans for projects, or has
1046 only denied plans for projects in a manner consistent with its smart growth zoning district
1047 ordinance or by-law or starter home zoning district ordinance or by-law, as applicable, the city or
1048 town's comprehensive housing plan, housing production plan, or the housing production
1049 summary submitted with the city or town's initial application for approval by the department, as
1050 applicable, and this chapter.

1051 (b) If the department is unable to certify compliance, the department shall hold a
1052 public hearing subject to chapter 30A. If the department concludes that the city or town is in
1053 material noncompliance with the requirements set forth in this section, the department may
1054 revoke certification. A revocation of certification shall be recorded with the registry of deeds or
1055 land court registry district for the county or district within which the city or town is located,
1056 indexed in the grantor index under the name of the city or town. Any revocation of certification
1057 or other sanctions imposed by the department shall not affect the validity of the smart growth
1058 zoning ordinance or by-law or starter home zoning district ordinance or by-law, as applicable, or

1059 the application of such ordinance or by-law to land, development or proposed development
1060 within the smart growth zoning district.”

1061 Section 8. A city or town shall submit to the department, concurrently with the city or
1062 town’s application for a letter of eligibility, either an existing comprehensive housing plan, an
1063 existing housing production plan, or a housing production summary. The plan or summary shall
1064 include an estimate of the projected number of units of new construction that could be built in
1065 the proposed smart growth zoning district or starter home zoning district. If a city or town has
1066 already completed a comprehensive housing plan or housing production plan, the city or town
1067 shall submit with its application to the department a description of how the proposed smart
1068 growth zoning district or starter home zoning district relates to and will further the goals of its
1069 comprehensive housing plan or housing production plan, as well as an estimate of the projected
1070 number of units of new construction that could be built within the district.

1071 Section 9. Each city or town with an approved smart growth zoning district or starter
1072 home zoning district shall be entitled to payments as described below.

1073 (a) The commonwealth shall pay from the trust fund a zoning incentive payment,
1074 according to the following schedule:

1075	Projected Units of	
1076	New Construction	Payment
1077	Up to 20	\$10,000
1078	21 to 100	\$75,000
1079	101 to 200	\$200,000

1080 201 to 500 \$350,000

1081 501 or more \$600,000

1082 Subject to any conditions imposed by the Department as a condition of approving a smart
1083 growth zoning district or starter home zoning district, the zoning incentive payment shall be
1084 payable upon confirmation of approval of the district by the department. The projected number
1085 of units shall be based upon the zoning adopted in the smart growth zoning district or start home
1086 zoning district, and consistent with either the city or town's comprehensive housing plan or
1087 housing production plan, if any, or the housing production summary submitted in accordance
1088 with Section 8.

1089 (b) The commonwealth shall pay from the trust fund a one-time density bonus
1090 payment to each city or town with an approved smart growth zoning district and a one-time
1091 production bonus payment to each city or town with an approved starter home zoning district.
1092 This payment shall be \$3,000 for each housing unit of new construction created in the smart
1093 growth zoning district and \$3,000 for each housing unit of new construction created in the starter
1094 home zoning district. The amount due shall be paid on a unit-by-unit basis in accordance with
1095 department regulations, upon submission by a city or town of proof of issuance of a building
1096 permit for a particular housing unit or units within the district.

1097 (c) The executive office of environmental affairs, the executive office of
1098 transportation, the department of housing and community development and the secretary of
1099 administration and finance shall, when awarding discretionary funds, use a methodology of
1100 awarding such funds that favors cities or towns with approved smart growth zoning districts or
1101 starter home zoning districts and other approved zoning policies or initiatives that encourage

1102 increased affordable housing production in the commonwealth including, but not limited to,
1103 inclusionary zoning.

1104 Section 10. A city or town may adopt, in accordance with the regulations of the
1105 department, design standards applicable to projects undergoing review by the approving
1106 authority, to ensure that the physical character of development within the smart growth zoning
1107 district or starter home zoning district is complementary to adjacent buildings and structures and
1108 is consistent with the city or town's comprehensive housing plan or housing production plan, if
1109 any, and any applicable master plan or plans for the city or town. Such standards may address the
1110 scale and proportions of buildings, the alignment, width and grade of streets and sidewalks, the
1111 type and location of infrastructure, the location of building and garage entrances, off-street
1112 parking, the protection of significant natural site features, the location and design of on-site open
1113 spaces, exterior signs and buffering in relation to adjacent properties. In a smart growth zoning
1114 district, the standards shall provide for high-density quality development consistent with the
1115 character of building types, streetscapes and other city or town features traditionally found in
1116 densely settled areas of the city or town or in the region of the city or town.

1117 A design standard shall not be adopted if it will add unreasonable costs to residential or
1118 mixed-use developments. A design standard shall not unreasonably impair the economic
1119 feasibility of proposed projects. The department may disapprove a request for the determination
1120 of eligibility for a smart growth zoning district or starter home zoning district on account of a
1121 design standard adding such unreasonable costs or unreasonably impairing such feasibility.

1122 SECTION 49. Section 11 of said chapter 40R, as so appearing, is hereby amended by
1123 striking out, in line 2, the words “district zoning” and inserting in place thereof the following
1124 words:- zoning district or starter home zoning district.

1125 SECTION 50. Section 11 of said chapter 40R, as so appearing, is hereby amended by
1126 inserting after the word “district”, in line 11, the following words:- or starter home zoning
1127 district.

1128 SECTION 51. Said section 11 of said chapter 40R, as so appearing, is hereby further
1129 amended by inserting after the word “zoning”, in line 17, the following words:- district or starter
1130 home zoning district.

1131 SECTION 52. Said section 11 of said chapter 40R, as so appearing, is hereby further
1132 amended by inserting after the word “district” in lines 70, 74 and 128, in each instance, the
1133 following words:- or starter home zoning district.

1134 SECTION 53. Said chapter 40R, as so appearing, is hereby amended by striking out
1135 section 12 and inserting in place thereof the following section:-

1136 Section 12. The department shall be responsible for the administration, review, and
1137 reporting on the smart growth zoning district and starter home zoning district programs as
1138 provided in this chapter. The department shall undertake or cause to be undertaken an annual
1139 review and the preparation of a report on the programs set forth in this chapter and may require
1140 data to be provided by cities and towns with smart growth zoning districts or starter home zoning
1141 districts. The report shall be prepared on the basis of such data and shall be made available to
1142 the general public and submitted to the general court annually not later than November 15 of
1143 each year, and shall cover the status of the program through the end of the prior fiscal year. The

1144 report shall identify and describe the status of cities and towns that are actively seeking letters of
1145 eligibility. It shall identify approved smart growth zoning districts and starter home zoning
1146 districts and the amounts and anticipated timing of one-time density bonus payments and one-
1147 time production bonus payments during the prior and current fiscal year. It shall summarize the
1148 amount of land areas zoned for particular types of projects in both proposed and approved
1149 districts, the number of projects being reviewed by cities and towns under section 11, including
1150 the number and type of proposed residential units, the number of building permits issued, the
1151 number of completed housing units and their type, and it shall set out the one-time density bonus
1152 payments and one-time production bonus payments made to each city or town. For the then
1153 current and the immediately succeeding fiscal years it shall make estimates for the: (i) number
1154 and size of proposed new districts; (ii) the potential number of residential units to be allowed in
1155 new districts; and (iii) anticipated construction activity.

1156 SECTION 54. Said chapter 40R, as so appearing, is hereby further amended by striking
1157 out section 14 and inserting in place thereof the following section:-

1158 Section 14. The department shall require the cities and towns, if within 3 years no
1159 construction has been started within the smart growth zoning district or starter home zoning
1160 district, to repay to the department all monies paid to the city or town under this chapter for said
1161 smart growth zone or starter home zone. The 3 years shall commence on the date of the payment
1162 of the zoning incentive payment for said smart growth zoning district or starter home zoning
1163 district. All monies returned to the department under this section shall be returned to the trust
1164 fund.

1165 SECTION 55. Section 1 of chapter 40V of the General Laws, as so appearing, is hereby
1166 amended by striking out the definition of “Certified housing development project”, and inserting
1167 in place thereof the following definition:-

1168 “Certified housing development project”, the new construction or substantial
1169 rehabilitation of a housing development project that has been approved by the department for
1170 participation in the housing development incentive program.

1171 SECTION 56. Said section 1 of said chapter 40V, as so appearing, is hereby further
1172 amended by striking out the definitions of “Market rate residential unit” and “Qualified
1173 substantial rehabilitation expenditure” and inserting in place thereof following 2 definitions:-

1174 “Market rate residential unit”, a residential unit that is not subject to a deed restriction
1175 setting a maximum rent or sales price, or restricting occupancy based on the income of the tenant
1176 or owner.

1177 “Qualified project expenditure”, an expenditure directly related to the construction or
1178 substantial rehabilitation of a certified housing development project, including the cost of site
1179 assessment and remediation of hazardous materials, but excluding the purchase of the property,
1180 provided that: (i) the department has certified that the proposed project meets the definition of
1181 certified housing development project; (ii) prior to construction, the department has certified that
1182 all or a portion of the project costs are for new construction or substantial rehabilitation; and (iii)
1183 after the construction of the project has been completed and occupied, the department has
1184 certified that the project has been completed in compliance with this chapter and the
1185 requirements and conditions of any prior certifications.

1186 SECTION 57. Said section 1 of said chapter 40V, as so appearing, is hereby further
1187 amended by inserting after the word “property”, in line 34, the following words:-

1188 including site assessment and remediation of hazardous materials, but.

1189 SECTION 58. Section 4 of said chapter 40V, as so appearing, is hereby amended by
1190 striking out, in line 12, the words “is a” and inserting in place thereof the following words:-

1191 involves either new construction or.

1192 SECTION 59. Said section 4 of said chapter 40V, as so appearing, is hereby further
1193 amended by striking out, in line 13, the word “approve” and inserting in place thereof the
1194 following word:- certify.

1195 SECTION 60. Said section 4 of said chapter 40V, as so appearing, is hereby further
1196 amended by striking out, in line 35, the words “HDIP zone” and inserting in place thereof the
1197 following words:- HD zone.

1198 SECTION 61. Said section 4 of said chapter 40V, as so appearing, is hereby further
1199 amended further by inserting after the word “certified” in line 44 the following words:- housing
1200 development.

1201 SECTION 62. Said section 4 of said chapter 40V, as so appearing, is hereby further
1202 amended further by inserting after the word “certified” in lines 56, 57 and 83, in each instance,
1203 the following words:- housing development.

1204 SECTION 63. Section 5 of said chapter 40V, as so appearing, is hereby amended by
1205 striking out the first sentence and inserting in place thereof the following sentence:-

1206 The department may award to a sponsor of a certified housing development project tax
1207 credits available under subsection (q) of section 6 of chapter 62 and section 38BB of chapter 63
1208 up to but not to exceed 25 per cent of the cost of qualified project expenditures allocable to the
1209 market rate units in the project, as determined by the department.

1210 SECTION 64. Said section 5 of said chapter 40V, as so appearing, is hereby further
1211 amended further by inserting before the word “project” in lines 9, 13 and 15, in each instance,
1212 the following words:- certified housing development.

1213 “SECTION 65. Chapter 40V of the General Laws is hereby further amended by adding
1214 the following section:-

1215 Section 6. (a) For the purposes of this section, the following words shall have the
1216 following meanings unless the context clearly requires otherwise:

1217 “Annual cash flow”, for a WHPP project, the amount of surplus cash remaining after all
1218 project operating costs have been paid, including interest and principal on any indebtedness,
1219 reserves for replacement, reserves for operations and the payment of the priority return, and after
1220 any payments required to be paid to the equity partner for federal historic tax credits, or FHTC,
1221 plus any reserves reasonably set aside to make anticipated exit payments after 5 years to the
1222 FHTC investors; provided, however, that the reserves for operations shall be as determined by
1223 the department and shall be calculated to retain in the project sufficient reserves to fund the
1224 payment of all accounts payable, accrued expenses, and the interest payments due for the
1225 subsequent month.

1226 “Eligible communities”, municipalities that meet the requirements of section 3A of
1227 chapter 23A or municipalities with less than 35,000 residents which the department determines
1228 have an industrial heritage, blight and deterioration in designated areas.

1229 “Eligible districts”, the areas in an eligible community comprising an approved HDIP
1230 district or areas designated by the department in a community with less than 35,000 residents.

1231 “Housing development tax credit”, a tax credit available pursuant to chapter 40V.

1232 “Priority return”, a cumulative amount equal to 8 per cent per year times the amount of
1233 any permanent cash equity investment made by the owners, members or partners of the
1234 ownership entity which shall be paid after the payment of the operating expenses for the project.

1235 “Profits on sale or refinancing”, the amounts remaining upon a sale or refinancing after
1236 the repayment of existing indebtedness, payment of the costs of sale or refinancing, the
1237 repayment, if any, of any net cash equity investment on which the priority returns are paid,
1238 payment of any unpaid cumulative priority returns and other obligations of the ownership entity.

1239 “Program costs”, the total amount of Massachusetts historic rehabilitation tax credits and
1240 housing development tax credits received by a WHPP project.

1241 “Ready to commence construction”, the time when a WHPP certified project has received
1242 both commitments for all financing required to commence construction, including a total
1243 allocation of Massachusetts historic rehabilitation tax credits equal to at least \$300,000 or the full
1244 amount for which the project is eligible, and all local, state and federal permits necessary to
1245 commence construction.

1246 “WHPP”, is the workforce housing production program.

1247 “WHPP certified project”, a housing development project designated by the department
1248 for housing development tax credits pursuant to this section.

1249 (b) Upon the application of a sponsor of a housing project in an eligible district, the
1250 department may award to the sponsor housing development tax credits in an amount equal to 25
1251 per cent of the qualified substantial rehabilitation expenditure. Any allocation of tax credits
1252 pursuant to chapter 40V shall be outside of any annual cap on the allocation of tax credits
1253 contained in section q of chapter 62 or section 38BB of chapter 63.

1254 (c) For such period as determined by the department, the commonwealth shall be paid a
1255 share of the annual cash flow and a share of the profits on sale or refinancing from a WHPP
1256 certified project equal to 25 per cent.

1257 (d) If a WHPP certified project is ready to commence construction except for the fact that
1258 it has not received the full allocation of Massachusetts historic rehabilitation tax credits for
1259 which the WHPP certified project is eligible but has received approval as an eligible project and
1260 has received an allocation of Massachusetts historic rehabilitation tax credits equal to at least
1261 \$300,000, then the state secretary shall increase the amount of the allocated Massachusetts
1262 historic tax credits for the WHPP certified project to the full amount for which the project is
1263 eligible. Such additional allocation of Massachusetts historic rehabilitation tax credits shall be
1264 outside of any annual cap on the allocation of Massachusetts historic tax credits contained in
1265 section 38R of chapter 63.

1266 (e) WHPP certified projects shall have prepared and shall submit to the department an
1267 audit certified by an independent certified public accountant of project construction and
1268 development costs, including rent-up and marketing costs, as of the date of the completion of

1269 construction, within 180 days after the completion of construction. Annually thereafter, within
1270 120 days after the end of the project's fiscal year, a report certified by an independent certified
1271 public accountant shall be submitted to the department on the annual financial and occupancy
1272 operations in accordance with regulations to be issued by the department.

1273 (f) The department shall promulgate such rules and regulations necessary to implement
1274 the provisions of this subsection including, but not limited to, provisions to recover housing
1275 development tax credits issued pursuant to this section for violations of agreements between the
1276 department and the sponsors of WHPP certified projects.

1277 (g) The total amount of program costs approved pursuant to this section shall not exceed
1278 \$25,000,000.

1279 SECTION 66. Section 3 of chapter 62 of the General Laws, as so appearing, is hereby
1280 amended by striking out, in lines 114 to 115, the words "established by section three B of chapter
1281 twenty-three A" and inserting in place thereof the following words:- pursuant to section 3G of
1282 chapter 23A.

1283 SECTION 67. Paragraph (11) of subsection (a) of part B of section 3 of chapter 62 of the
1284 General Laws, as appearing in the 2014 Official Edition, is hereby amended by inserting at the
1285 end thereof the following sentence:-

1286 An individual who is a nonresident for all or part of the taxable year shall not be eligible
1287 to claim this deduction.

1288 SECTION 68. Subsection (a) of part B of section 3 of chapter 62 of the General Laws, as
1289 appearing in the 2014 Official Edition, is hereby amended by inserting at the end thereof the
1290 following new paragraphs:-

1291 (19) An amount equal to the amount expended in such taxable year for the purchase of an
1292 interest in, or contributed in such taxable year to an account in, a prepaid tuition program or
1293 college savings program established by the commonwealth or any instrumentality or authority
1294 thereof. In the case of a single person or a married person filing a separate return or a head of
1295 household, the total amount deducted in such taxable year shall not exceed \$1,000. In the case of
1296 a married couple filing a joint return, the total amount deducted in such taxable year shall not
1297 exceed \$2,000.

1298 Notwithstanding any statute of limitations on the assessment of an income tax under this
1299 chapter, any deduction taken hereunder shall be subject to recapture in the taxable year or years
1300 in which distributions or refunds are made for any reason other than (a) to pay qualified higher
1301 education expenses, as defined by 26 U.S. Code §529 (e)(3), or (b) the beneficiary's death,
1302 disability, or receipt of a scholarship. For the purposes of this subdivision, the term "purchaser"
1303 or "contributor" means the person shown as such on the records of the qualifying Massachusetts
1304 prepaid tuition or college savings plans as of December 31 of the taxable year. In the case of a
1305 transfer of ownership of a prepaid tuition contract or savings trust account, the transferee shall
1306 succeed to the transferor's tax attributes associated with a prepaid tuition contract or savings trust
1307 account, including, but not limited to, carryover and recapture of deductions.

1308 On or before October 15 of each year beginning on or after January 1, 2018, the
1309 commissioner shall submit a report to the secretary of administration and finance, the house and

1310 senate committees on ways and means, and the joint committee on revenue. The annual report
1311 shall provide the following information: the number of 529 college savings accounts opened by
1312 Massachusetts residents during the prior year; the amount of the allowable deductions claimed
1313 under this paragraph during the prior year; the adjusted gross income of each taxpayer qualifying
1314 for the deduction allowed under this section.

1315 The deduction allowed under this paragraph shall apply for taxable years beginning on or
1316 after January 1, 2017; provided, however, that, in taxable years beginning on or after January 1,
1317 2022, no such deduction shall be allowed in any taxable year unless the deduction is reauthorized
1318 by legislative action.

1319 SECTION 69. Section 6 of said chapter 62, as so appearing, is hereby amended by
1320 striking out subsection (g) and inserting in place thereof the following subsection:-

1321 (g)(1) A credit shall be allowed against the tax liability imposed by this chapter on the
1322 owner or lessee of a certified project, to the extent such credit is authorized by the economic
1323 assistance coordinating council, up to an amount equal to 50 per cent of such liability in any
1324 taxable year; provided, however, that the 50 per cent limitation shall not apply where the credit is
1325 refundable under paragraph (6). The amount of the credit shall be determined by the economic
1326 assistance coordinating council in accordance with criteria set forth in section 3D of chapter 23A
1327 and such other criteria or guidelines as the council shall from time to time adopt; provided that a
1328 credit awarded in connection with a certified project that will retain permanent full-time
1329 employees in a gateway city without creating a net increase in permanent full-time employees
1330 shall not exceed \$5,000 per retained employee. A credit allowed under this section may be taken
1331 only after the taxpayer executes an EDIP contract as set forth in section 3D of chapter 23A.

1332 (2) An alternative EDIP tax credit may be allowed against the tax liability imposed
1333 by this chapter on the owner or lessee of a certified project that has been designated as an
1334 extraordinary economic development opportunity, but only to the extent such alternative EDIP
1335 tax credit is authorized by the economic assistance coordinating council, up to an amount equal
1336 to 100 per cent of such liability in any taxable year; provided, however, that the 100 per cent
1337 limitation shall not apply where the credit is refundable under paragraph (6). The amount of the
1338 alternative EDIP tax credit shall be equal to a percentage of gross wages of the new permanent
1339 full-time employees employed by the controlling business at the certified project as reportable on
1340 employee Forms W-2 wage and tax statements. Such percentage shall be determined by the
1341 EACC but shall in no event exceed 5 per cent of such gross wages. An alternative EDIP tax
1342 credit allowed under this section shall reduce the liability of the taxpayer under this chapter for
1343 the taxable year in which the new permanent full-time employee is first employed by the
1344 taxpayer and any subsequent years authorized by the EACC. An alternative EDIP tax credit
1345 allowed under this section may be taken only after the taxpayer executes an EDIP contract as set
1346 forth in section 3D of chapter 23A.

1347 (3) The total amount of credits that may be authorized by the EACC in a calendar
1348 year pursuant to this section and section 38N of chapter 63 shall not exceed an annual cap equal
1349 to \$30,000,000 minus the credits granted pursuant to subsection (q)(5) of section of 6 of this
1350 chapter and section 38BB(5) of said chapter 63, and shall include: refundable credits granted
1351 during the year pursuant to this section or said section 38N of said chapter 63; nonrefundable
1352 credits granted during the year pursuant to this section or said section 38N of said chapter 63, to
1353 the extent that such nonrefundable credits are estimated by the commissioner to offset tax
1354 liabilities during the year; and carryforwards of credits from prior years under this section or said

1355 section 38N of said chapter 63, to the extent that such credit carryforwards, if any, are estimated
1356 by the commissioner to offset tax liabilities during the year. Any portion of the annual cap not
1357 awarded by the economic assistance coordinating council in a calendar year shall not be applied
1358 to awards in a subsequent year.

1359 Notwithstanding the cap set forth in the preceding paragraph, the EACC may authorize
1360 credits in excess of the annual cap of \$30,000,000 for a project that is designated as an
1361 extraordinary economic development opportunity; provided that the total amount awarded shall
1362 not exceed \$50,000,000 in a calendar year.

1363 The economic assistance coordinating council shall provide the commissioner with any
1364 documentation that the commissioner deems necessary to confirm compliance with the annual
1365 cap and the commissioner shall provide a report confirming compliance with the annual cap to
1366 the secretary of administration and finance and the secretary of housing and economic
1367 development.

1368 (4) Any taxpayer entitled to a credit under this subsection for any taxable year may,
1369 to the extent authorized by the economic assistance coordinating council, carry over and apply to
1370 the tax for any one or more of the next succeeding 10 taxable years, the portion, as reduced from
1371 year to year, of those credits which exceed the tax for the taxable year; provided, however, that
1372 in no event shall the taxpayer apply the credit to the tax for any taxable year beginning more than
1373 5 years after the certified project ceases to qualify as such under the provisions of chapter 23A.
1374 Notwithstanding the foregoing, the economic assistance coordinating council may limit or
1375 restrict carryover of credits as set forth section 3D of said chapter 23A.

1376 (5) For purposes of this subsection, the commissioner of revenue may aggregate the
1377 activities of all entities, whether or not incorporated, under common control as defined in
1378 subsection (f) of section 41 of the Code.

1379 (6) The commissioner of revenue shall promulgate such rules and regulations
1380 necessary to implement the provisions of this subsection including, but not limited to, provisions
1381 to prevent the generation of multiple credits with respect to the same property.

1382 (7) If a credit allowed under paragraph (1) or paragraph (2) is designated by the
1383 economic assistance coordinating council as a refundable credit, the credit shall first be applied
1384 against the tax liability of the taxpayer under this section, and 100 per cent of the balance of such
1385 credit may, at the option of the taxpayer and to the extent authorized by the economic assistance
1386 coordinating council, be refundable to the taxpayer. The economic assistance coordinating
1387 council shall in each case specify the timing of such refund, which may be for the taxable year in
1388 which all or a portion of the certified project is placed in service, or the taxable year subsequent
1389 to the year in which the required jobs are created. If such credit balance is refunded to the
1390 taxpayer, the credit carryover provisions of paragraph (4) shall not apply.

1391 (8) If the economic assistance coordinating council revokes the certification of a
1392 project as provided in section 3F of chapter 23A, then a portion of the tax credits otherwise
1393 allowed by this section and claimed by the taxpayer prior to the date on which the economic
1394 assistance coordinating council makes the determination to revoke project certification must be
1395 added back as additional tax due and shall be reported as such on the return of the taxpayer for
1396 the taxable period in which the economic assistance coordinating council makes the
1397 determination to revoke project certification. The amount of credits subject to recapture shall be

1398 proportionate to the taxpayer's compliance with the job creation requirements applicable to the
1399 certified project. The taxpayer's proportion of compliance shall be determined by the economic
1400 assistance coordinating council as part of its revocation process and shall be reported to the
1401 taxpayer and the department of revenue at the time certification is revoked.

1402 (9) If a certified project is sold or otherwise disposed of, tax credits allowed under
1403 this subsection may be transferred to the purchaser of the certified project, provided that the
1404 EDIP contract is assigned to and assumed by the purchaser of the certified project, and such
1405 assignment and assumption is approved in writing by the economic assistance coordinating
1406 council.

1407 (10) Nothing in this section shall limit the authority of the commissioner to make
1408 adjustments to a taxpayer's liability upon audit.

1409 (11) For purposes of this subsection (g), the terms certified project, proposed project,
1410 economic assistance coordinating council, EDIP contract, alternative EDIP tax credit and
1411 extraordinary economic development opportunity have the meanings ascribed to them in section
1412 3A of chapter 23A.

1413 SECTION 70. Said section 6 of said chapter 62, as so appearing, is hereby further
1414 amended by striking out the word "ten" in line 893, and inserting in place thereof the following
1415 figure:- 25.

1416 SECTION 71. Said section 6 of said chapter 62, as so appearing, is hereby further
1417 amended by striking out, in line 894, the words "substantial rehabilitation" and inserting in place
1418 thereof the following word:- project.

1419 SECTION 72. Said section 6 of said chapter 62, as so appearing, is hereby further
1420 amended by striking out, in lines 905 and 939 to 940, the word “rehabilitation” and inserting in
1421 place thereof, in each instance, the following word:- project.

1422 SECTION 73. Said section 6 of said chapter 62, as so appearing, is hereby further
1423 amended by striking out, in lines 923 and 935, the figure “5” and inserting in place thereof, in
1424 each instance, the figure:- 10.

1425 SECTION 74. Said section 6 of said chapter 62, as so appearing, is hereby further
1426 amended by adding the following subsection:-

1427 (t) (1) As used in this subsection, the following words shall have the following
1428 meanings unless the context clearly requires otherwise:-

1429 “Business”, a profession, sole proprietorship, trade partnership, corporation, general
1430 partnership, limited liability company, limited partnership, joint venture, business trust, public
1431 benefit corporation, non-profit entity or other business entity.

1432 “Gateway municipality”, a gateway municipality as defined in section 3A of chapter
1433 23A.

1434 “Qualifying business”, a business which: (a) has its principal place of business in the
1435 commonwealth; (b) has at least 50 per cent of its employees located in the business’s principal
1436 place of business; (c) has a fully developed business plan that includes all appropriate long-term
1437 and short-term forecasts and contingencies of business operations, including research and
1438 development, profit, loss and cash flow projections and details of angel investor funding; (d)
1439 employs 20 or fewer full-time employees at the time of the taxpayer investor’s initial qualifying

1440 investment as provided for in paragraph (2); (e) has a federal tax identification number; and (f)
1441 has gross revenues equal to or less than \$500,000 in the fiscal year prior to eligibility.

1442 “Qualifying investment”, a monetary investment that is at risk and not secured or
1443 guaranteed; provided, however, that a “qualifying investment” shall not include venture capital
1444 funds, hedge funds and commodity funds with institutional investors or investments in a business
1445 involved in retail, real estate, professional services, gaming or financial services.

1446 “Taxpayer investor”, accredited investors, as defined by the United States Securities
1447 and Exchange Commission pursuant to section 2(15)(ii) of the Securities Act of 1933, 15 U.S.C.
1448 77b(15)(ii) and who is not the principal owner of the qualifying business who is involved as a
1449 full-time professional activity.

1450 (2) A taxpayer investor who makes a qualifying investment in a qualifying business
1451 shall be allowed a credit against the taxes imposed by this chapter in an amount equal to 20 per
1452 cent of the amount of the taxpayer’s qualifying investment. A taxpayer investor who makes a
1453 qualifying investment in a qualifying business with its principal place of business located in a
1454 gateway municipality shall be allowed a credit against the taxes imposed by this chapter in an
1455 amount equal to 30 per cent of the amount of the taxpayer’s qualifying investment. Taxpayer
1456 investors may invest up to \$125,000 per qualifying business per year with a \$250,000 maximum
1457 for each qualifying business. The total of all tax credits available to a taxpayer investor under
1458 this subsection shall not exceed \$50,000 in any single calendar year.

1459 (3) Qualifying investments may be used by a qualifying business for the following
1460 purposes: (a) capital improvements; (b) plant equipment; (c) research and development; and (d)
1461 working capital. Qualifying investments shall not be used to pay dividends, fund or repay

1462 shareholders' loans, redeem shares, repay debt or pay wages or other benefits of the taxpayer
1463 investor.

1464 (4) The credits allowed under paragraph (2) may be taken against income tax due in
1465 either the tax year of the initial investment or in any of the 3 subsequent taxable years. Any
1466 amount of the tax credit that exceeds the tax due for a taxable year may be carried forward by the
1467 taxpayer investor to any of the 3 subsequent taxable years. If the qualifying business ceases to
1468 have its principal place of business in the commonwealth within such 3 year period, the taxpayer
1469 investor shall not claim any further credits and shall repay the total amount of credits claimed to
1470 the commonwealth.

1471 (5) The Massachusetts life sciences center, in consultation with the executive office
1472 of housing and economic development and the commissioner of revenue, shall authorize,
1473 administer and determine eligibility for this tax credit and allocate the credit in accordance with
1474 the standards and requirements as set forth in regulations promulgated pursuant to this
1475 subsection, and with the goal of creating and maintaining jobs including, but not limited to, the
1476 following sectors: digital e-health, information technology, and healthcare. Any tax credits
1477 authorized pursuant to this subsection shall be subject to the annual cumulative cap pursuant to
1478 subsection (d) of section 5 of chapter 23I.

1479 (6) The commissioner of revenue, the Massachusetts life sciences center, and the
1480 executive office of housing and economic development shall promulgate regulations necessary to
1481 carry out this subsection.

1482 SECTION 75. Subsection (1) of subsection (q) of section 6 of chapter 62 of the General
1483 Laws, as appearing in the 2014 Official Editions, is hereby amended by inserting after the figure

1484 40V in line 895 the following: In the event that the certified housing development project is a
1485 WHPP certified project, pursuant to section 6 of chapter 40V, then the credit to be allowed shall
1486 be 25 per cent.

1487 SECTION 76. Section 6M of said chapter 62, as so appearing, is hereby amended by
1488 striking out, in line 89, the words “as defined in section 3A” and inserting in place thereof the
1489 following words:- designated under section 3G.

1490 SECTION 77. Chapter 63 of the General Laws, as so appearing, is hereby amended by
1491 striking out section 38N and inserting in place thereof the following section:

1492 Section 38N. (a) A corporation subject to tax under this chapter that is the
1493 controlling business of a certified project, as defined in section 3A of chapter 23A, or an affiliate
1494 of a controlling business, may take a credit against the excise imposed by this chapter to the
1495 extent such credit is authorized by the economic assistance coordinating council, up to an
1496 amount equal to 50 per cent of such liability in any taxable year; provided, however, that the 50
1497 per cent limitation shall not apply where the credit is refundable under subsection (d). The
1498 amount of the credit shall be determined by the economic assistance coordinating council based
1499 on criteria set forth in section 3D of chapter 23A and such other criteria or guidelines as the
1500 council shall from time to time adopt; provided that a credit awarded in connection with a
1501 certified project that will retain permanent full-time employees in a gateway city without
1502 creating a net increase in permanent full-time employees shall not exceed \$5,000 per retained
1503 employee. A credit allowed under this section may be taken only after the corporation executes
1504 an EDIP contract as set forth in said section 3D of chapter 23A.

1505 (b) An alternative EDIP tax credit may be allowed against the tax liability imposed
1506 by this chapter on the owner or lessee of a certified project that has been designated as an
1507 extraordinary economic development opportunity, but only to the extent such alternative EDIP
1508 tax credit is authorized by the economic assistance coordinating council, up to an amount equal
1509 to 100 per cent of such liability in any taxable year; provided, however, that the 100 per cent
1510 limitation shall not apply where the credit is refundable under paragraph (d). The amount of the
1511 alternative EDIP tax credit shall be equal to a percentage of gross wages of the new permanent
1512 full-time employees employed by the controlling business at the certified project as reportable on
1513 employee Forms W-2 wage and tax statements. Such percentage shall be determined by the
1514 EACC but shall in no event exceed 5 per cent of such gross wages. An alternative EDIP tax
1515 credit allowed under this section shall reduce the liability of the taxpayer under this chapter for
1516 the taxable year in which the new permanent full-time employee is first employed by the
1517 taxpayer and any subsequent years authorized by the EACC. An alternative EDIP tax credit
1518 allowed under this section may be taken only after the taxpayer executes an EDIP contract as set
1519 forth in section 3D of chapter 23A.

1520 (c) The total amount of credits that may be authorized by the economic assistance
1521 coordinating council in a calendar year pursuant to this section and subsection (g) of section 6 of
1522 chapter 62 shall not exceed an annual cap equal to \$30,000,000 minus the credits granted
1523 pursuant to section 38BB of this chapter and subsection (q) of section 6 of chapter 62 and shall
1524 include: refundable credits granted during the year pursuant to this section or said section 38N of
1525 said chapter 63; nonrefundable credits granted during the year pursuant to this section or said
1526 section 38N of said chapter 63, to the extent that such nonrefundable credits are estimated by the
1527 commissioner to offset tax liabilities during the year; and carryforwards of credits from prior

1528 years under this section or said section 38N of said chapter 63, to the extent that such credit
1529 carryforwards, if any, are estimated by the commissioner to offset tax liabilities during the year.
1530 Any portion of the annual cap not awarded by the economic assistance coordinating council in a
1531 calendar year shall not be applied to awards in a subsequent year.

1532 Notwithstanding the cap set forth in the preceding paragraph, the EACC may authorize
1533 credits in excess of the annual cap of \$30,000,000 for a project that is designated as an
1534 extraordinary economic development opportunity; provided that the total amount awarded shall
1535 not exceed \$50,000,000 in a calendar year.

1536 The economic assistance coordinating council shall provide the commissioner with any
1537 documentation that the commissioner deems necessary to confirm compliance with the annual
1538 cap and the commissioner shall provide a report confirming compliance with the annual cap to
1539 the secretary of administration and finance and the secretary of housing and economic
1540 development.

1541 The credit allowed under this section may be taken by an eligible corporation; provided,
1542 however, that the credit allowed by section 31A or section 31H shall not be taken by such
1543 corporation.

1544 (d) Any corporation entitled to a credit under this section for any taxable year may, to
1545 the extent authorized by the economic assistance coordinating council, carry over and apply to
1546 the tax for any one or more of the next succeeding 10 taxable years, the portion, as reduced from
1547 year to year, of those credits which exceed the tax for the taxable year; provided, however, that
1548 in no event shall the corporation apply the credit to the tax for any taxable year beginning more
1549 than 5 years after the certified project ceases to qualify as such under the provisions of chapter

1550 23A. Notwithstanding the foregoing, the economic assistance coordinating council may limit or
1551 restrict carryover of credits as set forth section 3D of said chapter 23A.

1552 (e) If a credit allowed under subsection (a) or subsection (b) is designated by the
1553 economic assistance coordinating council as a refundable credit, the credit shall first be applied
1554 against the tax liability of the corporation under this chapter, and 100 per cent of the balance of
1555 such credit may, at the option of the corporation and to the extent authorized by the economic
1556 assistance coordinating council, be refundable to the corporation. The economic assistance
1557 coordinating council shall in each case specify the timing of such refund, which may be for the
1558 taxable year in which all or a portion of the certified project is placed in service, or the taxable
1559 year subsequent to the year in which the required jobs are created. If such credit balance is
1560 refunded to the corporation, the credit carryover provisions of subsection (d) shall not apply.

1561 (f) In the case of a corporation that is subject to a minimum excise under any
1562 provision of this chapter, the amount of the credit allowed by this section shall not reduce the
1563 excise to an amount less than such minimum excise.

1564 (g) In the case of corporations filing a combined return of income under section 32B,
1565 a credit generated by an individual member corporation under the provisions of this section shall
1566 first be applied against the separately determined excise attributable to that member, except as
1567 otherwise provided in this section. A member corporation with an excess credit may apply its
1568 excess credit against the excise of another group member, to the extent that such other member
1569 corporation can use additional credits. Unused, unexpired credits generated by member
1570 corporations shall be carried over from year to year by the individual corporation that generated
1571 the credit, to the extent authorized by the economic assistance coordinating council.

1572 (h) The commissioner of revenue may promulgate such rules and regulations as are
1573 necessary to implement the provisions of this section, including, but not limited to, provisions to
1574 prevent the generation of multiple credits with respect to the same property.

1575 (i) If the economic assistance coordinating council revokes the certification of a
1576 project as provided in section 3F of chapter 23A, then a portion of the tax credits otherwise
1577 allowed by this section and claimed by the taxpayer prior to the date on which the economic
1578 assistance coordinating council makes the determination to revoke project certification must be
1579 added back as additional tax due and shall be reported as such on the return of the taxpayer for
1580 the taxable period in which the economic assistance coordinating council makes the
1581 determination to revoke project certification. The amount of credits subject to recapture shall be
1582 proportionate to the taxpayer's compliance with the job creation requirements applicable to the
1583 certified project. The taxpayer's proportion of compliance shall be determined by the economic
1584 assistance coordinating council as part of its revocation process and shall be reported to the
1585 taxpayer and the department of revenue at the time certification is revoked.

1586 (j) If a certified project is sold or otherwise disposed of, tax credits allowed under
1587 this subsection may be transferred to the purchaser of the certified project, provided that the
1588 EDIP contract is assigned to and assumed by the purchaser of the certified project, and such
1589 assignment and assumption is approved in writing by the economic assistance coordinating
1590 council.

1591 (k) Nothing in this section shall limit the authority of the commissioner to make
1592 adjustments to a corporation's liability upon audit.

1593 (l) For purposes of this section, the terms certified project, certified project proposal,
1594 economic assistance coordinating council, EDIP contract, alternative EDIP tax credit and
1595 extraordinary economic development opportunity shall have the meanings ascribed to them in
1596 section 3A of chapter 23A.

1597 SECTION 78. Section 38O of said chapter 63, as so appearing, is hereby amended by
1598 striking out, in lines 4 to 5, the words “as defined by section 3A” and inserting in place thereof
1599 the following words:- designated under section 3G.

1600 SECTION 79. Clause (i) of paragraph (1) of subsection (b) of section 38R of said
1601 chapter 63, as so appearing, is hereby amended by adding the following words:- ; provided,
1602 however, that the Massachusetts historical commission shall ensure the award of tax credits
1603 pursuant to this section shall allow a taxpayer that acquires a qualified historic structure to
1604 receive any tax credits for qualified rehabilitation expenditures previously awarded to the
1605 transferor of the qualified historic structure if: (A) the rehabilitation was not placed in service by
1606 the transferor; (B) no credit has been claimed by anyone other than the acquiring taxpayer as
1607 verified by the department of revenue to the commission; (C) the taxpayer completes the
1608 rehabilitation and obtains certification as provided in this section; and (D) the taxpayer conforms
1609 with all other requirements of this section; and provided further, that in the case of a multi-phase
1610 project, tax credits may be transferred for any phase that meets the criteria in subclauses (A) to
1611 (D), inclusive.

1612 SECTION 80. Section 38BB of said chapter 63, as so appearing, is hereby amended by
1613 striking out, in line 5, the word “ten” and inserting in place thereof the following figure:- 25.

1614 SECTION 81. Said section 38BB of said chapter 63, as so appearing, is hereby amended
1615 further by striking out, in line 6, the words “substantial rehabilitation” and inserting in place
1616 thereof the following word:- project.

1617 SECTION 82. Said section 38BB of said chapter 63, as so appearing, is hereby amended
1618 further by striking out, in line 17 and lines 38 to 39, the word “rehabilitation” and inserting in
1619 place thereof, in each instance, the following word:- project.

1620 SECTION 83. Said section 38BB of said chapter 63, as so appearing, is hereby further
1621 amended by striking out, in lines 23 and 34, the figure “5” and inserting in place thereof, in each
1622 instance, the figure:- 10.

1623 SECTION 84. Section 38EE of said chapter 63, as so appearing, is hereby amended by
1624 striking out, in line 76, the words “as defined in section 3A” and inserting in place thereof the
1625 following words:- designated under section 3G.

1626 SECTION 85. Subsection (1) of section 38BB of chapter 63 of the General Laws, as so
1627 appearing, is hereby amended by inserting after the figure 40V in line 8 the following: In the
1628 event that the certified housing development project is a WHPP certified project, pursuant to
1629 section 6 of chapter 40V, then the credit to be allowed shall be 25 per cent. SECTION 86. Section
1630 33 of chapter 138 of the General Laws, as so appearing, is hereby amended by striking out, in
1631 lines 14 and 15, 17 and 18, 24 and 25, and 27 and 28, the words “or on the day following when
1632 Christmas occurs on a Sunday”.

1633 SECTION 87. Chapter 166A of the General Laws, as so appearing, is hereby amended by
1634 inserting after section 22 the following section:-

1635 Section 23. All cable television operators shall locate PEG channels on the high
1636 definition tier, in close proximity to local network affiliate broadcast channels. Cable television
1637 operators shall provide PEG channel managers with access to the electronic program guide to
1638 ensure that residents can access information about local channels and will provide PEG channel
1639 managers with up to 10 hours of video on demand each monthSECTION 88. Section 162M of
1640 chapter 175 of the General Laws, as so appearing, is hereby amended by inserting after
1641 subsection (7) the following subsection:-

1642 (7 1/2) Travel, limited line travel insurance, as that term is defined in section 162Z of
1643 chapter 175 of the General Laws.

1644 SECTION 89. Said chapter 175 is hereby further amended by adding the following
1645 section:-

1646 Section 162Z. (a) As used in this section, the following words shall have the following
1647 meanings unless the context clearly requires otherwise:-

1648 (1) “Designated Responsible Producer” or “DRP”, a person responsible for the limited
1649 lines travel insurance producer’s compliance with the travel insurance laws, rules and regulations
1650 of the state.

1651 (2) “Limited lines travel insurance producer”, a (i) licensed managing general
1652 underwriter; (ii) licensed managing general agent or third party administrator; or (iii) licensed
1653 insurance producer, including a limited lines producer, designated by an insurer as the travel
1654 insurance supervising entity as set forth in subsection (g).

1655 (3) “Offer and disseminate”, to provide general information, including a description of
1656 the coverage and price, as well as processing the application, collecting premiums, and
1657 performing other non-licensable activities permitted by the state.

1658 (4) “Travel insurance”, insurance coverage for personal risks incident to planned travel,
1659 including but not limited to: (i) interruption or cancellation of trip or event; (ii) loss of baggage
1660 or personal effects; (iii) damages to accommodations or rental vehicles; or (iv) sickness,
1661 accident, disability or death occurring during travel. Travel insurance does not include major
1662 medical plans, which provide comprehensive medical protection for travelers with trips lasting 6
1663 months or longer, including for example, those working overseas as an expatriate or military
1664 personnel being deployed.

1665 (5) “Travel retailer”, a business entity that makes, arranges or offers travel services and
1666 may offer and disseminate travel insurance as a service to its customers on behalf of and under
1667 the direction of a limited lines travel insurance producer.

1668 (b) Notwithstanding any general or special law to the contrary:

1669 (1) The commissioner may issue to an individual or business entity that has filed with the
1670 commissioner an application for such limited license in a form and manner prescribed by the
1671 commissioner, a limited lines travel insurance producer license, which authorizes the limited
1672 lines travel insurance producer to sell, solicit or negotiate travel insurance through a licensed
1673 insurer.

1674 (2) A travel retailer may offer and disseminate travel insurance under a limited lines
1675 travel insurance producer business entity license if the following conditions are met:

1676 (i) The limited lines travel insurance producer or travel retailer provides to purchasers of
1677 travel insurance:

1678 (a) A description of the material terms or the actual material terms of the insurance
1679 coverage;

1680 (b) A description of the process for filing a claim;

1681 (c) A description of the review or cancellation process for the travel insurance policy; and

1682 (d) The identity and contact information of the insurer and limited lines travel insurance
1683 producer.

1684 (ii) At the time of licensure, the limited lines travel insurance producer shall establish and
1685 maintain a register on a form prescribed by the commissioner of each travel retailer that offers
1686 travel insurance on the limited lines travel insurance producer's behalf. The register shall be
1687 maintained and updated annually by the limited lines travel insurance producer and shall include
1688 the name, address, and contact information of the travel retailer and an officer or person who
1689 directs or controls the travel retailer's operations, and the travel retailer's federal tax
1690 identification number. The limited lines travel insurance producer shall submit such register to
1691 the division of insurance upon reasonable request. The limited lines travel insurance producer
1692 shall also certify that the travel retailer registered complies with 18 U.S.C. section 1033.

1693 (iii) The limited lines travel insurance producer has designated one of its employees who
1694 is a licensed individual producer as the DRP.

1695 (iv) The DRP, president, secretary, treasurer, and any other officer or person who directs
1696 or controls the limited lines travel insurance producer's insurance operations shall comply with

1697 the fingerprinting requirements applicable to insurance producers in the resident state of the
1698 limited lines travel insurance producer.

1699 (v) The limited lines travel insurance producer has paid all applicable insurance producer
1700 licensing fees as set forth in applicable state law.

1701 (vi) The limited lines travel insurance producer requires each employee and authorized
1702 representative of the travel retailer, whose duties include offering and disseminating travel
1703 insurance, to receive a program of instruction or training, which may be subject to review by the
1704 commissioner. The training material shall, at a minimum, contain instructions on the types of
1705 insurance offered, ethical sales practices, and required disclosures to prospective customers.

1706 (vii) Limited lines travel insurance producers, and those registered under its license, are
1707 exempt from the examination requirements under section 162K of chapter 175 of the General
1708 Laws and the continuing education requirements under section 177E of chapter 175 of the
1709 General Laws.

1710 (c) Any travel retailer offering or disseminating travel insurance shall make available to
1711 prospective purchasers, brochures or other written materials that:

1712 (1) Provide the identity and contact information of the insurer and the limited lines travel
1713 insurance producer;

1714 (2) Explain that the purchase of travel insurance is not required in order to purchase any
1715 other product or service from the travel retailer; and

1716 (3) Explain that an unlicensed travel retailer is permitted to provide general information
1717 about the insurance offered by the travel retailer, including a description of the coverage and

1718 price, but is not qualified or authorized to answer technical questions about the terms and
1719 conditions of the insurance offered by the travel retailer or to evaluate the adequacy of the
1720 customer's existing insurance coverage.

1721 (d) A travel retailer's employee or authorized representative who is not licensed as an
1722 insurance producer may not:

1723 (1) Evaluate or interpret the technical terms, benefits, and conditions of the offered travel
1724 insurance coverage;

1725 (2) Evaluate or provide advice concerning a prospective purchaser's existing insurance
1726 coverage; or

1727 (3) Hold himself out as a licensed insurer, licensed producer, or insurance expert.

1728 (e) Notwithstanding any general or special law to the contrary, a travel retailer whose
1729 insurance-related activities, and those of its employees and authorized representatives, are
1730 limited to offering and disseminating travel insurance on behalf of and under the direction of a
1731 limited lines travel insurance producer meeting the conditions stated in this section, is authorized
1732 to do so and receive related compensation, upon registration by the limited lines travel insurance
1733 producer as described in subsection (b)(1) and (2).

1734 (f) Travel insurance may be provided under an individual policy or under a group or
1735 master policy.

1736 (g) As the insurer designee, the limited lines travel insurance producer is responsible for
1737 the acts of the travel retailer and shall use reasonable means to ensure compliance by the travel
1738 retailer with this section.

1739 (h) The limited lines travel insurance producer and any travel retailer offering and
1740 disseminating travel insurance under the limited lines travel insurance producer license shall be
1741 subject to the: (i) laws regarding unfair methods of competition and unfair and deceptive acts and
1742 practices in the business of insurance; and (ii) the enforcement provisions applicable to insurance
1743 producers.

1744 SECTION 90. Section 7 of chapter 293 of the acts of 2006, as amended by section 6 of
1745 chapter 129 of the acts of 2008, is hereby further amended by striking out clauses (ii), (iii) and
1746 (iv) of subsection (c) and inserting in place thereof the following 2 clauses:-

1747 (ii) the secretary certifies that the developer has received commitments satisfactory to the
1748 department for financing sufficient, with equity or other amounts to be provided by the developer
1749 and other persons, to fund the costs of construction of the proposed economic development
1750 project exclusive of those public infrastructure improvements to be financed by the agency, and
1751 shall have obtained a blanket performance bond or other security satisfactory to the secretary and
1752 payable to the agency securing the developer's obligation to complete the construction of the
1753 public infrastructure improvements included in the economic development proposal in an
1754 amount equal to or greater than the outstanding principal amount of any bonds to be issued by
1755 the agency to finance costs of public infrastructure improvements; and (iii) the agency certifies
1756 that it has approved the proposal.

1757 SECTION 91. Said section 7 of said chapter 293, as most recently amended by section
1758 87 of chapter 287 of the acts of 2014, is hereby further amended by striking out in subsection (d)
1759 the words, “; provided, further, that the secretary shall not approve more than 31 per cent of the
1760 total amount for projects, in the aggregate, for any municipality” and inserting in place thereof

1761 the following words:- ; provided, further, that the secretary shall not approve more than 50 per
1762 cent of the total amount for projects, in the aggregate, for any municipality.

1763 SECTION 92. Said section 7 of said chapter 293, as most recently amended by section
1764 88 of said chapter 287, is hereby further amended by striking out the second sentence of
1765 subsection (e).

1766 SECTION 93. Section 8 of said chapter 293, as amended by section 8 of chapter 129 of
1767 the acts of 2008, is hereby further amended by striking out clauses (iii), (iv) and (v) of subsection
1768 (a) and inserting in place thereof the following 2 clauses:-

1769 (iii) the municipality shall provide local infrastructure development assistance to the
1770 commonwealth with respect to the economic development project to the extent and for such time
1771 as is provided in section 10; and (iv) the commonwealth shall provide infrastructure development
1772 assistance to the agency to pay the debt service due in each fiscal year on any bonds issued by
1773 the agency to finance the costs of public infrastructure improvements included in such economic
1774 development project, subject to reimbursement of all or a portion of such state infrastructure
1775 development assistance through the collection of infrastructure assessments as provided in
1776 section 9 of this act and from local infrastructure assistance provided by the municipality as
1777 provided in section 10.

1778 SECTION 94. Section 11 of said chapter 293, as amended by sections 13 and 14 of said
1779 chapter 129, is hereby further amended by striking out the following words in subsection (b):-

1780 ; provided, however, that notwithstanding any other general or special law to the
1781 contrary, a certified economic development project receiving financial assistance for public
1782 infrastructure improvements pursuant to this act shall not be eligible for: (i) designation as a TIF

1783 zone pursuant to section 59 of chapter 40 of the General Laws; provided, however, that a
1784 certified economic development project designated as a TIF zone pursuant to said section 59 of
1785 said chapter 40 prior to January 1, 2009 shall be eligible to receive financial assistance for public
1786 infrastructure improvements pursuant to this act; (ii) the tax credit described in section 38N of
1787 chapter 63 of the General Laws; (iii) a community development action grant pursuant to section
1788 57A of chapter 121B of the General Laws; (iv) a public works economic development program
1789 grant under clause (c) of the first paragraph of section 17 of chapter 732 of the acts of 1981; or
1790 (v) or any other economic assistance program as may be determined by the secretary or the
1791 commissioner. The ineligibility to participate in economic assistance programs as provided in
1792 clauses (i) to (v), inclusive, shall not apply to any tenant of a certified economic development
1793 project which is not an affiliate of the developer”.

1794 SECTION 95. A controlling business or affiliate of a controlling business which has
1795 been awarded state tax credits under chapter 19 of the acts of 1993 or sections 3A to 3H of
1796 chapter 23A, and which intends to claim such credits on tax filings for tax years beginning on or
1797 after January 1, 2016, shall enter into an EDIP contract setting forth the amount of the credits
1798 awarded, the amount of credits claimed or carried over, and the job creation obligations of the
1799 controlling business. Any controlling business or affiliate of a controlling business that fails to
1800 enter into an EDIP contract in form and substance acceptable to MOBD on or before December
1801 31, 2016 shall forfeit such credits. For purposes of this section, the terms controlling business,
1802 EDIP contract and MOBD shall have the meanings ascribed to them in section 3A of chapter
1803 23A of the General Laws, as amended by this act.

1804 SECTION 96. Any and all references in the General Laws to “economic target area” or
1805 “ETA” shall be deemed to mean an economic target area designated by the EACC and in

1806 existence as of the effective date of this act, or an area designated by the EACC as an economic
1807 target area in accordance with section 3G of chapter 23A of the General Laws. As of the
1808 effective date of this act, all references in the General Laws to “economic opportunity area” or
1809 “EOA” shall be deemed to mean an economic opportunity area designated by the EACC and in
1810 existence as of the effective date of this act, or an area designated by the EOA as an economic
1811 opportunity area in accordance with said section 3G of said chapter 23A. Existing economic
1812 target areas and economic opportunity areas designated by the EACC prior to January 1, 2017
1813 shall remain in effect until their scheduled termination date, if any.

1814 SECTION 97. Notwithstanding any general or special law to the contrary, sections 92
1815 through 96, inclusive, shall not apply to economic development projects approved by the
1816 Secretary of Administration and Finance under section 7(c) of chapter 293 of the acts of 2006, as
1817 amended by section 6 of chapter 129 of the acts of 2008, before January 1, 2017.

1818 SECTION 98. Notwithstanding any general or special law to the contrary, the term
1819 “Massachusetts Industrial Finance Agency”, wherever it appears in the general and special laws,
1820 shall be deemed to mean “Massachusetts Development Finance Agency.”

1821 SECTION 99. The Massachusetts Technology Park Corporation, established in section 3
1822 of chapter 40J of the General Laws and doing business as the Massachusetts Technology
1823 Collaborative, shall, subject to appropriation, create a cybersecurity and data analytics
1824 technology development and training center of excellence, in this section referred to as the
1825 center. The center shall convene interested public and private universities, governmental bodies
1826 and industry participants to share public and private data sets for the purposes of expanding the
1827 Commonwealth’s data analytics capabilities. The center may: (1) match public and private

1828 universities with industry participants to develop cybersecurity technology and expand data
1829 analytic capabilities; (2) provide a forum for sharing data sets for analysis; and (3) provide skills
1830 building and workforce training in cybersecurity and data analytics.

1831 The collaborative shall file a report detailing the activities of the center not later than
1832 September 1, 2017 with the clerks of the house of representatives and the senate who shall
1833 forward the same to the house and senate committees on ways and means and the joint
1834 committee on economic development and emerging technologies.

1835 SECTION 100. Sections 6 through 8, inclusive, 15 through 21, inclusive, 30, 31, 55
1836 through 82, inclusive, 86 through 90, inclusive, and 92 shall take effect on January 1, 2017 and
1837 shall be effective for all tax years beginning on or after January 1, 2017.

1838 SECTION 101. Sections 22 through 27, inclusive, 34 through 54, inclusive, shall take
1839 effect on October 1, 2016.