

HOUSE No. 4483

House bill No. 4461, as changed by the House committee on Bills in the Third Reading, and as amended and passed to be engrossed by the House. July 7, 2016.

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.

Whereas, The deferred operation of this act would tend to defeat its purpose, which is to further economic development and job creation in the commonwealth, therefore, it is hereby declared to be an emergency law, necessary for the immediate preservation of the public convenience.

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 SECTION 2A.

8 EXECUTIVE OFFICE OF HOUSING AND ECONOMIC DEVELOPMENT

9 Office of the Secretary

10 7002-8006 For the MassWorks infrastructure program established by section 63 of
11 chapter 23A of the General Laws \$500,000,000

12 7002-8007 For matching grants to enable institutions of higher education located in
13 the commonwealth to participate in and receive federal funding from the National Network for
14 Manufacturing Innovation \$71,000,000

15 7002-8008 For a program administered by the Massachusetts Development Finance
16 Agency for site assembly, site assessment, pre-development permitting and other pre-
17 development and marketing activities that enhance a site’s readiness for commercial, industrial
18 or mixed-use development; provided that a portion of such funds shall be used to facilitate the
19 expansion or replication of successful industrial parks; and provided further that a portion of
20 such funds shall be used to support the revitalization of downtown.....\$15,000,000

21 7002-8009 For a program to be administered by the Massachusetts Development
22 Finance Agency to make grants and loans to municipalities, private property owners, non-profit
23 entrepreneur support organizations and business operators for design, construction and,
24 improvement of buildings and for equipment to spur innovation and entrepreneurship across the
25 state, including but not limited to co-working spaces, innovation centers, maker spaces and artist
26 spaces; provided further, that \$75,000 shall be expended for the purpose of structural, roofing,
27 masonry and site work at the Colonial Theatre in the city of Pittsfield; provided further, that
28 \$250,000 shall be expended to rehabilitate, finish, or expand facilities related to the Center for
29 the Arts in the town of Natick; provide further, that \$250,000 shall be expended for site analysis
30 and feasibility of an upper valley innovation center to provide start-up entrepreneurial maker

31 space in the city of Greenfield

32 \$15,575,000

33 7002-8011 For the Transformative Development Fund established by section 46 of

34 chapter 23G of the General Laws\$45,000,000

35 7002-8012 For the Scientific and Technology Research and Development Matching

36 Grant Fund established by section 4G of chapter 40J of the General Laws\$15,000,000

37 7002-8013 For the Advanced Manufacturing, Technology and Hospitality Training

38 Trust Fund established in section 20000 of chapter 29 of the General Laws.....\$30,000,000

39 7002-8014 For the Massachusetts Food Trust Program established by section 65 of

40 chapter 23A of the General Laws; provided further, that \$396,000 shall be expended to the

41 Franklin County Community Development Corporation for costs associated with the expansion

42 of the Western Massachusetts Food Processing

43 Center..... \$6,396,000

44 7002-8016 For a Designated Port Area Pilot program to be administered by the

45 Massachusetts Development Finance Agency to make grants, loans, or a combination thereof for

46 the design, construction, repair, renovation, rehabilitation, or other capital improvement of

47 existing commercial and marine industrial infrastructure and commercial and public maritime

48 transportation infrastructure; provided that, in making such grants or loans, the agency shall

49 consider: (i) the impacts on future economic growth and commercial and industrial development

50 within the designated port area; (ii) the impacts on the commercial fishing industry; (iii) the

51 impacts on wastewater and wastewater pretreatment in the designated port area; (iv) the

52 attendant economic benefits to the commonwealth; and (v) any strategic report or other

53 assessment created under section 94 of chapter 287 of the acts of 2014; provided further, that the
 54 agency shall reasonably anticipate that its loan will leverage additional private investment in the
 55 property or the designated port area in which the property is located; and, provided further, that
 56 the agency shall, in coordination with the executive office of housing and economic
 57 development, submit an annual report to the clerks of the house and senate who shall forward the
 58 report to the house and senate committees on ways and means and the joint committee on
 59 economic development and emerging technologies on or before December 31. The report shall
 60 include a current assessment of the progress of each project funded through the
 61 program.....\$1,000,000

62 7002-8017 For the Massachusetts Technology Park Corporation, established in section 3
 63 of chapter 40J of the General Laws and doing business as the Massachusetts Technology
 64 Collaborative, to create a cybersecurity and data analytics technology development and training
 65 center of excellence pursuant to section 104; provided further, that \$75,000 shall be expended for
 66 the purpose of extending Mass Broadband, fiber optic cable network to the William Stanley
 67 Business Park to support the operation of the Berkshire Innovation Center in the city of
 68 Pittsfield; provided further, that \$200,000 shall be expended for the Haitian American Business
 69 Expo, Inc. to expand its launch of its first-of-its-kind free platform connecting the Haitian /
 70 Haitian-American business community free-of-charge- with consumers by showcasing Haitian
 71 businesses and services throughout the Commonwealth through its Haitian business and non-
 72 profit web directory, database, mobile application, media outlets and community
 73 presence..... \$4,775,000

74 7002-8018 For public infrastructure grants to municipalities and other public
 75 instrumentalities for design, construction, building, land acquisition, rehabilitation, repair and

76 other improvements to publicly-owned infrastructure; provided further, that \$500,000 shall be
77 expended for the Hamilton Canal District in the city of Lowell; provided further, that \$500,000
78 be expended for the completion of the Northampton Arts Trust building project, located on
79 Hawley Street in the city of Northampton; provided further, that \$100,000 shall be expended for
80 the relocation and rehabilitation of Stearns Tavern in the city of Worcester to provide job
81 training and employment opportunities, in conjunction with the Seven Hills Foundation, for
82 persons with disabilities, and to create an all-ages, universally-accessible playground and park to
83 adjoin the tavern; provided further, that \$500,000 shall be expended on improving wayfinding
84 efforts in cultural districts designated pursuant to clause 5 of subsection (a) of section 63 of
85 chapter 23A of the General Laws; provided further, that \$200,000 shall be expended for
86 infrastructure improvements in the city of Brockton; provided further, that \$150,000 shall be
87 expended for infrastructure improvements pursuant to MassDOT's Route 107 Corridor Study in
88 the cities of Salem and Lynn; provided further, that \$500,000 shall be expended for the
89 restoration, rehabilitation and renovation of the Lowell Memorial Auditorium in order to ensure
90 compliance with the Americans with Disabilities Act in the city of Lowell; provided further, that
91 \$250,000 shall be expended for the engineering cost of replacing the West Park Street Bridge in
92 the town of Lee; provided further, that \$142,000 shall be expended to assist the Middlesex 3
93 Coalition Transportation Management Association to acquire and maintain a transportation
94 service vehicle between the City of Lowell and the Towns of Bedford and Burlington; provided
95 further, that \$250,000 shall be expended for new sidewalks at the intersection of Randolph street
96 and state route 138, also known as Turnpike street, in the town of Canton; provided further, that
97 \$250,000 shall be expended for the redevelopment of infrastructure in the Avon industrial park;
98 provided further, that not less than \$350,000 be expended for repairs of the Tashmoo Boat Ramp

99 in Vineyard Haven to encourage commercial and recreational activities; provided further, that
100 \$250,000 shall be expended for the study and implementation of parking management plans in
101 municipalities that, due to residential, commercial or industrial development, require the
102 development of demand-based parking to meet the needs of visitors to the municipality whether
103 they be employees, customers of businesses or tourists; provided, that municipalities that
104 demonstrate an average daily visitor population or at least 30,000 shall be given priority;
105 provided further, that \$250,000 shall be expended for the redevelopment of Stoughton Center in
106 the town of Stoughton; provided further, that \$250,000 shall be expended for repairs,
107 enhancements and improved pedestrian access in the Melrose downtown business and historic
108 district; provided further, that \$100,000 shall be expended for infrastructure improvements to the
109 Lynnway route 1A in the city of Lynn; provided further, that \$100,000 shall be expended to the
110 town of Buckland for the completion of the Clesson Brook Road bridge reconstruction project;
111 provided further, that \$150,000 shall be expended for improvements to the Fall River waterfront
112 including parking accessibility and improvements to Jefferson Street; provided further, that
113 \$500,000 shall be expended for improving infrastructure along route 140 in the town of
114 Boylston; provided further, that \$200,000 shall be expended for a workforce development grant
115 to Into Action Recovery, Inc for the purchase and renovation of an opiate recovery treatment
116 facility to promote economic development, workforce development and substance abuse
117 recovery in the town of Tewksbury; provided further, that provided that \$500,000 shall be
118 expended for economic development linking state and local land to the business districts along
119 the Route 3A Corridor in Weymouth and Hingham and along the Back River in the towns of
120 Weymouth and Hingham; provided further, that \$230,000 shall be expended for the repair of

121 sidewalks along Granite avenue in the town of Milton; provided further, that \$100,000 shall be
122 expended for infrastructure improvements in the town of Templeton.....\$6,322,000

123 7002-8019 For the Massachusetts Growth Capital Corporation established pursuant to
124 section 2 of chapter 40W of the General Laws for a program to provide matching grants to
125 community development financial institutions certified by the United States Treasury or
126 community development corporations certified under chapter 40H of the General Laws to enable
127 them to leverage federal or private investments for the purpose of making loans to small
128 businesses; provided further, that \$100,000 shall be expended to SEED Corporation in
129 Taunton.....\$1,000,000

130 7002-8021 For the Brownfields Redevelopment Fund established by section 29A of
131 chapter 23G of the General Laws
132 \$45,000,000

133 SECTION 2B.

134 EXECUTIVE OFFICE OF HOUSING AND ECONOMIC DEVELOPMENT

135 Department of Housing and Community Development

136 7004-8016 For the Smart Growth Housing Trust Fund established by section 35AA of
137 chapter 10 of the General Laws..... \$15,000,000

138 7004-8017 For the Urban Revitalization and Development Grant Program established by
139 section 53 of chapter 121B of the General
140 Laws.....\$1,000,000

141 SECTION 2C.

142 EXECUTIVE OFFICE OF EDUCATION

143 Office of the Secretary

144 7009-2005 For a competitive grant program to be administered by the executive
145 office of education, in consultation with the executive office of housing and economic
146 development and the executive office of labor and workforce development, to provide funding
147 for the purchase and installation of equipment, and any related improvements and renovations to
148 facilities necessary for the installation and use of such equipment, for the purpose of establishing,
149 upgrading and expanding career technical education and training programs that are aligned to
150 regional economic and workforce development priorities; provided further, that grant
151 applications may facilitate collaboration to provide students enrolled in eligible vocational-
152 technical schools with post-secondary opportunities, consistent with clause (o) the first paragraph
153 of section 22 of chapter 15A and section 37A of chapter 74 of the General Laws; provided
154 further, that innovation centers that receive funds from the Massachusetts Life Sciences Center
155 shall also be eligible for funds from this program; and provided further, that the executive office
156 of education, in consultation with the executive office of housing and economic development and
157 the executive office of labor and workforce development, shall adopt additional guidelines as
158 necessary for the administration of the program; provided further, that not less than \$250,000 be
159 allocated for the purpose of job training at Holyoke Works; provided further, that \$250,000 shall
160 be expended for an employment training program for unemployed or underemployed young
161 adults with disabilities, provided that funds shall be awarded competitively by the Executive
162 Office of Labor and Workforce Development to community-based organizations with recognized
163 success in creating strong collaborations with employers to consider young adults with
164 disabilities and said organization shall provide extensive training and internship programming

165 and ongoing post-placement support for participants and employers; provided further, that
166 \$100,000 shall be expended to the Central Massachusetts Center for Business and Enterprise to
167 support custom workforce training curriculums in the manufacturing industry through a higher
168 learning institution within the Blackstone Valley; provided further, that \$25,000,000 shall be
169 expended on an employer-employee training grant program pursuant to section 57 of chapter 74
170 of the General Laws \$70,600,000

171 7009-2006 For competitive grants to cities, towns, regional school districts and
172 institutions of public higher education for the establishment and implementation of early college
173 high school programs; provided, that the programs shall support students who work
174 simultaneously on the completion of a high school diploma from the partnering school district
175 while also earning free college credits towards an associate degree or certificate at the partnering
176 institution of higher education; provided further, that the programs shall provide full access to
177 college support services, student activities and tutoring and shall ensure holistic wrap-around
178 support which meets the academic, social and emotional needs of the student and shall ensure
179 full access to the same for students with physical or learning disabilities; provided further, that in
180 awarding these grants, preference shall be given to innovative joint proposals, developed by
181 partnering school districts, colleges and local and regional nonprofits where appropriate; and
182 provided further, that the grants shall be awarded, to the extent feasible, in a manner that reflects
183 geographic and demographic diversity.....\$2,400,000

184 MASSACHUSETTS DEPARTMENT OF TRANSPORTATION

185 Office of the Secretary

186 6720-1340 To mitigate or contribute toward any costs associated with or arising out or
187 improvements to the Conley Terminal in South Boston, including, but not limited to, berth
188 construction and crane procurement; provided further, that funds shall be expended for
189 investment in infrastructure improvements to the World Trade Center and other maritime
190 facilities to accommodate future maritime uses, including Sail Boston 2017/Tall Ships
191\$109,500,000

192 EXECUTIVE OFFICE OF ENERGY AND ENVIRONMENTAL AFFAIRS

193 Department of Conservation and Recreation

194 2800-7109 For the design, construction, reconstruction, improvement or rehabilitation of
195 department or navigable coastal and inland waterways projects including, but not limited to,
196 dredging for the purpose of promoting trade, tourism and other economic benefits on a local,
197 regional or statewide basis.....\$5,000,000

198 EXECUTIVE OFFICE OF PUBLIC SAFETY AND HOMELAND SECURITY

199 Office of the Secretary

200 8100-0026 For the State Police and the Boston Regional Intelligence Center/Boston
201 Police Department to enhance and expand technology and protocols to establish and improve
202 programs for the prevention of economic cybercrime, terrorist activities, organized crime,
203 including gangs, and to enhance emergency response and transportation infrastructure alerts and
204 drug interdiction in accordance with an interagency agreement. The interagency agreement shall
205 provide protocols to coordinate and share information and data aggregation developed by the
206 parties and provide assistance and cooperation with the business community, the gateway

207 communities, regional fusion centers, the Massachusetts Port Authority and the Mass Bay
208 Transit
209 Authority.....\$25,000,000

210 SECTION 3. Section 7 of chapter 4 of the General Laws, as appearing in the 2014
211 Official Edition, is hereby amended by striking out, in line 75, the words “and (v)” and inserting
212 in place thereof the following words:- (v) charitable gaming conducted under said chapter 271;
213 and (vi) a fantasy contest conducted under chapter 110I.

214 SECTION 4. Section 18 of chapter 21A of the General Laws, as so appearing , is hereby
215 amended by striking out, in line 269, the figure “3D” and inserting in place thereof the following
216 figure:- 3G.

217 SECTION 5. Section 2 of chapter 21E of the General Laws, as so appearing, is hereby
218 amended by striking out, in line 80, the figure “3D” and inserting in place thereof the following
219 figure:- 3G.

220 SECTION 6. Chapter 23A of the General Laws is hereby amended by striking out
221 sections 3A to 3G, inclusive, as so appearing, and inserting in place thereof the following 9
222 sections:-

223 Section 3A. (a) The Economic Development Incentive Program shall be
224 administered by the EACC, under the oversight of the secretary of housing and economic
225 development, to provide incentives that stimulate job creation and investment of private capital
226 and to promote economic growth and expand economic opportunity to all areas of the
227 commonwealth. EDIP tax credits and other incentives shall be administered to stimulate job

228 creation, attract new business activity and promote investment that would not otherwise occur in
229 the commonwealth.

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

232 “Affiliate”, any business which directly or indirectly controls another business, is
233 controlled by another business, or is under direct or indirect common control of at least 1 other
234 business, including, but without limitation, any business with whom a business is merged or
235 consolidated, or which purchases all or substantially all of the assets of a business.

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

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

243 “Certified project”, a proposed project that is certified by the EACC pursuant to section
244 3C.

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

248 “EACC”, the economic assistance coordinating council established pursuant to section
249 3B.

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

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

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

263 “Extraordinary economic development opportunity”, a proposed project that is jointly
264 designated by the secretary of housing and economic development and the secretary of
265 administration and finance as an extraordinary economic development opportunity as provided in
266 subsection (d) of section 3C.

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

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

274 “Material non-compliance”, the failure of a controlling business to substantially achieve
275 the capital investment, job creation, job retention or other economic benefits set forth in the
276 EDIP contract, or any other act, omission or misrepresentation by the controlling business that
277 frustrates the public purpose of the economic development incentive program.

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

279 “Municipal project endorsement”, an endorsement of a proposed project by the
280 municipality in which a proposed project will be located, which must include: (i) a finding by the
281 municipality that the proposed project is consistent with the municipality’s economic
282 development objectives; (ii) a finding by the municipality that the proponent of the proposed
283 project has the means to undertake and complete the proposed project; (iii) a finding by the
284 municipality that the proposed project will have a reasonable chance of increasing or retaining
285 employment opportunities as advanced in the proposal; (iv) a determination by the municipality
286 that the proposed project will not overburden the municipality’s infrastructure and other
287 supporting resources; and (v) a description of the local tax incentive, if any, offered by the
288 municipality in support of the proposed project, together with a copy of the fully executed tax
289 increment financing agreement or the fully executed agreement setting forth the terms of the
290 special tax assessment, as applicable.

291 “Municipality”, a city or town in the commonwealth or, in a case in which 2 or more
292 cities or towns agree to act jointly for some purpose hereunder pursuant to a collaborative
293 agreement, collectively, all cities and towns participating in the collaborative agreement.

294 “Permanent full-time employee”, an individual who is paid wages by a controlling
295 business and who: (i) at the inception of the employment relationship does not have a
296 termination date which is either a date certain or determined with reference to the completion of
297 some specified scope of work; (ii) works at least 35 hours per week; and (iii) receives employee
298 benefits at least equal to those provided to other full-time employees of the controlling business.
299 For purposes of this chapter, the term permanent full-time employee shall not include any
300 contractors or part-time employees who may be included in a calculation of the controlling
301 business’s full-time equivalent workforce.

302 “Proportion of compliance”, a fraction which has as its numerator the number of actual
303 permanent full-time employees at a facility and which has as its denominator the number of
304 permanent full-time employees required to be employed at the facility under the terms of an
305 EDIP contract.

306 “Proposed project”, a proposal submitted by a controlling business to the EACC for
307 designation as a certified project.

308 “Real estate project”, the construction, rehabilitation or improvement of 1 or more
309 buildings or other structures on a parcel of real property, which, when completed, will result in
310 an increase in the assessed value of the real property of at least 100 per cent over the assessed
311 value of said real property prior to the project.

312 “Refundable credit”, a tax credit awarded pursuant to this chapter that is not limited by
313 the amount of the controlling business’s tax liability and which may result in a payment from the
314 department of revenue to the controlling business.

315 “Replacement of an existing facility”, the relocation of business functions and personnel
316 from 1 facility located in the commonwealth to another facility in the commonwealth, or the
317 improvement of an existing facility; provided that such relocation or improvement does not
318 qualify as an expansion of the existing facility.

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

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

324 “TIF”, tax increment financing.

325 Section 3B. (a) There shall be an economic assistance coordinating council
326 established within MOBD consisting of: the secretary of housing and economic development or
327 the secretary’s designee, who shall serve as co-chairperson; the director of housing and
328 community development or a designee, who shall serve as co-chairperson; a second person
329 designated by the secretary of housing and economic development; the director of career services
330 or a designee; the secretary of labor and workforce development or a designee; the director of the
331 office of business development or a designee; the president of the Commonwealth Corporation
332 or a designee; and 7 persons to be appointed by the governor, 1 of whom shall be from the
333 western region of the commonwealth, 1 of whom shall be from the central region of the

334 commonwealth, 1 of whom shall be from the eastern region of the commonwealth, 1 of whom
335 shall be from the southeastern region of the commonwealth, 1 of whom shall be from Cape Cod
336 or the Islands, 1 of whom shall be a representative of a higher educational institution within the
337 commonwealth and 1 of whom shall be from the Merrimack Valley. Persons appointed by the
338 governor shall have expertise in issues pertaining to training, business relocation or inner-city
339 and rural development, and shall be knowledgeable in public policy or international and state
340 economic and industrial trends. Each member appointed by the governor shall serve at the
341 pleasure of the governor. The council shall adopt by-laws to govern its affairs.

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

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

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

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

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

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

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

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

358 (c) The secretary of housing and economic development shall appoint within MOBD
359 a director of economic assistance who shall be responsible for administering the EDIP in
360 consultation with the secretary of housing and economic development, the director of MOBD
361 and the EACC. The director of economic assistance shall advise the EACC on matters related to
362 the EDIP, but shall not serve as a member of the EACC. MOBD shall annually submit to the
363 governor, the senate and the house ways and means committees, and the joint committee on
364 economic development and emerging technologies, within 90 days after the end of its fiscal year,
365 a report setting forth its operations and accomplishments, including a listing of all projects
366 certified under the EDIP. Such report shall also include recommended policies or actions, if any,
367 to improve the effectiveness of the EDIP.

368 Section 3C. (a) A controlling business may petition the EACC to certify a
369 proposed project that will create new permanent full-time employees within the commonwealth.
370 Every proposed project submitted by a controlling business to the EACC for review and
371 certification shall include a detailed description of the proposed project; a representation by the
372 controlling business regarding the amount of capital investment to be made, the number of new
373 jobs to be created, the number of existing jobs to be retained; a representation by the controlling
374 business regarding any other economic benefits or other public benefits expected to result from

375 the construction of the proposed project; a municipal project endorsement; and such other
376 information as the EACC shall require by regulation, policy or guidance.

377 (b) Upon receipt of a complete project proposal and municipal project endorsement,
378 the EACC may certify the proposed project, deny certification of the proposed project, or certify
379 the proposed project with conditions. In order to certify a proposed project, with or without
380 conditions, the EACC shall make the following required findings based on the project proposal,
381 the municipal project endorsement, and such additional investigation, if any, as the EACC shall
382 make and incorporate in its minutes:

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

384 (2) if the controlling business has 1 or more existing facilities in the commonwealth,
385 then the proposed project is an expansion of an existing facility and not merely the replacement
386 of an existing facility, except in the case of a proposed project that will enable a controlling
387 business to retain jobs in a gateway city as provided in subclause (ii) of clause (3), or

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

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

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

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

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

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

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

410 (d) The secretary of housing and economic development and the secretary of
411 administration and finance may from time to time jointly designate a proposed project as an
412 extraordinary economic development opportunity if the secretaries jointly determine that the
413 proposed project involves the construction or substantial rehabilitation of a new facility or
414 expansion of an existing facility within the commonwealth that is not a replacement of an
415 existing facility in the commonwealth, or involves the relocation of an existing business to the

416 commonwealth from a facility located outside of the commonwealth, and the proposed project
417 meets at least 1 of the following additional criteria:

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

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

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

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

434 (1) the degree to which the certified project is expected to increase employment
435 opportunities for residents of the commonwealth, with consideration given to the number of new
436 full-time jobs to be created, the number of full-time jobs to be retained, the salary or other

437 compensation that will be paid to the employees, and the amount of new state income tax to be
438 generated;

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

442 (3) the amount of capital to be invested by the controlling business in the certified
443 project;

444 (4) the degree to which the certified project is expected to generate net new economic
445 activity within the commonwealth by generating substantial sales from outside of the
446 commonwealth;

447 (5) the extent to which the certified project is expected to contribute to the economic
448 revitalization of a gateway municipality or increase employment opportunities to residents of a
449 gateway municipality;

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

452 (7) commitments, if any, made by the controlling business to use Massachusetts
453 firms, suppliers and vendors, or to retain women or minority-owned businesses, during the
454 construction of the certified project.

455 The EACC shall have discretion as to how to weigh and apply these criteria. When
456 making an award of tax credits pursuant to subsection (g) of section 6 of chapter 62 and section
457 38N of chapter 63, the EACC may at its sole discretion limit the award to a specific dollar

458 amount, may specify the schedule on which such credits may be claimed, and may limit or
459 restrict the right of the controlling business to carry unused credits forward to future tax years.
460 When a controlling business expects that new jobs will be created over a period of multiple
461 years, the EACC award of tax credits may allocate and make such credits available to the
462 taxpayer on a schedule that ensures credits are claimed on or after the date that the jobs are
463 created.

464 (b) A certified project that has been designated as an extraordinary economic
465 development opportunity shall be eligible, at the discretion of the secretary of housing and
466 economic development and the secretary of administration and finance, for the alternative EDIP
467 tax credit provided for in paragraph (3) of subsection (g) of section 6 of chapter 62 and
468 subsection (b) of section 38N of chapter 63. The EACC shall not make an award of alternative
469 EDIP tax credits unless the award of such credits is expressly authorized by the secretaries in
470 their decision to designate a certified project as an extraordinary economic development
471 opportunity. A controlling business that receives an award of alternative EDIP tax credits shall
472 not be eligible to receive any other EDIP tax credits for the same certified project.

473 (c) The EACC may grant refundable credits to a certified project; provided that the
474 EACC shall not authorize more than \$5,000,000 in refundable credits for any single calendar
475 year. Refundable credits awarded to a certified project that has been designated as an
476 extraordinary economic development opportunity shall not be counted against the cap set forth in
477 this subsection.

478 (d) The total amount of credits that may be authorized by the EACC under this
479 section for any single calendar year shall not exceed \$30,000,000, to be calculated in accordance

480 with the relevant provisions of subsection (g) of section 6 of chapter 62 and section 38N of
481 chapter 63. Notwithstanding the cap set forth in the preceding sentence, the EACC may
482 authorize credits in excess of the annual cap of \$30,000,000 for a certified project that is
483 designated as an extraordinary economic development opportunity; provided that the total
484 amount awarded shall not exceed \$50,000,000 in a calendar year. The EACC may authorize an
485 award of credits to a controlling business that spans multiple years so long as the total amount of
486 credits due to be taken in any single calendar year does not exceed the applicable cap.

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

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

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

501 (b) Tax increment financing may be offered by a municipality in accordance with
502 section 59 of chapter 40 to the controlling business of a certified project, or to any person or
503 entity undertaking a real estate project, or to any person or entity expanding a facility in an area
504 designated by the EACC as a TIF-eligible area. The EACC may designate an area as a TIF-
505 eligible area if it finds, upon petition from the municipality, that there is a strong likelihood that
506 any of the following will occur within the area in question within a specific and reasonably
507 proximate period of time: (i) a significant influx or growth in business activity; (ii) the creation
508 of a significant number of new jobs and not merely a replacement or relocation of current jobs
509 within the commonwealth; or (iii) a private project or investment that will contribute
510 significantly to the resiliency of the local economy.

511 If a municipality offers tax increment financing to the owner of a certified project, the
512 municipal project endorsement for said certified project shall include a fully executed copy of the
513 tax increment financing agreement adopted in accordance with section 59 of chapter 40. Any tax
514 increment financing agreement shall be approved by the EACC before it shall be valid and
515 enforceable. The EACC may approve such tax increment financing agreement pursuant to
516 regulations adopted by the EACC. Any such approval shall include a finding, reflected in the
517 EACC's minutes, that the tax increment financing agreement complies with said section 59 of
518 said chapter 40 and will further the public purpose of encouraging increased industrial and
519 commercial activity in the commonwealth.

520 (c) A municipality may offer a special tax assessment to the controlling business of a
521 certified project, or to a person or entity undertaking a real estate project, or to a person or entity
522 proposing to retain permanent full-time jobs at a facility that otherwise would be at risk of
523 relocating outside of the commonwealth. Any special tax assessment shall be set forth in a

524 written agreement between the municipality and the property owner. Such agreement shall set
525 forth the amount of the tax reduction and the period of time over which such reduction shall be in
526 effect, which shall be not fewer than 5 years or more than 20 years. Every special tax assessment
527 approved by the EACC shall provide for a reduction of the real property tax that otherwise would
528 be due based on a percentage reduction in the tax that otherwise would be due based on the full
529 assessed value of the affected property. The special tax assessment shall provide for tax
530 reduction at least equal to the following:

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

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

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

537 The municipality may at its discretion provide for greater real property tax reductions
538 than provided in clauses (1) to (3) ,inclusive.

539 The written agreement required by the first paragraph of this subsection shall be
540 approved by the EACC before it shall be valid and enforceable. The EACC may approve such
541 special tax assessments pursuant to rules or regulations adopted by the EACC if the EACC
542 determines that: (i) the municipality has made a formal determination that the property owner is
543 either undertaking a project or making other investment that will contribute to economic
544 revitalization of the municipality and will significantly increase employment opportunities for
545 residents of the municipality, or is retaining permanent full-time employees that otherwise would

546 be relocated to a facility outside the commonwealth; (ii) the special tax assessment is reasonably
547 necessary to enable the owner's investment in the project or to retain the jobs that otherwise
548 would be relocated; and (iii) the total amount of local tax foregone is reasonably proportionate to
549 the public benefits resulting from the special tax assessment. Any such approval shall include a
550 finding, reflected in the EACC's minutes, that the special tax assessment complies with the
551 requirements of this section.

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

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

560 (b) In the event that MOBD shall find that a controlling business or an affiliate is in
561 material non-compliance with a representation made to the EACC in its application for project
562 certification or the obligations set forth in an EDIP contract, MOBD may recommend to the
563 EACC that it revoke the project certification. Prior to making such recommendation, MOBD
564 shall provide written notice to the controlling business stating the basis for the recommended
565 revocation and offering the controlling business an opportunity for a hearing at which the
566 controlling business may contest the basis for the recommendation or establish mitigating
567 circumstances which may be relevant to the recommendation.

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

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

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

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

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

579 Where the EACC determines that material non-compliance is due to factors outside the
580 control of the controlling business, the EACC may elect to provide the controlling business with
581 reasonable opportunity to cure the material non-compliance. If the EACC revokes a project's
582 certification, it shall determine the proportion of compliance with job creation requirements
583 applicable to the certified project, and shall report the proportion of compliance to the controlling
584 business and to the department of revenue.

585 (d) Revocation of a project certification shall take effect on the first day of the tax
586 year in which the material non-compliance occurred, as determined by the EACC. If the EACC
587 revokes a project certification, then: (i) all EDIP tax credits available to the controlling business
588 shall be recaptured in accordance with subsection (g) of section 6 of chapter 62 and subsection

589 (i) of section 38N of chapter 63; and (ii) the local tax incentive, if any, shall terminate unless the
590 written agreements between the municipality and the controlling business provide otherwise. In
591 the event of such termination, the municipality may, at its discretion, preserve the local tax
592 incentive by amending the written agreement with the controlling business in the same manner as
593 the municipality approved it, and submitting such amendment to the EACC for approval in
594 accordance with this section.

595 (e) If a controlling business has claimed tax credits awarded under this chapter prior
596 to the date on which the EACC makes a determination to revoke project certification, then the
597 recapture provisions of subsection (g) of section 6 of chapter 62 and subsection (i) of section
598 38N of chapter 63 shall apply. If a controlling business has benefited from a local tax incentive
599 under this chapter prior to the revocation of a project certification, then notwithstanding any
600 provision of the general laws to the contrary, the municipality that offered the local tax incentive
601 may recapture the value of the tax not paid by making a special assessment on the controlling
602 business in the tax year that follows the EACC's decision to revoke project certification. The
603 assessment, payment and collection of the special assessment shall be governed by procedures
604 provided for the taxation of omitted property under section 75 of chapter 59 notwithstanding the
605 time period set forth in said chapter 59 for which omitted property assessments may be imposed
606 for each of the fiscal years included in the special assessment.

607 Section 3G. (a) The EACC may designate 1 or more areas of the commonwealth as
608 an economic target area or economic opportunity area in connection with an application from a
609 municipality seeking such designation under the federal empowerment zones and enterprise
610 communities program, so called, or other local, state or federal programs that contemplate such
611 designations. Designations of new economic target areas, if any, shall be made in accordance

612 with the criteria set forth in subsection (b). Designations of new economic opportunity areas, if
613 any, shall be made at the discretion of the EACC in accordance with regulations to be
614 promulgated by the EACC, or rules or policies adopted by the EACC.

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

618 (1) the proposed economic target area has an unemployment rate that exceeds the
619 statewide average by at least 25 per cent;

620 (2) if the proposed economic target area is located in a metropolitan area, then at least
621 51 per cent of the households in the proposed economic target area have incomes that are below
622 80 per cent of the median income for households in the metropolitan area;

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

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

628 (5) the area proposed for designation has heightened economic need due to: (i) an
629 industrial or military base closure; (ii) the presence of underutilized maritime or electric
630 generation facilities; or (iii) a commercial vacancy rate exceeding 20 per cent; or

631 (6) the area proposed for designation has exceptional potential for economic
632 development as a result of: (i) the proposed redevelopment of blighted real estate or abandoned

633 buildings totaling at least 1,000,000 square feet; (ii) the proposed establishment of a regional
634 technology center of 3,000,000 or more square feet; or (iii) the proposed development of a Class
635 I renewable energy generating facility.

636 (c) Any municipality which contains an economic opportunity may make application
637 to the foreign trade zone board in accordance with 19 U.S.C. sections 81(a) to 81(u), inclusive,
638 for a grant to said city or town for the privilege of establishing, operating and maintaining a
639 foreign trade zone within its economic opportunity area. Upon petition from a city or town, the
640 EACC may authorize any other city or town to make application to said foreign trade zone board
641 for a grant to said city or town for the privilege of establishing, operating and maintaining a
642 foreign trade zone.

643 SECTION 7. Subsection (a) of section 3J of said chapter 23A, as so appearing, is hereby
644 amended by striking out the first paragraph and inserting in place thereof the following
645 paragraph:-

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

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

659 SECTION 8. Said section 3J of said chapter 23A, as so appearing, is hereby further
660 amended by striking out subsection (c) and inserting in place thereof the following subsection:-

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

671 SECTION 9. Section 65 of said chapter 23A, added by section 12 of chapter 286 of the
672 acts of 2014, is hereby amended by striking out subsection (j) and inserting in place thereof the
673 following subsection:-

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

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

680 SECTION 10. Said chapter 23A is hereby further amended by striking out section 65,
681 added by section 29 of chapter 287 of the acts of 2014, and inserting in place thereof the
682 following section:-

683 Section 67. (a) The secretary of housing and economic development shall establish a
684 financial services advisory council in the executive office of housing and economic
685 development, which shall have the sole purpose of advising the governor or the governor's
686 designee on policies, strategies and initiatives designed to preserve and advance the
687 competitiveness and leadership of the commonwealth's financial services industry, including the
688 banking, investment management and insurance sectors.

689 (b) The council shall be composed of 15 members including: the secretary of housing and
690 economic development, who shall serve as chair; the house and senate chairs of the joint
691 committee on economic development and emerging technologies; the house and senate chairs of
692 the joint committee on financial services; the commissioner of higher education; the executive
693 director of the Massachusetts international trade office established in section 13K; and 8
694 representatives of the business community who shall be appointed by the secretary of housing
695 and economic development, including at least 2 business representatives from each of the
696 following sectors: banking, investment management and insurance sectors; at least 1 business
697 representative shall be from a company whose headquarters is located in Suffolk, Middlesex,
698 Essex, Norfolk or Worcester county; at least 1 business representative shall be from a company

699 whose headquarters is located in Hampshire, Hampden, Franklin or Berkshire county; and at
700 least 1 business representative shall be from a company whose headquarters is located in Bristol,
701 Plymouth, Nantucket, Dukes or Barnstable county. The secretary, in making such appointments,
702 shall consider the size of the business representative's company, including its employee base
703 within the commonwealth and the amount of assets under management or premiums in force.
704 Business representatives shall be appointed for 2-year terms and may be reappointed without
705 limitation on the number of terms.

706 (c) The council shall convene at least 3 meetings per calendar year to exchange ideas and
707 develop strategies for business and government to work together to strengthen the financial
708 services industry in areas such as public policy, workforce development, international trade and
709 direct foreign investment and industry promotion.

710 SECTION 11. Subsection (c) of section 5 of chapter 23G of the General Laws, as
711 appearing in the 2014 Official Edition, is hereby amended by striking out clause (1) and
712 inserting in place thereof the following clause -

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

715 SECTION 12. Said subsection (c) of said section 5 of said chapter 23G, as so appearing,
716 is hereby further amended by striking out clause (8) and inserting in place thereof the following
717 clause:-

718 (8) that the principal amount of the loan, excluding any portion thereof the proceeds of
719 which are to fund reserves and disregarding any other funds or other arrangements obtained for

720 reserve purposes, does not exceed the value of the sum of all assets securing the loan as
721 determined by the agency.

722 SECTION 13. Section 7 of said chapter 23G , as so appearing, is hereby amended by
723 striking out, in line 31, the figure “\$500,000” and inserting in place thereof the following figure:-
724 \$1,000,000.

725 SECTION 14. Section 8 of chapter 23H of the General Laws, as so appearing, is hereby
726 amended by striking out, in lines 7 and 8, the words “persons residing in economic opportunity
727 areas,”.

728 SECTION 15. Section 5 of chapter 23I of the General Laws, as so appearing, is hereby
729 amended by striking out, in line 69, the words “in an economic opportunity area pursuant to
730 section 3F” and inserting in place thereof the following words:- as defined in section 3A.

731 SECTION 16. Section 49 of chapter 23K of the General Laws, as so appearing, is hereby
732 amended by striking out in line 3, the figure “3F” and inserting in place thereof the following
733 figure:- 3C.

734 SECTION 17. Said section 49 of said chapter 23K, as so appearing, is hereby further
735 amended by striking out, in line 5, the figure “3E” and inserting in place thereof the following
736 figure:- 3G.

737 SECTION 18. Said section 49 of said chapter 23K, as so appearing, is hereby further
738 amended by striking out, in lines 25 and 26, the words, “the economic opportunity area” and
739 inserting in place thereof the following words:- EDIP tax credit and alternative EDIP tax.

740 SECTION 19. Section 59 of chapter 40 of the General Laws, as so appearing, is hereby
741 amended by striking out, in lines 11 to 15, inclusive, the words “an economic target area or an
742 area presenting exceptional opportunities for increased economic development, as defined by
743 section 3D of chapter 23A and as may be defined further by regulations adopted by the economic
744 assistance coordinating council” and inserting in place thereof the following words:- an
745 economic target area as defined in section 3G of chapter 23A, or an area designated by the
746 economic assistance coordinating council as a TIF-eligible area pursuant to subsection (b) of
747 section 3E of said chapter 23A.

748 SECTION 20. Said section 59 of said chapter 40, as so appearing, is hereby further
749 amended by striking out, in lines 84 and 88, the figure “3F” and inserting in place thereof, in
750 each instance, the figure:- 3E.

751 SECTION 21. Section 60 of said chapter 40, as so appearing, is hereby amended by
752 striking out, in lines 5 to 7, inclusive, the words “the director of housing and community
753 development, in consultation with the department of economic development and” and inserting
754 in place thereof the following words:- the department of housing and community development,
755 in consultation with.

756 SECTION 22. Said section 60 of chapter 40, as so appearing, is hereby further amended
757 by striking out, in lines 15 to 18, inclusive, the words “characterized by a predominance of
758 commercial land uses, a high daytime or business population, a high concentration of daytime
759 traffic and parking” and inserting in place thereof the following words:- located within an area of
760 concentrated development, as that term is defined in section 2 of chapter 40R, characterized by a
761 predominance of commercial land uses.

762 SECTION 23. Subsection (a) of said section 60 of said chapter 40, as so appearing, is
763 hereby further amended by striking out clause (ii) and inserting in place thereof the following
764 clause:-

765 (ii) describe the construction, reconstruction, rehabilitation and related activities, public
766 and private, contemplated for such UCH-TIF zone as of the date of the adoption of the UCH-TIF
767 plan; provided, however, that in the case of public construction as aforesaid, the UCH-TIF plan
768 shall include a detailed projection of the costs and a betterment schedule for the defrayal of such
769 costs; provided further, that the UCH-TIF plan shall provide that no costs of such public
770 construction shall be recovered through betterments or special assessments imposed on a party
771 which has not executed an UCH-TIF agreement in accordance with clause (v); and provided,
772 further, that in the case of private construction as aforesaid, the UCH-TIF plan shall include the
773 types of affordable housing and residential and commercial growth which are projected to occur
774 within such UCH-TIF zone together with such documentary evidence of the projected public
775 benefits as are required by the regulations;

776 SECTION 24. Clause (iii) of subsection (a) of said section 60 of said chapter 40, as so
777 appearing, is hereby further amended by striking out subclauses (1) to (3), inclusive, and
778 inserting in place thereof the following 2 subclauses:-

779 (1) the numerator of which shall be:

780 In an UCH-TIF zone where the property includes primarily residential uses, the total
781 assessed value of all parcels of all residential real estate that are assessed at full and fair cash
782 value for the current fiscal year minus the new growth adjustment factor for the current fiscal

783 year attributable to the residential real estate as determined by the commissioner of revenue
784 pursuant to paragraph (f) of section 21C of said chapter 59; or

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

791 (2) the denominator of which shall be the total assessed value for the preceding fiscal
792 year of all the parcels included in the numerator; provided, however, that such ratio should not be
793 less than 1.

794 SECTION 25. Said subsection (a) of said section 60 of said chapter 40, as so appearing,
795 is hereby further amended by striking out clause (v) and inserting in place thereof the following
796 clause:-

797 (v) state that each owner of property located in an UCH-TIF zone seeking to establish
798 eligibility for tax increment exemptions from annual property taxes pursuant to clause (iii) shall
799 execute an agreement, hereinafter referred to as an UCH-TIF agreement, with the city or town,
800 the form of which shall be included as an attachment to the UCH-TIF plan. The UCH-TIF
801 agreement shall include, but not be limited to, the following: (1) all material representations of
802 the parties which served as a basis for the granting of a UCH-TIF exemption; (2) any terms
803 deemed appropriate by the city or town relative to compliance with the UCH-TIF agreement
804 including, but not limited to, what shall constitute a default by the property owner and what

805 remedies shall be allowed between the parties for any such defaults, including an early
806 termination of the agreement; (3) provisions requiring that one of the affordability thresholds
807 described in subsection (b) is met; (4) provisions stating that housing units that meet the
808 affordability requirements of subsection (b) shall be subject to use restrictions as defined in this
809 section; (5) a detailed recitation of the tax increment exemptions and the maximum percentage of
810 the cost of public improvements that can be recovered through betterments or special
811 assessments regarding a parcel of real property pursuant to clauses (iii) and (iv); (6) a detailed
812 recitation of all other benefits and responsibilities inuring to and assumed by the parties to an
813 agreement; and (7) a provision that the agreement shall be binding upon subsequent owners of
814 the parcel of real property; and

815 SECTION 26. Said section 60 of said chapter 40, as so appearing, is hereby further
816 amended by striking out subsections (b) to (e), inclusive, and inserting in place thereof the
817 following 5 subsections:-

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

820 (i) At least 15 per cent of the housing units assisted by the UCH-TIF agreement shall
821 be affordable to occupants or families with incomes at or below 80 per cent of the area median
822 income where the city or town is located, as defined by the United States Department of Housing
823 and Urban Development, hereinafter referred to as AMI; or

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

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

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

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

835 (ii) At least 51 per cent of the land area within the UCH-TIF zone is located within a
836 qualified census tract, as defined in Section 42(d)(5) of the Internal Revenue Code; or

837 (iii) At least 51per cent of the land area within the UCH-TIF zone constitutes a: (1)
838 blighted open area, (2) decadent area or (3) sub-standard area, as defined in section 1 of chapter
839 121A.

840 (c) The department of housing and community development shall review each UCH-
841 TIF plan to determine whether it complies with the terms of this section and any regulations
842 adopted by the department; provided further, that the department shall certify, based upon the
843 information submitted in support of the UCH-TIF plan by the city or town and through such
844 additional investigation as the department may make, that the plan is consistent with the
845 requirements of this section and will further the public purpose of encouraging increased
846 residential growth, affordable housing and commercial growth in the commonwealth; provided
847 further, that a city or town may, at any time, revoke its designation of a UCH-TIF zone and, as a

848 consequence of such revocation, shall immediately cease the execution of any additional
849 agreements pursuant to clause (v) of subsection (a); provided, further, that a revocation shall not
850 affect agreements relative to property tax exemptions and limitations on betterments and special
851 assessments pursuant to said clause (v) of said subsection (a), use restrictions or options to
852 purchase and rights of first refusal required by this section which were executed before the
853 revocation.

854 (d) The board, agency, or officer of the city or town authorized pursuant to clause (vi)
855 of said subsection (a) to execute UCH-TIF agreements shall submit each executed UCH-TIF
856 agreement to the department of housing and community development for approval. The
857 department shall, as a condition of such approval, certify that the UCH-TIF agreement complies
858 with the terms of this section and furthers the public purpose of encouraging increased residential
859 growth, affordable housing and commercial growth in the commonwealth. Upon receipt of the
860 department's certification, the board, agency or officer of the city or town authorized pursuant to
861 said clause (vi) of said subsection (a) to execute UCH-TIF agreements shall forward to the board
862 of assessors a copy of the approved UCH-TIF agreement, together with a list of the parcels
863 included therein. An executed and approved UCH-TIF shall be recorded in the registry of deeds
864 or the registry district of the land court wherein the land lies.

865 (e) Notwithstanding any other general or special law to the contrary, an affordable
866 housing development that benefits from a real estate tax exemption pursuant to this section that
867 meets the affordability requirements of subsection (b) and subclause (3) of clause (v) of
868 subsection (a) shall continue to meet those requirements for 30 years or for the term of any
869 municipal bonds issued to finance the construction, reconstruction or rehabilitation of such
870 development, whichever is shorter as may be specified in the recorded restriction. Such

871 restriction shall be approved by the department of housing and community development in
872 accordance with section 32 of chapter 184 and shall be recorded in the registry of deeds or the
873 registry district of the land court wherein the land lies.

874 (f) The owner of property subject to an UCH-TIF agreement shall certify to the city
875 or town the incomes of the families or occupants, upon initial occupancy, of the affordable
876 housing units designated in the UCH-TIF agreement and such certification shall be provided to
877 the department of housing and community development on an annual basis. If the owner fails to
878 provide certification or otherwise fails to comply with the UCH-TIF agreement, including failing
879 to maintain the affordability of housing units assisted pursuant to this section, the city or town
880 may place a lien on the property in the amount of the real estate tax exemptions granted pursuant
881 to the UCH-TIF agreement for any year in which the owner is not in compliance with this
882 subsection. If the city or town determines, with the approval of the department of housing and
883 community development, that the owner is unlikely to come into compliance with the
884 affordability requirements of said subsection (b) and said subclause (3) of said clause (v) of said
885 subsection (a), the city or town may place a lien on the property in the amount of the total real
886 estate tax exemption granted pursuant to the UCH-TIF agreement. Any such lien shall be
887 recorded in the registry of deeds or the registry district of the land court wherein the land lies.

888 SECTION 27. Section 6 of chapter 40A of the General Laws, as so appearing, is hereby
889 amended by striking out, in line 29, the word “six” and inserting in place thereof the following
890 figure:- 12.

891 SECTION 28. Section 9 of said chapter 40A, as so appearing, is hereby amended by
892 striking out, in line 165, the word “two” and inserting in place thereof the following figure:- 3.

893 SECTION 29. Section 4 of chapter 40G of the General Laws, as so appearing, is hereby
894 amended by striking out, in line 85, the words “as defined in section 3D” and inserting in place
895 thereof the following words:- designated pursuant to section 3G.

896 SECTION 30. Section 2 of chapter 40H of the General Laws, as so appearing, is hereby
897 amended by striking out, in lines 59 and 60, the words “section 3D of chapter 23A” and
898 inserting in place thereof the following words:- section 3G of chapter 23A, or meeting the
899 criteria for such designation.

900 SECTION 31. Section 4G of chapter 40J of the General Laws, as so appearing, is hereby
901 amended by striking out, in lines 19 and 24, the figure “\$3” and inserting in place thereof, in
902 each instance, the following figure:- \$1.

903 SECTION 32. Section 6D of said chapter 40J, as so appearing, is hereby amended by
904 adding the following subsection:-

905 (g) The institute shall, in consultation with the secretary of housing and economic
906 development and informal advisers from the public and private sectors, develop strategies and
907 action plans to facilitate the continued development and accelerating growth of the e-health
908 cluster in the commonwealth involving a range of products, services and systems at the
909 intersection of medicine, healthcare and information technology, including without limitation:
910 (1) electronic health records, (2) consumer wearable devices, (3) care systems, (4) payment
911 management systems, (5) healthcare robotics, (6) telemedicine and (7) big data analytics, for the
912 purpose of improving health care quality, reducing costs and supporting the expansion of
913 economic opportunities for the citizens of the commonwealth. Without limiting the generality of
914 the foregoing, the institute is authorized to: (i) develop a market access program connecting

915 provider and payer needs with ideas and products through pilot programs, (ii) undertake a
916 healthcare big data initiative designed to improve healthcare data transparency and availability,
917 and (iii) create opportunities for e-health cluster stakeholders, including investors, entrepreneurs
918 and healthcare providers, to convene to exchange ideas and make connections. In furtherance of
919 the purposes of this subsection, the institute shall coordinate and collaborate with such other
920 commonwealth agencies, authorities and public instrumentalities as the secretary of housing and
921 economic development may suggest and shall endeavor to identify moneys and resources that
922 could be made available for such purposes. The corporation is authorized to expend moneys
923 credited to the e-Health Institute Fund established in section 6E for the purposes of this
924 subsection, without compliance with any further restrictions contained in section 6E, and to
925 expend for such purposes any other moneys available to the corporation that are not otherwise
926 expressly restricted by law.

927 SECTION 33. Section 2 of chapter 40R of the General Laws, as so appearing, is hereby
928 amended by inserting after the definition of “Approved smart growth zoning district” the
929 following definition:

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

935 SECTION 34. Said section 2 of said chapter 40R, as so appearing, is hereby further
936 amended by inserting after the definition of “Approving authority” the following definition:-

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

940 SECTION 35. Said section 2 of said chapter 40R, as so appearing, is hereby further
941 amended by striking out the definition of “Developable land area” and inserting in place thereof
942 the following definition:-

943 “Developable land area”, that area within an approved smart growth or starter home
944 zoning district that can be feasibly developed into residential or mixed use development
945 determined in accordance with regulations of the department. Developable land area shall not
946 include: (1) land area that is already substantially developed, including existing parks and
947 dedicated, perpetual open space within such substantially developed portion; (2) open space
948 designated by the city or town as provided in section 6; or (3) areas exceeding one-half acre of
949 contiguous land that are unsuitable for development because of topographic features or for
950 environmental reasons, such as wetlands.

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

955 SECTION 36. Said section 2 of said chapter 40R, as so appearing, is hereby further
956 amended by striking out the definition of “Eligible locations” and inserting in place thereof the
957 following definition:-

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

964 SECTION 37. Said section 2 of said chapter 40R, as so appearing, is hereby further
965 amended by striking the definitions of “Letter of eligibility” and “Mixed use development” and
966 inserting in place thereof the following 4 definitions:-

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

969 “Housing production summary”, a detailed summary of the city or town’s: (1) affordable
970 housing production history, (2) housing needs and housing demand assessment, (3) analysis of
971 development constraints and capacity, (4) current housing goals and strategy for achieving those
972 goals and (5) proposed locations for affordable housing production.

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

976 “Mixed use development”, a development containing a mix of residential uses and non-
977 residential uses, including, without limitation: commercial, institutional, industrial or other uses;
978 all conceived, planned and integrated to create vibrant, workable, livable and attractive
979 neighborhoods.

980 SECTION 38. Said section 2 of said chapter 40R, as so appearing, is hereby further
981 amended by striking out the definition of “Project” and inserting in place thereof the following 2
982 definitions:-

983 “Production bonus payment”, a one-time payment to a municipality from the Smart
984 Growth Housing Trust Fund, established in section 35AA of chapter 10 for each housing unit of
985 new construction that is created in a starter home zoning district pursuant to the starter home
986 overlay provisions of the applicable zoning ordinance or by-law.

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

989 SECTION 39. Said section 2 of said chapter 40R, as so appearing, is hereby further
990 amended by inserting after the definition of “Smart growth zoning district certificate of
991 compliance” the following 3 definitions:-

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

996 “Starter home zoning district", a zoning district consisting of not less than 3 contiguous
997 acres of developable land area, adopted by a city or town pursuant to this chapter, that is
998 superimposed over 1 or more zoning districts in an eligible location, within which a developer
999 may elect to either : (1) develop starter homes in accordance with requirements of the starter
1000 home zoning district ordinance or by-law or (2) develop a project in accordance with

1001 requirements of the underlying zoning district, and otherwise consistent with department
1002 guidance.

1003 “Starter home zoning district certificate of compliance”, a written certification by the
1004 department in accordance with section 7.

1005 SECTION 40. Section 3 of said chapter 40R, as so appearing, is hereby amended by
1006 inserting, after the word “district”, in lines 2 and 7, the following words:- or starter home
1007 zoning district.

1008 SECTION 41. Said section 3 of said chapter 40R, as so appearing, is hereby further
1009 amended by inserting after the word “districts”, in line 15, the following words:- or starter home
1010 zoning districts.

1011 SECTION 42. Section 4 of said chapter 40R, as so appearing, is hereby amended by
1012 inserting after the word “growth”, in line 3, the following words:- or starter home.

1013 SECTION 43. Said section 4 of said chapter 40R, as so appearing, is hereby further
1014 amended by inserting after the word “district”, in line 14, the following words:- or starter home
1015 zoning district.

1016 SECTION 44. Said chapter 40R is hereby amended by striking out sections 5 to 10,
1017 inclusive, as so appearing, and inserting in place thereof the following 6 sections:-

1018 Section 5. The chief executive of a city or town desiring to adopt a smart growth zoning
1019 district or starter home zoning district ordinance or by-law shall submit the necessary materials
1020 to the department for a preliminary determination of eligibility for approval. The information in
1021 the application shall:

1022 (a) identify and describe the boundaries of the proposed smart growth zoning district
1023 or starter home zoning district;

1024 (b) identify and describe the developable land area within the proposed smart growth
1025 zoning district or starter home zoning district;

1026 (c) as to smart growth zoning districts only, identify and describe other residential
1027 development opportunities for infill housing and the residential re-use of existing buildings and
1028 underutilized buildings within already developed areas;

1029 (d) include any comprehensive housing plan or housing production plan previously
1030 adopted by the city town or, if the city or town has no comprehensive housing plan or housing
1031 production plan, a housing production summary, as set forth in section 8;

1032 (e) include a copy of the proposed smart growth district or starter home zoning
1033 district ordinance or by-law;

1034 (f) by narrative and exhibits, establish the elements set forth in section 6.

1035 Section 6. (a) A proposed smart growth zoning district or starter home zoning district
1036 shall satisfy the following minimum requirements:

1037 (1) Each proposed district shall be located in an eligible location.

1038 (2) The zoning for each proposed smart growth zoning district shall provide for
1039 residential use to permit a mix of housing for families, individuals, persons with special needs
1040 and the elderly.

1041 (3) Housing density in a proposed smart growth district shall be at least: 20 units per
1042 acre for multi-family housing on the developable land area, 8 units per acre for single-family
1043 homes on the developable land area, and 12 units per acre for 2 and 3 family buildings on the
1044 developable land area. Housing density in a proposed starter home district shall satisfy the
1045 following criteria: (a) the density shall be no less than 4 units per acre of developable land area;
1046 (b) the development shall emphasize smart growth principles of development, such as cluster
1047 development and other forms of development providing for common open space usable for
1048 passive or active recreational activities, or the use of low-impact development techniques; and
1049 (c) at least 50 per cent of the starter homes to be developed in a proposed starter home district,
1050 excluding accessory dwelling units, must contain 3 or more bedrooms.

1051 (4) The zoning ordinance or by-law for each proposed smart growth zoning district
1052 shall provide that not less than 20 per cent of the residential units constructed in projects of more
1053 than 12 units shall be affordable housing and shall contain mechanisms to ensure that not less
1054 than 20 per cent of the total residential units constructed in each proposed district shall be
1055 affordable housing.

1056 (5) The zoning ordinance or by-law for each proposed starter home zoning district
1057 shall provide that, as a condition of the increased density permitted in a starter home zoning
1058 district, not less than 20 per cent of the residential units created as starter homes shall be
1059 affordable to and occupied by individuals and families whose annual income is less than 100 per
1060 cent of the area median income as determined by the United States Department of Housing and
1061 Urban Development, and shall contain mechanisms to ensure that the required percentage of the
1062 total residential units constructed in each proposed starter home district shall meet such

1063 affordability requirements, including an affordable housing restriction, as defined in section 31
1064 of chapter 184, that has a term of not less than 30 years.

1065 (6) A proposed smart growth zoning district shall permit infill housing on existing
1066 vacant lots and shall allow the provision of additional housing units in existing buildings,
1067 consistent with neighborhood building and use patterns, building codes and fire and safety codes.

1068 (7) A proposed smart growth zoning district or starter home zoning district shall not
1069 be subject to limitation of the issuance of building permits for residential uses or a local
1070 moratorium on the issuance of such permits. In addition, a proposed starter home zoning district
1071 shall not be subject to any municipal environmental or health ordinances, bylaws or regulations
1072 that exceed applicable requirements of state law or regulation, unless the department of
1073 environmental protection has determined that specific local conditions warrant imposition of
1074 more restrictive local standards, or the imposition of such standards would not render infeasible
1075 the development contemplated under the comprehensive housing plan, housing production plan
1076 or housing production summary submitted as part of the application for such district.

1077 (8) A proposed smart growth zoning district or starter home zoning district shall not
1078 impose restrictions on age or any other occupancy restrictions on the district as a whole. This
1079 shall not preclude the development of specific projects within a smart growth zoning district that
1080 may be exclusively for the elderly, the disabled or for assisted living. Not less than 25 per cent of
1081 the housing units in such a project within a smart growth zoning district shall be affordable
1082 housing, as defined in section 2.

1083 (9) Housing in a smart growth zoning district or starter home zoning district shall
1084 comply with federal, state and local fair housing laws.

1085 (10) A proposed smart growth zoning district or starter home zoning district may not
1086 exceed 15 per cent of the total land area in the city or town. Upon request, the department may
1087 approve a larger land area if such approval serves the goals and objectives of this chapter.

1088 (11) The aggregate land area of all approved smart growth zoning districts and starter
1089 home zoning districts in the city or town may not exceed 25 per cent of the total land area in the
1090 city or town. The department may approve a larger combined land area if the department
1091 determines that such approval serves the goals and objectives of this chapter.

1092 (12) Housing density in any proposed district shall not over burden infrastructure as it
1093 exists or may be practicably upgraded in light of anticipated density and other uses to be retained
1094 in the district.

1095 (13) A proposed smart growth zoning district or starter home zoning district ordinance
1096 or by-law shall define the manner of review by the approving authority in accordance with
1097 section 11 and shall specify the procedure for such review in accordance with regulations of the
1098 department.

1099 (b) A city or town may modify or eliminate the dimensional standards contained in
1100 the underlying zoning in the smart growth zoning district or starter home zoning district
1101 ordinance or by-law in order to support desired densities, mix of uses and physical character. The
1102 standards that are subject to modification or waiver may include, but shall not be limited to;
1103 height, setbacks, lot coverage, parking ratios and locations and roadway design standards.
1104 Modified requirements may be applied as of right throughout all or a portion of the smart growth
1105 zoning district or starter home zoning district, or on a project specific basis through the smart
1106 growth zoning district or starter home zoning district plan review process as provided in the

1107 ordinance or by-law. A city or town may designate certain areas within a smart growth zoning
1108 district or starter home zoning district as dedicated perpetual open space through the use of a
1109 conservation restriction as defined in section 31 of chapter 184 or such other means as may be
1110 created by state law. The amount of such open space shall not be included as developable land
1111 area within the smart growth zoning district or starter home zoning district. Open space may
1112 include an amount of land equal to up to 10 per cent of what would otherwise be the developable
1113 land area if the developable land would be less than 50 acres, and 20 per cent of what would
1114 otherwise be the developable land area if the developable land area would be 50 acres or more.

1115 (c) The zoning for a proposed smart growth zoning district may provide for mixed
1116 use development.

1117 (d) A smart growth zoning district or starter home zoning district may encompass an
1118 existing historic district or districts. A city or town, with the approval of the department, may
1119 establish a historic district in an approved smart growth zoning district or starter home zoning
1120 district in accordance with chapter 40C, so long as the establishment of the historic district meets
1121 the requirements for such a historic district and does not render the city or town noncompliant
1122 with this chapter, as determined by the department. The historic districts may be coterminous or
1123 non-coterminous with the smart growth zoning district or starter home zoning district. Within
1124 any such historic district, the provisions and requirements of the historic district may apply to
1125 existing and proposed buildings.

1126 (e) A city or town may require more affordability than required by this chapter, both
1127 in the percentage of units that must be affordable, and in the levels of income for which the

1128 affordable units must be accessible, provided, however, that affordability thresholds shall not
1129 unduly restrict opportunities for development.

1130 (f) With respect to a city or town with a population of fewer than 10,000 persons, as
1131 determined by the most recent federal decennial census, for hardship shown, the department
1132 may, pursuant to regulations adopted under this chapter, approve zoning for a smart growth
1133 zoning district with lower densities than provided in this chapter, if the city or town satisfies the
1134 other requirements set forth in this section; provided, however, that such approval shall not be
1135 withdrawn solely because, in a future census, the population of the city or town exceeds 10,000
1136 persons.

1137 (g) Any amendment or repeal of a zoning ordinance or by-law affecting an approved
1138 smart growth zoning district or starter home zoning district shall not be effective without the
1139 written approval by the department. Each amendment or repeal shall be submitted to the
1140 department with an evaluation of the effect on the city or town's comprehensive housing plan or
1141 housing production plan, if any. Amendments shall be approved only to the extent that the
1142 district remains in compliance with this chapter. If the department does not respond to a
1143 complete request for approval of an amendment or repeal within 60 days of receipt, the request
1144 shall be deemed approved.

1145 (h) Nothing in this chapter shall affect a city or town's authority to amend its zoning
1146 ordinances or by-laws under chapter 40A, so long as the changes do not affect the smart growth
1147 zoning district or starter home zoning district.

1148 Section 7. (a) On or before October 1 of each year after the year of approval of a district
1149 by the department, the department shall send a smart growth zoning district certificate of

1150 compliance or starter home zoning district certificate of compliance, as applicable, to each city or
1151 town with an approved district. In order to receive such a certificate, the city or town shall verify
1152 within the time specified by the department that:

1153 (1) the city or town has adopted and approved a smart growth zoning district or a
1154 starter home zoning district, as applicable;

1155 (2) the certification has not been revoked by the department;

1156 (3) the district is being developed in a manner that reasonably complies with the
1157 applicable minimum requirements set forth in section 6 for housing density and affordability;

1158 (4) the approving authority has not unreasonably denied plans for projects, or has
1159 only denied plans for projects in a manner consistent with its smart growth zoning district
1160 ordinance or by-law or starter home zoning district ordinance or by-law, as applicable, the city or
1161 town's comprehensive housing plan, housing production plan, or the housing production
1162 summary submitted with the city or town's initial application for approval by the department, as
1163 applicable, and this chapter.

1164 (b) If the department is unable to certify compliance, the department shall hold a
1165 public hearing subject to chapter 30A. If the department concludes that the city or town is in
1166 material noncompliance with the requirements set forth in this section, the department may
1167 revoke certification. A revocation of certification shall be recorded with the registry of deeds or
1168 land court registry district for the county or district within which the city or town is located,
1169 indexed in the grantor index under the name of the city or town. Any revocation of certification
1170 or other sanctions imposed by the department shall not affect the validity of the smart growth
1171 zoning ordinance or by-law or starter home zoning district ordinance or by-law, as applicable, or

1172 the application of such ordinance or by-law to land, development or proposed development
1173 within the smart growth zoning district.

1174 Section 8. A city or town shall submit to the department, concurrently with the city or
1175 town's application for a letter of eligibility, either an existing comprehensive housing plan, an
1176 existing housing production plan, or a housing production summary. The plan or summary shall
1177 include an estimate of the projected number of units of new construction that could be built in
1178 the proposed smart growth zoning district or starter home zoning district. If a city or town has
1179 already completed a comprehensive housing plan or housing production plan, the city or town
1180 shall submit with its application to the department a description of how the proposed smart
1181 growth zoning district or starter home zoning district relates to and will further the goals of its
1182 comprehensive housing plan or housing production plan, as well as an estimate of the projected
1183 number of units of new construction that could be built within the district.

1184 Section 9. Each city or town with an approved smart growth zoning district or starter
1185 home zoning district shall be entitled to payments pursuant to this section.

1186 (a) The commonwealth shall pay from the trust fund a zoning incentive payment,
1187 according to the following schedule:

1188	Projected Units of	
1189	New Construction	Payment
1190	Up to 20	\$10,000
1191	21 to 100	\$75,000
1192	101 to 200	\$200,000

1193 201 to 500 \$350,000

1194 501 or more \$600,000

1195 Subject to any conditions imposed by the department as a condition of approving a smart
1196 growth zoning district or starter home zoning district, the zoning incentive payment shall be
1197 payable upon confirmation of approval of the district by the department. The projected number
1198 of units shall be based upon the zoning adopted in the smart growth zoning district or starter
1199 home zoning district, and consistent with either the city or town's comprehensive housing plan or
1200 housing production plan, if any, or the housing production summary submitted in accordance
1201 with section 8.

1202 (b) The commonwealth shall pay from the trust fund a one-time density bonus
1203 payment to each city or town with an approved smart growth zoning district and a one-time
1204 production bonus payment to each city or town with an approved starter home zoning district.
1205 This payment shall be \$3,000 for each housing unit of new construction created in the smart
1206 growth zoning district and \$3,000 for each housing unit of new construction created in the starter
1207 home zoning district. The amount due shall be paid on a unit-by-unit basis in accordance with
1208 department regulations, upon submission by a city or town of proof of issuance of a building
1209 permit for a particular housing unit or units within the district.

1210 (c) The executive office of environmental affairs, the executive office of
1211 transportation, the department of housing and community development and the secretary of
1212 administration and finance shall, when awarding discretionary funds, use a methodology of
1213 awarding such funds that favors cities or towns with approved smart growth zoning districts or
1214 starter home zoning districts and other approved zoning policies or initiatives that encourage

1215 increased affordable housing production in the commonwealth including, but not limited to,
1216 inclusionary zoning.

1217 Section 10. A city or town may adopt, in accordance with the regulations of the
1218 department, design standards applicable to projects undergoing review by the approving
1219 authority, to ensure that the physical character of development within the smart growth zoning
1220 district or starter home zoning district is complementary to adjacent buildings and structures and
1221 is consistent with the city or town's comprehensive housing plan or housing production plan, if
1222 any, and any applicable master plan or plans for the city or town. Such standards may address the
1223 scale and proportions of buildings, the alignment, the width and grade of streets and sidewalks,
1224 the type and location of infrastructure, the location of building and garage entrances, off-street
1225 parking, the protection of significant natural site features, the location and design of on-site open
1226 spaces, exterior signs and buffering in relation to adjacent properties. In a smart growth zoning
1227 district, the standards shall provide for high-density quality development consistent with the
1228 character of building types, streetscapes and other city or town features traditionally found in
1229 densely settled areas of the city or town or in the region of the city or town.

1230 A design standard shall not be adopted if it will add unreasonable costs to residential or
1231 mixed-use developments. A design standard shall not unreasonably impair the economic
1232 feasibility of proposed projects. The department may disapprove a request for the determination
1233 of eligibility for a smart growth zoning district or starter home zoning district on account of a
1234 design standard adding such unreasonable costs or unreasonably impairing such feasibility.

1235 SECTION 45. Section 11 of said chapter 40R, as so appearing, is hereby amended by
1236 striking out, in line 2, the words “district zoning” and inserting in place thereof the following
1237 words:- zoning district or starter home zoning district.

1238 SECTION 46. Said section 11 of said chapter 40R, as so appearing, is hereby further
1239 amended by inserting after the word “district”, in line 11, the following words:- or starter home
1240 zoning district.

1241 SECTION 47. Said section 11 of said chapter 40R, as so appearing, is hereby further
1242 amended by inserting after the word “zoning”, in line 17, the following words:- district or starter
1243 home zoning district.

1244 SECTION 48. Said section 11 of said chapter 40R, as so appearing, is hereby further
1245 amended by inserting after the word “district”, in lines 70, 74 and 128, the following words:- or
1246 starter home zoning district.

1247 SECTION 49. Said chapter 40R is hereby amended by striking out section 12, as so
1248 appearing, and inserting in place thereof the following section:-

1249 Section 12. The department shall be responsible for the administration, review, and
1250 reporting on the smart growth zoning district and starter home zoning district programs as
1251 provided in this chapter. The department shall undertake or cause to be undertaken an annual
1252 review and the preparation of a report on the programs set forth in this chapter and may require
1253 data to be provided by cities and towns with smart growth zoning districts or starter home zoning
1254 districts. The report shall be prepared on the basis of such data and shall be made available to
1255 the general public and submitted to the general court annually, not later than November 15 of
1256 each year, and shall cover the status of the program through the end of the prior fiscal year. The

1257 report shall identify and describe the status of cities and towns that are actively seeking letters of
1258 eligibility. It shall identify approved smart growth zoning districts and starter home zoning
1259 districts and the amounts and anticipated timing of one-time density bonus payments and one-
1260 time production bonus payments during the prior and current fiscal year. It shall summarize the
1261 amount of land areas zoned for particular types of projects in both proposed and approved
1262 districts, the number of projects being reviewed by cities and towns under section 11, including
1263 the number and type of proposed residential units, the number of building permits issued, the
1264 number of completed housing units and their type, and it shall set out the one-time density bonus
1265 payments and one-time production bonus payments made to each city or town. For the then
1266 current and the immediately succeeding fiscal years it shall make estimates for the: (i) number
1267 and size of proposed new districts; (ii) potential number of residential units to be allowed in new
1268 districts; and (iii) anticipated construction activity.

1269 SECTION 50. Said chapter 40R is hereby further amended by striking out section 14, as
1270 so appearing, and inserting in place thereof the following section:-

1271 Section 14. If, within 3 years, no construction has been started within the smart growth
1272 zoning district or starter home zoning district, the department shall require the cities and towns to
1273 repay to the department all monies paid to the city or town under this chapter for said smart
1274 growth zoning district or starter home zoning district. Said 3 years shall commence on the date
1275 of the payment of the zoning incentive payment for said smart growth zoning district or starter
1276 home zoning district. All monies repaid to the department under this section shall be returned to
1277 the trust fund.

1278 SECTION 51. Section 1 of chapter 40V of the General Laws, as so appearing, is hereby
1279 amended by striking out the definition of “Certified housing development project” and inserting
1280 in place thereof the following definition:-

1281 “Certified housing development project”, the new construction or substantial
1282 rehabilitation of a housing development project that has been approved by the department for
1283 participation in the housing development incentive program.

1284 SECTION 52. Said section 1 of said chapter 40V, as so appearing, is hereby further
1285 amended by striking out the definitions of “Market rate residential unit” and “Qualified
1286 substantial rehabilitation expenditure” and inserting in place thereof following 2 definitions:-

1287 “Market rate residential unit”, a residential unit priced consistently with prevailing rents
1288 or sale prices in the municipality as determined based on criteria established by the department.

1289 “Qualified project expenditure”, an expenditure directly related to the construction or
1290 substantial rehabilitation of a certified housing development project, including the cost of site
1291 assessment and remediation of hazardous materials, but excluding the purchase of the property,
1292 provided, that: (i) the department has certified that the proposed project meets the definition of
1293 certified housing development project; (ii) prior to construction, the department has certified that
1294 all or a portion of the project costs are for new construction or substantial rehabilitation; and (iii)
1295 after the construction of the project has been completed, the department has certified that the
1296 project has been completed in compliance with this chapter and the requirements and conditions
1297 of any prior certifications.

1298 SECTION 53. Said section 1 of said chapter 40V, as so appearing, is hereby further
1299 amended by inserting after the words “property”, in line 34, the following words:- including site
1300 assessment and remediation of hazardous materials, but.

1301 SECTION 54. Section 4 of said chapter 40V, as so appearing, is hereby amended by
1302 striking out, in line 12, the words “is a” and inserting in place thereof the following words:-
1303 involves either new construction or.

1304 SECTION 55. Said section 4 of said chapter 40V, as so appearing, is hereby further
1305 amended by striking out, in line 13, the word “approve” and inserting in place thereof the
1306 following word:- certify.

1307 SECTION 56. Said section 4 of said chapter 40V, as so appearing, is hereby further
1308 amended by striking out, in line 35, the word “HDIP” and inserting in place thereof the following
1309 words:- HD

1310 SECTION 57. Said section 4 of said chapter 40V, as so appearing, is hereby further
1311 amended by inserting after the word “certified”, in lines 44, 56, 57 and 83, the following words:-
1312 housing development.

1313 SECTION 58. Section 5 of said chapter 40V, as so appearing, is hereby amended by
1314 striking out the first sentence and inserting in place thereof the following sentence:-

1315 The department may award, to a sponsor of a certified housing development project, tax
1316 credits available under subsection (q) of section 6 of chapter 62 and section 38BB of chapter 63
1317 up to but not to exceed 25 per cent of the cost of qualified project expenditures allocable to the
1318 market rate units in the project, as determined by the department.

1319 SECTION 59. Said section 5 of said chapter 40V, as so appearing, is hereby further
1320 amended by striking out the word “project”, in lines 9, 13 and 15, and inserting in place thereof,
1321 in each instance, the following words:- certified housing development project.

1322 SECTION 60. Section 3 of chapter 62 of the General Laws, as so appearing, is hereby
1323 amended by striking out, in lines 114 and 115, the words “established by section three B of
1324 chapter twenty-three A” and inserting in place thereof the following words:- pursuant to section
1325 3G of chapter 23A.

1326 SECTION 61. Subparagraph (11) of paragraph (a) of part B of said section 3 of said
1327 chapter 62 , as so appearing, is hereby amended by adding the following sentence:-An
1328 individual who is a nonresident for all or part of the taxable year shall not be eligible to claim
1329 this deduction.

1330 SECTION 62. Said paragraph (a) of said part B of said section 3 of said chapter 62, as
1331 amended by section 12 of chapter 10 of the acts of 2015, is hereby further amended by adding
1332 the following subparagraph :-

1333 (19) An amount equal to the amount expended in the taxable year for the purchase of an
1334 interest in, or the amount contributed in the taxable year to an account in, a prepaid tuition
1335 program or college savings program established by the commonwealth or any instrumentality or
1336 authority thereof. In the case of a single person or a married person filing a separate return or a
1337 head of household, the total amount deducted in the taxable year shall not exceed \$1,000. In the
1338 case of a married couple filing a joint return, the total amount deducted in the taxable year shall
1339 not exceed \$2,000.

1340 Notwithstanding any statute of limitations on the assessment of an income tax under this
1341 chapter, any deduction taken under this subparagraph shall be subject to recapture in the taxable
1342 year or years in which distributions or refunds are made for any reason other than (i) to pay
1343 qualified higher education expenses, as defined by 26 U.S.C. section 529(e)(3), or (ii) the
1344 beneficiary's death, disability, or receipt of a scholarship. For the purposes of this subparagraph,
1345 the term "purchaser" or "contributor" means the person shown as such on the records of the
1346 qualifying prepaid tuition or college savings program as of December 31 of the taxable year. In
1347 the case of a transfer of ownership of a prepaid tuition contract or savings trust account, the
1348 transferee shall succeed to the transferor's tax attributes associated with the prepaid tuition
1349 contract or savings trust account, including, but not limited to, carryover and recapture of
1350 deductions.

1351 On or before October 15, annually of each year beginning on or after January 1, 2018, the
1352 commissioner shall submit a report to the secretary of administration and finance, the house and
1353 senate committees on ways and means, and the joint committee on revenue. The report shall
1354 provide the following information: the number of prepaid tuition contracts or savings trust
1355 accounts entered into or opened by residents of the commonwealth during the prior year; the
1356 amount of the allowable deductions claimed under this subparagraph during the prior year; and
1357 the adjusted gross income of each taxpayer qualifying for the deduction allowed under this
1358 subparagraph.

1359 SECTION 63. Section 6 of said chapter 62 is hereby amended by striking out subsection
1360 (g), as appearing in the 2014 Official Edition, and inserting in place thereof the following
1361 subsection:-

1362 (g)(1) As used in this subsection, the following words shall have the same meaning as
1363 ascribed to them in section 3A of chapter 23A: “Alternative EDIP tax credits”, “Certified
1364 project”, “Controlling business”, “EACC”, “EDIP contract”, “Extraordinary economic
1365 development opportunity” and “Proposed project”.

1366 (2) A credit shall be allowed against the tax liability imposed by this chapter on the
1367 owner or lessee of a certified project, to the extent such credit is authorized by the EACC, up to
1368 an amount equal to 50 per cent of such liability in any taxable year; provided, however, that the
1369 50 per cent limitation shall not apply where the credit is refundable under paragraph (7). The
1370 amount of the credit shall be determined by the EACC in accordance with criteria set forth in
1371 section 3D of chapter 23A and such other criteria or guidelines as the council shall from time to
1372 time adopt; provided, that a credit awarded in connection with a certified project that will retain
1373 permanent full-time employees in a gateway municipality without creating a net increase in
1374 permanent full-time employees shall not exceed \$5,000 per retained employee. A credit allowed
1375 under this section shall be taken only after the taxpayer executes an EDIP contract as set forth in
1376 said section 3D of said chapter 23A.

1377 (3) An alternative EDIP tax credit may be allowed against the tax liability imposed
1378 by this chapter on the owner or lessee of a certified project that has been designated as an
1379 extraordinary economic development opportunity, but only to the extent such alternative EDIP
1380 tax credit is authorized by the EACC, up to an amount equal to 100 per cent of such liability in
1381 any taxable year; provided, however, that the 100 per cent limitation shall not apply where the
1382 credit is refundable under paragraph (7). The amount of the alternative EDIP tax credit shall be
1383 equal to a percentage of gross wages of the new permanent full-time employees employed by the
1384 controlling business at the certified project as reportable on employee Forms W-2 wage and tax

1385 statements. Such percentage shall be determined by the EACC but shall in no event exceed 5 per
1386 cent of such gross wages. An alternative EDIP tax credit allowed under this section shall reduce
1387 the liability of the taxpayer under this chapter for the taxable year in which the new permanent
1388 full-time employee is first employed by the taxpayer and any subsequent years authorized by the
1389 EACC. An alternative EDIP tax credit allowed under this section may be taken only after the
1390 taxpayer executes an EDIP contract as set forth in section 3D of chapter 23A.

1391 (4) The total amount of credits that may be authorized by the EACC in a calendar
1392 year pursuant to this section and section 38N of chapter 63 shall not exceed \$30,000,000
1393 annually; provided, that this total amount shall not include credits granted pursuant to subsection
1394 (q) of section of 6 of this chapter and section 38BB of said chapter 63; and provided further, that
1395 this total amount shall include: (i) refundable credits granted during the year pursuant to this
1396 section or said section 38N of said chapter 63; (ii) nonrefundable credits granted during the year
1397 pursuant to this section or said section 38N of said chapter 63, to the extent that such
1398 nonrefundable credits are estimated by the commissioner to offset tax liabilities during the year;
1399 and (iii) carryforwards of credits from prior years under this section or said section 38N of said
1400 chapter 63, to the extent that such credit carryforwards, if any, are estimated by the
1401 commissioner to offset tax liabilities during the year. Any portion of the annual cap not awarded
1402 by the EACC in a calendar year shall not be applied to awards in a subsequent year.

1403 Notwithstanding the cap set forth in the preceding paragraph, the EACC may authorize
1404 credits in excess of the annual cap of \$30,000,000 for a project that is designated as an
1405 extraordinary economic development opportunity; provided that the total amount awarded shall
1406 not exceed \$50,000,000 in a calendar year.

1407 The EACC shall provide the commissioner with any documentation that the
1408 commissioner deems necessary to confirm compliance with the annual cap and the commissioner
1409 shall provide a report confirming such compliance to the secretary of administration and finance
1410 and the secretary of housing and economic development.

1411 (5) Any taxpayer entitled to a credit under this subsection for any taxable year may,
1412 to the extent authorized by the EACC, carry over and apply to the tax liability imposed by this
1413 chapter for any 1 or more of the next succeeding 10 taxable years, the portion, as reduced from
1414 year to year, of those credits which exceed the tax liability imposed by this chapter for the
1415 taxable year; provided, however, that in no event shall the taxpayer apply the credit to the tax
1416 liability imposed by this chapter for any taxable year beginning more than 5 years after the
1417 certified project ceases to qualify as such under chapter 23A. Notwithstanding the foregoing, the
1418 EACC may limit or restrict carryover of credits as set forth section 3D of said chapter 23A.

1419 (6) For purposes of this subsection, the commissioner may aggregate the activities of
1420 all entities, whether or not incorporated, under common control as defined in 26 U.S.C. section
1421 41(f).

1422 (7) The commissioner shall promulgate rules and regulations necessary to implement
1423 this subsection including, but not limited to, provisions to prevent the generation of multiple
1424 credits with respect to the same property.

1425 (8) If a credit allowed under paragraph (2) or paragraph (3) is designated by the
1426 EACC as a refundable credit, the credit shall first be applied against the tax liability of the
1427 taxpayer imposed by this chapter, and 100 per cent of the balance of such credit may, at the
1428 option of the taxpayer and to the extent authorized by the EACC, be refundable to the taxpayer.

1429 The EACC shall in each case specify the timing of such refund, which may be for the taxable
1430 year in which all or a portion of the certified project is placed in service, or the taxable year
1431 subsequent to the year in which the required jobs are created. If such credit balance is refunded
1432 to the taxpayer, the credit carryover provisions of paragraph (5) shall not apply.

1433 (9) If the EACC revokes the certification of a project as provided in section 3F of
1434 chapter 23A, then a portion of the tax credits otherwise allowed by this section and claimed by
1435 the taxpayer prior to the date on which EACC makes the determination to revoke project
1436 certification must be added back as additional tax due and shall be reported as such on the return
1437 of the taxpayer for the taxable period in which the EACC makes the determination to revoke
1438 project certification. The amount of credits subject to recapture shall be proportionate to the
1439 taxpayer's compliance with the job creation requirements applicable to the certified project. The
1440 taxpayer's proportion of compliance shall be determined by the EACC as part of its revocation
1441 process and shall be reported to the taxpayer and the department of revenue at the time
1442 certification is revoked.

1443 (10) If a certified project is sold or otherwise disposed of, tax credits allowed under
1444 this subsection may be transferred to the purchaser of the certified project; provided, that the
1445 EDIP contract is assigned to and assumed by the purchaser of the certified project, and such
1446 assignment and assumption is approved in writing by the EACC.

1447 (11) Nothing in this subsection shall limit the authority of the commissioner to make
1448 adjustments to a taxpayer's liability upon audit.

1449 SECTION 64. Said section 6 of said chapter 62, , is hereby further amended by striking
1450 out, in line 893, as so appearing, the word “ten” and inserting in place thereof the following
1451 figure:- 25.

1452 SECTION 65. Said section 6 of said chapter 62 is hereby further amended by striking
1453 out, in line 894, as so appearing, the words “substantial rehabilitation” and inserting in place
1454 thereof the following word:- project.

1455 SECTION 66. Said section 6 of said chapter 62 is hereby further amended by striking
1456 out, in line 905 and in lines 939 and 940, as so appearing, the word “rehabilitation” and inserting
1457 in place thereof, in each instance, the following word:- project.

1458 SECTION 67. Said section 6 of said chapter 62 is hereby further amended by striking
1459 out, in lines 923 and 935, as so appearing, the figure “5” and inserting in place thereof, in each
1460 instance, the figure:- 10.

1461 SECTION 68. Said section 6 of said chapter 62, as amended by section 1 of chapter 52 of
1462 the acts of 2015, is hereby further amended by adding the following subsection:-

1463 (t)(1) As used in this subsection, the following words shall, unless the context clearly
1464 requires otherwise, have the following meanings:-

1465 “Business”, a profession, sole proprietorship, trade partnership, corporation, general
1466 partnership, limited liability company, limited partnership, joint venture, business trust, public
1467 benefit corporation, non-profit entity or other business entity.

1468 “Gateway municipality”, a gateway municipality as defined in section 3A of chapter
1469 23A.

1470 “Qualifying business”, a business which: (i) has its principal place of business in the
1471 commonwealth; (ii) has at least 50 per cent of its employees located in the business’s principal
1472 place of business; (iii) has a fully developed business plan that includes all appropriate long-term
1473 and short-term forecasts and contingencies of business operations, including research and
1474 development, profit, loss and cash flow projections and details of angel investor funding; (iv)
1475 employs 20 or fewer full-time employees at the time of the taxpayer investor’s initial qualifying
1476 investment as provided for in paragraph (2); (v) has a federal tax identification number; and (vi)
1477 has gross revenues equal to or less than \$500,000 in the fiscal year prior to eligibility.

1478 “Qualifying investment”, a monetary investment that is at risk and is not secured or
1479 guaranteed; provided, however, that a qualifying investment shall not include venture capital
1480 funds, hedge funds or commodity funds with institutional investors or investments in a business
1481 involved in retail, real estate, professional services, gaming or financial services.

1482 “Taxpayer investor”, an accredited investor, as defined by the United States
1483 Securities and Exchange Commission pursuant to 15 U.S.C. section 77b(15)(ii) who is not the
1484 principal owner of the qualifying business and who is involved in the qualifying business as a
1485 full-time professional activity.

1486 (2) A taxpayer investor who makes a qualifying investment in a qualifying business
1487 shall be allowed a credit against the taxes imposed by this chapter in an amount equal to 20 per
1488 cent of the amount of the taxpayer’s qualifying investment. A taxpayer investor who makes a
1489 qualifying investment in a qualifying business with its principal place of business located in a
1490 gateway municipality shall be allowed a credit against the taxes imposed by this chapter in an
1491 amount equal to 30 per cent of the amount of the taxpayer’s qualifying investment. Taxpayer

1492 investors may invest up to \$125,000 per qualifying business per year with a \$250,000 maximum
1493 for each qualifying business. The total of all tax credits available to a taxpayer investor under
1494 this subsection shall not exceed \$50,000 in any single calendar year.

1495 (3) Qualifying investments may be used by a qualifying business for the following
1496 purposes: (i) capital improvements; (ii) plant equipment; (iii) research and development; and (iv)
1497 working capital. Qualifying investments shall not be used to pay dividends, fund or repay
1498 shareholders' loans, redeem shares, repay debt or pay wages or other benefits of the taxpayer
1499 investor.

1500 (4) The credits allowed under paragraph (2) may be taken against income tax due in
1501 either the tax year of the initial investment or in any of the 3 subsequent taxable years. Any
1502 amount of the tax credit that exceeds the tax due for a taxable year may be carried forward by the
1503 taxpayer investor to any of the 3 subsequent taxable years. If the qualifying business ceases to
1504 have its principal place of business in the commonwealth within such 3 year period, the taxpayer
1505 investor shall not claim any further credits and shall repay the total amount of credits claimed to
1506 the commonwealth.

1507 (5) The Massachusetts Life Sciences Center, in consultation with the executive office
1508 of housing and economic development and the commissioner, shall authorize, administer and
1509 determine eligibility for this tax credit and allocate the credit in accordance with the standards
1510 and requirements as set forth in regulations promulgated pursuant to this subsection, and with the
1511 goal of creating and maintaining jobs including, but not limited to, jobs in the following sectors:
1512 digital e-health, information technology, and healthcare. Any tax credits authorized pursuant to

1513 this subsection shall be subject to the annual cumulative cap pursuant to subsection (d) of section
1514 5 of chapter 23I.

1515 (6) The commissioner, the Massachusetts Life Sciences Center, and the executive
1516 office of housing and economic development shall promulgate regulations necessary to carry out
1517 this subsection.

1518 SECTION 69. Section 6M of said chapter 62, inserted by section 29 of chapter 238 of
1519 the acts of 2012, is hereby amended by striking out, in line 89, as appearing in the 2014 Official
1520 Edition, the words “as defined in section 3A” and inserting in place thereof the following
1521 words:- designated under section 3G.

1522 SECTION 70. Chapter 63 of the General Laws is hereby amended by striking out section
1523 38N, as appearing in the 2014 Official Edition, and inserting in place thereof the following
1524 section:-

1525 Section 38N. (a) (l) As used in this section, the following words shall have the same
1526 meanings as ascribed to them in section 3A of chapter 23A: “Alternative EDIP tax credits”,
1527 “Certified project”, “Certified project proposal”, “Economic assistance coordinating council”,
1528 “EDIP contract”, “Extraordinary economic development opportunity”, and “Gateway
1529 municipality”..

1530 (b) A corporation subject to tax under this chapter that is the controlling business of a
1531 certified project, as defined in section 3A of chapter 23A, or an affiliate of a controlling business,
1532 may take a credit against the excise imposed by this chapter to the extent such credit is
1533 authorized by the economic assistance coordinating council, up to an amount equal to 50 per cent
1534 of such liability in any taxable year; provided, however, that the 50 per cent limitation shall not

1535 apply where the credit is refundable under subsection (e). The amount of the credit shall be
1536 determined by the economic assistance coordinating council based on the criteria set forth in
1537 section 3D of said chapter 23A and such other criteria or guidelines as the council shall from
1538 time to time adopt; provided, that a credit awarded in connection with a certified project that will
1539 retain permanent full-time employees in a gateway municipality without creating a net increase
1540 in permanent full-time employees shall not exceed \$5,000 per retained employee. A credit
1541 allowed under this section shall be taken only after the corporation executes an EDIP contract as
1542 set forth in said section 3D of said chapter 23A.

1543 (c) An alternative EDIP tax credit may be allowed against the tax liability imposed
1544 by this chapter on the owner or lessee of a certified project that has been designated as an
1545 extraordinary economic development opportunity, but only to the extent such alternative EDIP
1546 tax credit is authorized by the economic assistance coordinating council, up to an amount equal
1547 to 100 per cent of such liability in any taxable year; provided, however, that the 100 per cent
1548 limitation shall not apply where the credit is refundable under subsection (e). The amount of the
1549 alternative EDIP tax credit shall be equal to a percentage of gross wages of the new permanent
1550 full-time employees employed by the controlling business at the certified project as reportable on
1551 employee Forms W-2 wage and tax statements. Such percentage shall be determined by the
1552 EACC but shall in no event exceed 5 per cent of such gross wages. An alternative EDIP tax
1553 credit allowed under this section shall reduce the liability of the taxpayer under this chapter for
1554 the taxable year in which the new permanent full-time employee is first employed by the
1555 taxpayer and any subsequent years authorized by the EACC. An alternative EDIP tax credit
1556 allowed under this section may be taken only after the taxpayer executes an EDIP contract as set
1557 forth in section 3D of chapter 23A.

1558 (d) The total amount of credits that may be authorized by the economic assistance
1559 coordinating council in a calendar year pursuant to this section and subsection (g) of section 6 of
1560 chapter 62 shall not exceed \$30,000,000 annually; provided, however, that this total amount shall
1561 not include credits granted pursuant to section 38BB and subsection (q) of section 6 of chapter
1562 62; and provided further, that this total amount shall include: (i) refundable credits granted
1563 during the year pursuant to this section or said subsection (g) or said section (6) of said chapter
1564 62; (ii) nonrefundable credits granted during the year pursuant to this section or said subsection
1565 (g) or said section (6) of said chapter 62, to the extent that such nonrefundable credits are
1566 estimated by the commissioner of revenue to offset tax liabilities during the year; and (iii)
1567 carryforwards of credits from prior years under this section or said subsection (g) of said section
1568 6 of said chapter 62, to the extent that such credit carryforwards, if any, are estimated by the
1569 commissioner of revenue to offset tax liabilities during the year. Any portion of the annual cap
1570 not awarded by the economic assistance coordinating council in a calendar year shall not be
1571 applied to awards in a subsequent year.

1572 Notwithstanding the cap set forth in the preceding paragraph, the EACC may authorize
1573 credits in excess of the annual cap of \$30,000,000 for a project that is designated as an
1574 extraordinary economic development opportunity; provided that the total amount awarded shall
1575 not exceed \$50,000,000 in a calendar year.

1576 The economic assistance coordinating council shall provide the commissioner of revenue
1577 with any documentation that the commissioner deems necessary to confirm compliance with the
1578 annual cap and the commissioner shall provide a report confirming such compliance to the
1579 secretary of administration and finance and the secretary of housing and economic development.

1580 The credit allowed under this section may be taken by an eligible corporation; provided,
1581 however, that the credit allowed by section 31A or section 31H shall not be taken by such
1582 corporation.

1583 (e) Any corporation entitled to a credit under this section for any taxable year may, to
1584 the extent authorized by the economic assistance coordinating council, carry over and apply to
1585 the tax liability imposed by this chapter for any 1 or more of the next succeeding 10 taxable
1586 years, the portion, as reduced from year to year, of those credits which exceed the tax liability
1587 imposed by this chapter for the taxable year; provided, however, that in no event shall the
1588 corporation apply the credit to the tax liability imposed by this chapter for any taxable year
1589 beginning more than 5 years after the certified project ceases to qualify as such under chapter
1590 23A. Notwithstanding the foregoing, the economic assistance coordinating council may limit or
1591 restrict carryover of credits as set forth section 3D of said chapter 23A.

1592 (f) If a credit allowed under subsection (b) or subsection (c) is designated by the
1593 economic assistance coordinating council as a refundable credit, the credit shall first be applied
1594 against the tax liability of the corporation under this chapter, and 100 per cent of the balance of
1595 such credit may, at the option of the corporation and to the extent authorized by the economic
1596 assistance coordinating council, be refundable to the corporation. The economic assistance
1597 coordinating council shall in each case specify the timing of such refund, which may be for the
1598 taxable year in which all or a portion of the certified project is placed in service, or the taxable
1599 year subsequent to the year in which the required jobs are created. If such credit balance is
1600 refunded to the corporation, the credit carryover provisions of subsection (e) shall not apply.

1601 (g) In the case of a corporation that is subject to a minimum excise under any
1602 provision of this chapter, the amount of the credit allowed by this section shall not reduce the
1603 excise to an amount less than the minimum excise.

1604 (h) In the case of corporations filing a combined return of income under section 32B,
1605 a credit generated by an individual member corporation under the provisions of this section shall
1606 first be applied against the separately determined excise attributable to that member, except as
1607 otherwise provided in this section. A member corporation with an excess credit may apply its
1608 excess credit against the excise of another group member, to the extent that such other member
1609 corporation can use additional credits. Unused, unexpired credits generated by member
1610 corporations shall be carried over from year to year by the individual corporation that generated
1611 the credit, to the extent authorized by the economic assistance coordinating council.

1612 (i) The commissioner of revenue may promulgate such rules and regulations as are
1613 necessary to implement this section, including, but not limited to, provisions to prevent the
1614 generation of multiple credits with respect to the same property.

1615 (j) If the economic assistance coordinating council revokes the certification of a
1616 project as provided in section 3F of chapter 23A, then a portion of the tax credits otherwise
1617 allowed by this section and claimed by the corporation prior to the date on which the economic
1618 assistance coordinating council makes the determination to revoke project certification must be
1619 added back as additional tax due and shall be reported as such on the return of the corporation for
1620 the taxable period in which the economic assistance coordinating council makes the
1621 determination to revoke project certification. The amount of credits subject to recapture shall be
1622 proportionate to the corporation's compliance with the job creation requirements applicable to

1623 the certified project. The corporation's proportion of compliance shall be determined by the
1624 economic assistance coordinating council as part of its revocation process and shall be reported
1625 to the corporation and the department of revenue at the time certification is revoked.

1626 (k) If a certified project is sold or otherwise disposed of, tax credits allowed under
1627 this section may be transferred to the purchaser of the certified project; provided, that the EDIP
1628 contract is assigned to and assumed by the purchaser of the certified project, and such
1629 assignment and assumption is approved in writing by the economic assistance coordinating
1630 council.

1631 (l) Nothing in this section shall limit the authority of the commissioner of revenue to
1632 make adjustments to a corporation's liability upon audit.

1633 SECTION 71. Section 38O of said chapter 63, as so appearing, is hereby amended by
1634 striking out, in lines 4 and 5, the words "as defined by section 3A" and inserting in place thereof
1635 the following words:- designated under section 3G.

1636 SECTION 72. Section 38R of said chapter 63, as so appearing, is hereby amended by
1637 inserting after the word "criteria", in line 45, the following words:- ; provided, however, that the
1638 Massachusetts historical commission shall ensure the award of tax credits pursuant to this section
1639 to allow a taxpayer that acquires a qualified historic structure to receive any tax credits for
1640 qualified rehabilitation expenditures previously awarded to the transferor of the qualified historic
1641 structure if: (A) the rehabilitation was not placed in service by the transferor; (B) no credit has
1642 been claimed by anyone other than the acquiring taxpayer as verified by the department of
1643 revenue to the commission; (C) the taxpayer completes the rehabilitation and obtains
1644 certification as provided in this section; and (D) the taxpayer conforms with all other

1645 requirements of this section; and provided further, that in the case of a multi-phase project, tax
1646 credits may be transferred for any phase that meets the criteria in subclauses (A) to (D),
1647 inclusive.

1648 SECTION 73. Section 38BB of said chapter 63, as so appearing, is hereby amended by
1649 striking out, in line 5, the figure “10” and inserting in place thereof the following figure:- 25.

1650 SECTION 74. Said section 38BB of said chapter 63, as so appearing, is hereby further
1651 amended further by striking out, in line 6, the words “substantial rehabilitation” and inserting in
1652 place thereof the following word:- project.

1653 SECTION 75. Said section 38BB of said chapter 63, as so appearing, is hereby further
1654 amended further by striking out, in line 17 and in lines 38 and 39, the word “rehabilitation” and
1655 inserting in place thereof, in each instance, the following word:- project.

1656 SECTION 76. Said section 38BB of said chapter 63, as so appearing, is hereby further
1657 amended by striking out, in lines 23 and 34, the figure “5” and inserting in place thereof, in each
1658 instance, the figure:- 10.

1659 SECTION 77. Section 38EE of said chapter 63, as so appearing, is hereby amended by
1660 striking out, in line 76, the words “as defined in section 3A” and inserting in place thereof the
1661 following words:- designated under section 3G.

1662 SECTION 78. The General Laws are hereby amended by inserting after chapter 110H the
1663 following chapter:-

1664 CHAPTER 110I

1665 FANTASY CONTESTS

1666 Section 1. For the purposes of this chapter, the following words shall have the following
1667 meanings:

1668 “Fantasy contest”, includes any fantasy or simulated game or contest, in which: (i) the
1669 value of all prizes and awards offered to winning participants are established and made known to
1670 the participants in advance of the contest; (ii) all winning outcomes reflect the relative
1671 knowledge and skill of the participants and shall be determined predominantly by accumulated
1672 statistical results of the performance of individuals, including athletes in the case of sports
1673 events; and (iii) no winning outcome is based on the score, point spread, or any performance or
1674 performances of any single actual team or combination of such teams or solely on any single
1675 performance of an individual athlete or player in any single actual event.

1676 “Fantasy contest operator”, a person or entity that offers fantasy contests for a cash prize
1677 to members of the public.

1678 Section 2. A fantasy contest operator may offer a fantasy contest to residents of the
1679 commonwealth pursuant to and in accordance with regulations promulgated by the attorney
1680 general.

1681 Section 3. The provisions of sections 24, 24A and 27 of chapter 10 or chapter 271 shall
1682 not apply to a fantasy contest operator conducting a fantasy contest.

1683 SECTION 79. Section 12 of chapter 138 of the General Laws, as appearing in the 2014
1684 Official Edition, is hereby amended by striking out the second paragraph.

1685 SECTION 80. Section 15 of said chapter 138, as so appearing, is hereby further amended
1686 by striking out, in line 97, the words “or connected therewith” and inserting in place thereof the

1687 following words:- ; provided, however, that a common victualler duly licensed to operate a
1688 restaurant under chapter 140 and holding a license under section 12 may be connected to a
1689 premises licensed under this section, provided that at least 50 per cent of the revenue generated
1690 at the premise licensed under this section is derived from the sale of grocery items as defined in
1691 section 184B of chapter 94; and provided further that the connection between, and design of, the
1692 2 locations so licensed, including interior connections, which shall be allowed, clearly delineates
1693 the 2 premises in such a way as to make the boundaries of each licensed premises clearly
1694 separate and identifiable to customers, liquor distributors and regulatory authorities, and enables
1695 the respective licensees to maintain control of the licensed area, egress, and the sale, storage and
1696 service of alcoholic beverages, and otherwise in conformity with this chapter.

1697 SECTION 81. Section 17 of said chapter 138, as so appearing, is hereby amended by
1698 striking, in lines 291 through 293, the following:- Unless expressly authorized by this chapter,
1699 local licensing authorities shall not grant licenses to any person, firm or corporation under more
1700 than one section of this chapter.

1701 SECTION 82. Said section 17 of said chapter 138, as so appearing, is hereby further
1702 amended by striking out, in lines 316 and 319, the figure “12,”.

1703 SECTION 83. Section 19B of said chapter 138 is hereby amended by striking out, in
1704 lines 108 and 109, as so appearing, the words “section twelve of this chapter” and inserting in
1705 place thereof the following words:- this section.

1706 SECTION 84. Said section 19B of said chapter 138 is hereby further amended by
1707 striking out subsection (n), as so appearing, and inserting in place thereof the following
1708 subsection:-

1709 (n) Notwithstanding section 17, a local licensing authority, subject to the approval of the
1710 commission, may grant a license to sell wine for consumption on the premises at any location it
1711 deems reasonable and proper, and approves in writing, on the grounds of a farmer–winery
1712 licensed under this section and on the grounds of the vineyards operated as appurtenant and
1713 contiguous to, and in conjunction with, such farmer-winery; provided, however, that such
1714 licensees may sell for on-premises consumption only wines produced by the winery or produced
1715 for the winery and sold under the winery brand name. All the procedures under section 15A
1716 shall apply to the granting of a license under this subsection.

1717 SECTION 85. Section 19C of said chapter 138, as so appearing, is hereby amended by
1718 striking out subsection (n) and inserting in place thereof the following subsection:-

1719 (n) Notwithstanding section 17, a local licensing authority, subject to the approval of the
1720 commission, may grant a license to sell malt beverages for consumption on the premises at any
1721 location it deems reasonable and proper, and approves in writing, on the grounds of a
1722 farmer–brewery licensed under this section and on the grounds of the farm operated as
1723 appurtenant and contiguous to, and in conjunction with, such farmer-brewery; provided,
1724 however, that such licensees may sell for on-premises consumption only malt beverages
1725 produced by the brewery or produced for the brewery and sold under the brewery brand name.
1726 All the procedures under section 15A shall apply to the granting of a license under this
1727 subsection.

1728 SECTION 86. Section 19E of said chapter 138, as so appearing, is hereby amended by
1729 striking out subsection (o) and inserting in place thereof the following subsection :-

1730 (o) Notwithstanding section 17, a local licensing authority, subject to the approval of the
1731 commission, may grant a license to sell distilled spirits for consumption on the premises at any
1732 location it deems reasonable and proper, and approves in writing, on the grounds of a
1733 farmer–distillery licensed under this section and on the grounds of the farm operated as
1734 appurtenant and contiguous to, and in conjunction with, such farmer-distillery; provided,
1735 however, that such licensees may sell for on-premises consumption only distilled spirits
1736 produced by the distillery or produced for the distillery and sold under the distillery brand name.
1737 All the procedures under section 15A shall apply to the granting of a license under this
1738 subsection.

1739 SECTION 87. Said chapter 138 is hereby further amended by inserting after section 19F
1740 the following section:-

1741 Section 19G. Notwithstanding section 17, a local licensing authority, subject to the
1742 approval of the commission, may grant a license under this section to any person that holds any
1743 combination of a farmer-winery under section 19B, a farmer-brewery under section 19C, and a
1744 farmer-distillery under section 19E, may be granted a license under this section to sell for on-
1745 premises consumption any alcoholic beverages produced by its section 19B, section 19C, and
1746 section 19E licenses, or produced for the section 19B, section 19C, and section 19E licensee and
1747 sold under the licensee’s brand name, on any of its premises licensed under section 19B, section
1748 19C, and section 19E, and on the grounds of the farm operated as appurtenant and contiguous to,
1749 and in conjunction with, such premises provided, however, that these premises are operated
1750 appurtenant and contiguous to each other.

1751 SECTION 88. Section 33 of said chapter 138 as appearing in the 2014 Official Edition, is
1752 hereby amended by striking out, in lines 14 and 15, lines 17 and 18, lines 24 and 25, and in lines
1753 27 and 28, the words “or on the day following when Christmas occurs on a Sunday”.

1754 SECTION 89. Section 141 of chapter 175 of the General Laws, as so appearing, is hereby
1755 amended by striking out, in line 4, the word “twelve” and inserting in place thereof the
1756 following figure:- 20.

1757 SECTION 90. Subsection (a) of section 162M of said chapter 175 , as so appearing, is
1758 hereby amended by inserting after paragraph (7) the following paragraph :-

1759 (7 1/2) Travel, limited line travel insurance, as that term is defined in section 162Z.

1760 SECTION 91. Said chapter 175 is hereby further amended by inserting after section
1761 162Y the following section:-

1762 Section 162Z. (a) As used in this section, the following words shall, unless the context
1763 clearly requires otherwise, have the following meanings:-

1764 “Designated responsible producer” or “DRP”, a person responsible for the limited lines
1765 travel insurance producer’s compliance with the travel insurance laws, rules and regulations of
1766 the state.

1767 “Limited lines travel insurance producer”, a: (i) managing general underwriter; (ii)
1768 managing general agent or third party administrator; or (iii) licensed insurance producer,
1769 including a limited lines producer, designated by an insurer as the travel insurance supervising
1770 entity as set forth in subsection (g).

1771 “Offer and disseminate”, to provide general information, including a description of the
1772 coverage and price, as well as processing the application, collecting premiums, and performing
1773 other non-licensable activities permitted by the state.

1774 “Travel insurance”, insurance coverage for personal risks incident to planned travel,
1775 including but not limited to: (i) interruption or cancellation of trip or event; (ii) loss of baggage
1776 or personal effects; (iii) damages to accommodations or rental vehicles; or (iv) sickness,
1777 accident, disability or death occurring during travel. Travel insurance does not include major
1778 medical plans, which provide comprehensive medical protection for travelers with trips lasting 6
1779 months or longer, including for example, those working overseas as an expatriate or military
1780 personnel being deployed.

1781 “Travel retailer”, a business entity that makes, arranges or offers travel services and may
1782 offer and disseminate travel insurance as a service to its customers on behalf of and under the
1783 direction of a limited lines travel insurance producer.

1784 (b) (1) The commissioner may issue to an individual or business entity that has filed with
1785 the commissioner an application for such limited license in a form and manner prescribed by the
1786 commissioner, a limited lines travel insurance producer license, which authorizes the limited
1787 lines travel insurance producer to sell, solicit or negotiate travel insurance through a licensed
1788 insurer.

1789 (2) A travel retailer may offer and disseminate travel insurance under a limited lines
1790 travel insurance producer business entity license if the following conditions are met:

1791 (i) The limited lines travel insurance producer or travel retailer provides to purchasers of
1792 travel insurance:

1793 (A) a description of the material terms or the actual material terms of the insurance
1794 coverage;

1795 (B) a description of the process for filing a claim;

1796 (C) a description of the review or cancellation process for the travel insurance policy; and

1797 (D) the identity and contact information of the insurer and limited lines travel insurance
1798 producer.

1799 (ii) At the time of licensure, the limited lines travel insurance producer shall establish and
1800 maintain a register on a form prescribed by the commissioner of each travel retailer that offers
1801 travel insurance on the limited lines travel insurance producer's behalf. The register shall be
1802 maintained and updated annually by the limited lines travel insurance producer and shall include
1803 the name, address and contact information of the travel retailer and an officer or person who
1804 directs or controls the travel retailer's operations, and the travel retailer's federal tax
1805 identification number. The limited lines travel insurance producer shall submit such register to
1806 the division of insurance upon reasonable request. The limited lines travel insurance producer
1807 shall also certify that the travel retailer registered complies with 18 U.S.C. section 1033.

1808 (iii) The limited lines travel insurance producer has designated 1 of its employees who is
1809 a licensed individual producer as the DRP.

1810 (iv) The DRP, president, secretary, treasurer and any other officer or person who directs
1811 or controls the limited lines travel insurance producer's insurance operations shall comply with
1812 the fingerprinting requirements applicable to insurance producers in the resident state of the
1813 limited lines travel insurance producer.

1814 (v) The limited lines travel insurance producer has paid all applicable insurance producer
1815 licensing fees as set forth in applicable state law.

1816 (vi) The limited lines travel insurance producer requires each employee and authorized
1817 representative of the travel retailer, whose duties include offering and disseminating travel
1818 insurance, to receive a program of instruction or training, which may be subject to review by the
1819 commissioner. The training material shall, at a minimum, contain instructions on the types of
1820 insurance offered, ethical sales practices and required disclosures to prospective customers.

1821 (vii) Limited lines travel insurance producers, and those registered under its license, are
1822 exempt from the examination requirements under section 162K and the continuing education
1823 requirements under section 177E.

1824 (viii) The limited lines travel insurance producer or travel retailer provides its written
1825 consumer materials to department upon reasonable request.

1826 (c) Any travel retailer offering or disseminating travel insurance shall make available to
1827 prospective purchasers, brochures or other written materials that:

1828 (1) provide the identity and contact information of the insurer and the limited lines travel
1829 insurance producer;

1830 (2) explain that the purchase of travel insurance is not required in order to purchase any
1831 other product or service from the travel retailer; and

1832 (3) explain that an unlicensed travel retailer is permitted to provide general information
1833 about the insurance offered by the travel retailer, including a description of the coverage and
1834 price, but is not qualified or authorized to answer technical questions about the terms and

1835 conditions of the insurance offered by the travel retailer or to evaluate the adequacy of the
1836 customer's existing insurance coverage.

1837 (d) A travel retailer's employee or authorized representative who is not licensed as an
1838 insurance producer may not:

1839 (1) evaluate or interpret the technical terms, benefits, and conditions of the offered travel
1840 insurance coverage;

1841 (2) evaluate or provide advice concerning a prospective purchaser's existing insurance
1842 coverage; or

1843 (3) hold himself out as a licensed insurer, licensed producer, or insurance expert.

1844 (e) a travel retailer whose insurance-related activities, and those of its employees and
1845 authorized representatives, are limited to offering and disseminating travel insurance on behalf of
1846 and under the direction of a limited lines travel insurance producer, meeting the conditions stated
1847 in this section, is authorized to do so and receive related compensation, not in the form of
1848 commissions, upon registration by the limited lines travel insurance producer as described in
1849 subsection (b).

1850 (f) Travel insurance may be provided under an individual policy or under a group or
1851 master policy.

1852 (g) As the insurer designee, the limited lines travel insurance producer is responsible for
1853 the acts of the travel retailer and shall use reasonable means to ensure compliance by the travel
1854 retailer with this section.

1855 (h) The limited lines travel insurance producer and any travel retailer offering and
1856 disseminating travel insurance under the limited lines travel insurance producer license shall be
1857 subject to the: (i) laws regarding unfair methods of competition and unfair and deceptive acts and
1858 practices in the business of insurance; and (ii) the enforcement provisions applicable to insurance
1859 producers.

1860 SECTION 92. Section 1 of chapter 176J of the General Laws, as so appearing, is hereby
1861 amended by inserting after the words “separate insurance policy”, in lines 200 and 201, the
1862 following words:- ;travel insurance.

1863 SECTION 93. The definition of “Health benefit plan” in said section 1 of said chapter
1864 176J, as so appearing, is hereby amended by inserting after the third sentence the following 2
1865 sentences:- Travel insurance for the purpose of this chapter is insurance coverage for personal
1866 risks incident to planned travel, including but not limited to: (i) interruption or cancellation of
1867 trip or event; (ii) loss of baggage or personal effects; (iii) damages to accommodations or rental
1868 vehicles; or (iv) sickness, accident, disability or death occurring during travel, provided that the
1869 health benefits are not offered on a stand-alone basis and are incidental to other coverages. The
1870 term, “travel insurance” shall not include major medical plans, which provide comprehensive
1871 medical protection for travelers with trips lasting 6 months or longer, including for example,
1872 those working overseas as an ex-patriot or military personnel being deployed.

1873 SECTION 94. Subsection (c) of section 7 of chapter 293 of the acts of 2006, as
1874 amended by section 6 of chapter 129 of the acts of 2008, is hereby further amended by striking
1875 out clauses (ii), (iii) and (iv) and inserting in place thereof the following 2 clauses:-

1876 (ii) the secretary certifies that the developer has received commitments satisfactory to the
1877 department for financing sufficient, with equity or other amounts to be provided by the developer
1878 and other persons, to fund the costs of construction of the proposed economic development
1879 project exclusive of those public infrastructure improvements to be financed by the agency, and
1880 shall have obtained a blanket performance bond or other security satisfactory to the secretary and
1881 payable to the agency securing the developer's obligation to complete the construction of the
1882 public infrastructure improvements included in the economic development proposal in an
1883 amount equal to or greater than the outstanding principal amount of any bonds to be issued by
1884 the agency to finance costs of public infrastructure improvements; and (iii) the agency certifies
1885 that it has approved the proposal.

1886 SECTION 95. Subsection (d) of said section 7 of said chapter 293, as amended by
1887 section 87 of chapter 287 of the acts of 2014, is hereby further amended by striking out the
1888 words, "31 per cent" and inserting in place thereof the following words:- 50 per cent.

1889 SECTION 96. Subsection (e) of said section 7 of said chapter 293, as amended by
1890 section 88 of said chapter 287, is hereby further amended by striking out the second sentence.

1891 SECTION 97. Subsection (a) of section 8 of said chapter 293, as amended by section 8
1892 of chapter 129 of the acts of 2008, is hereby further amended by striking out clauses (iii), (iv)
1893 and (v) and inserting in place thereof the following 2 clauses:-

1894 (iii) the municipality shall provide local infrastructure development assistance to the
1895 commonwealth with respect to the economic development project to the extent and for such time
1896 as is provided in section 10; and (iv) the commonwealth shall provide infrastructure development
1897 assistance to the agency to pay the debt service due in each fiscal year on any bonds issued by

1898 the agency to finance the costs of public infrastructure improvements included in such economic
1899 development project, subject to reimbursement of all or a portion of such state infrastructure
1900 development assistance through the collection of infrastructure assessments as provided in
1901 section 9 of this act and from local infrastructure assistance provided by the municipality as
1902 provided in section 10.

1903 SECTION 98. Subsection (b) of section 11 of said chapter 293, as amended by sections
1904 13 and 14 of said chapter 129, is hereby further amended by striking out the following words:- “;
1905 provided, however, that notwithstanding any other general or special law to the contrary, a
1906 certified economic development project receiving financial assistance for public infrastructure
1907 improvements pursuant to this act shall not be eligible for: (i) designation as a TIF zone
1908 pursuant to section 59 of chapter 40 of the General Laws; provided, however, that a certified
1909 economic development project designated as a TIF zone pursuant to said section 59 of said
1910 chapter 40 prior to January 1, 2009 shall be eligible to receive financial assistance for public
1911 infrastructure improvements pursuant to this act; (ii) the tax credit described in section 38N of
1912 chapter 63 of the General Laws; (iii) a community development action grant pursuant to section
1913 57A of chapter 121B of the General Laws; (iv) a public works economic development program
1914 grant under clause (c) of the first paragraph of section 17 of chapter 732 of the acts of 1981; or
1915 (v) or any other economic assistance program as may be determined by the secretary or the
1916 commissioner. The ineligibility to participate in economic assistance programs as provided in
1917 clauses (i) to (v), inclusive, shall not apply to any tenant of a certified economic development
1918 project which is not an affiliate of the developer”.

1919 SECTION 99. Item 7100-1000 of section 2 of chapter 258 of the acts of 2008, as
1920 amended by section 66 of chapter 238 of the acts of 2012 is hereby further amended by striking
1921 out the figure “\$3” and inserting in place thereof the following figure:- \$1.

1922 SECTION 100. A controlling business or affiliate of a controlling business which has
1923 been awarded state tax credits under chapter 19 of the acts of 1993 or sections 3A to 3H,
1924 inclusive, of chapter 23A of the General Laws, and which intends to claim such credits on tax
1925 filings for tax years beginning on or after January 1, 2016 shall enter into an EDIP, as defined in
1926 section 3A of said chapter 23A, contract setting forth the amount of the credits awarded, the
1927 amount of credits claimed or carried over, and the job creation obligations of the controlling
1928 business. Any controlling business or affiliate of a controlling business that fails to enter into an
1929 EDIP contract in form and substance acceptable to the Massachusetts office of business
1930 development on or before December 31, 2016 shall forfeit such credits. For purposes of this
1931 section, the terms controlling business, and EDIP contract shall have the meanings ascribed to
1932 them in said section 3A of said chapter 23A.

1933 SECTION 101. (a) Any and all references in the General Laws to “economic target area”
1934 or “ETA” shall be deemed to mean an economic target area designated by the economic
1935 assistance coordinating council or EACC , established pursuant to section 3B of chapter 23A of
1936 the General Laws and in existence as of the effective date of this act, or an area designated by the
1937 EACC as an economic target area in accordance with section 3G of said chapter 23A .

1938 (b) As of the effective date of this act, all references in the General Laws to “economic
1939 opportunity area” or “EOA” shall be deemed to mean an economic opportunity area designated
1940 by the EACC and in existence as of the effective date of this act, or an area designated by the

1941 EACC as an economic opportunity area pursuant to said section 3G of said chapter 23A.
1942 Existing economic target areas and economic opportunity areas designated by the EACC prior to
1943 January 1, 2017 shall remain in effect until their scheduled termination date, if any.

1944 SECTION 102. Notwithstanding any general or special law to the contrary, sections 94
1945 to 98, inclusive shall not apply to economic development projects approved by the secretary of
1946 administration and finance pursuant to subsection (c) of section 7 of chapter 293 of the acts of
1947 2006 on or before January 1, 2017.

1948 SECTION 103. The Massachusetts Technology Park Corporation, established in section
1949 3 of chapter 40J of the General Laws and doing business as the Massachusetts Technology
1950 Collaborative, shall, subject to appropriation, create a cybersecurity and data analytics
1951 technology development and training center of excellence, in this section referred to as the
1952 center. The center shall convene interested public and private universities, governmental bodies
1953 and industry participants to share public and private data sets for the purposes of expanding the
1954 commonwealth's data analytics capabilities. The center may: (1) match public and private
1955 universities with industry participants to develop cybersecurity technology and expand data
1956 analytic capabilities; (2) provide a forum for sharing data sets for analysis; and (3) provide skills
1957 building and workforce training in cybersecurity and data analytics.

1958 The Massachusetts Technology Park Corporation shall file a report detailing the activities
1959 of the center on or before September 1, 2017 with the clerks of the house of representatives and
1960 the senate who shall forward the same to the house and senate committees on ways and means
1961 and the joint committee on economic development and emerging technologies.

1962 SECTION 104. Notwithstanding any general or special law to the contrary, to meet the
1963 expenditures necessary in carrying out section 2A, the state treasurer shall, upon receipt of a
1964 request by the governor, issue and sell bonds of the commonwealth in an amount to be specified
1965 by the governor from time to time but not exceeding, in the aggregate, \$756,068,000 . All bonds
1966 issued by the commonwealth, as aforesaid, shall be designated on their face, Commonwealth
1967 Economic Development Act of 2016, and shall be issued for a maximum term of years, not
1968 exceeding 30 years, as the governor may recommend to the general court pursuant to Section 3
1969 of Article LXII of the Amendments to the Constitution; provided, however, that all such bonds
1970 shall be payable not later than June 30, 2051. All interest and payments on account of principal
1971 on such obligations shall be payable from the General Fund. Bonds and interest thereon issued
1972 under the authority of this section shall, notwithstanding any other provision of this act, be
1973 general obligations of the commonwealth.

1974 SECTION 105. Notwithstanding any general or special law to the contrary, to meet the
1975 expenditures necessary in carrying out section 2B, the state treasurer shall, upon receipt of a
1976 request by the governor, issue and sell bonds of the commonwealth in an amount to be specified
1977 by the governor from time to time but not exceeding, in the aggregate, \$16,000,000. All bonds
1978 issued by the commonwealth, as aforesaid, shall be designated on their face, Commonwealth
1979 Economic Development Act of 2016, and shall be issued for a maximum term of years, not
1980 exceeding 30 years, as the governor may recommend to the general court pursuant to Section 3
1981 of Article LXII of the Amendments to the Constitution; provided, however, that all such bonds
1982 shall be payable not later than June 30, 2051. All interest and payments on account of principal
1983 on such obligations shall be payable from the General Fund. Bonds and interest thereon issued

1984 under the authority of this section shall, notwithstanding any other provision of this act, be
1985 general obligations of the commonwealth.

1986 SECTION 106. Notwithstanding any general or special law to the contrary, to meet the
1987 expenditures necessary in carrying out section 2C, the state treasurer shall, upon receipt of a
1988 request by the governor, issue and sell bonds of the commonwealth in an amount to be specified
1989 by the governor from time to time but not exceeding, in the aggregate, \$212,500,000. All bonds
1990 issued by the commonwealth, as aforesaid, shall be designated on their face, Commonwealth
1991 Economic Development Act of 2016, and shall be issued for a maximum term of years, not
1992 exceeding 30 years, as the governor may recommend to the general court pursuant to Section 3
1993 of Article LXII of the Amendments to the Constitution; provided, however, that all such bonds
1994 shall be payable not later than June 30, 2051. All interest and payments on account of principal
1995 on such obligations shall be payable from the General Fund. Bonds and interest thereon issued
1996 under the authority of this section shall, notwithstanding any other provision of this act, be
1997 general obligations of the commonwealth.

1998 SECTION 107. (a) There shall be a special commission to conduct a comprehensive,
1999 non-binding study relative to the regulation of fantasy contests in the commonwealth. The
2000 commission shall review all aspects of fantasy contests including, but not limited to, economic
2001 development, consumer protection, taxation, legal and regulatory structures, implications for
2002 existing gaming in the commonwealth, burdens and benefits to the commonwealth and any other
2003 factors the commission deems relevant. The special commission shall not include in its study a
2004 review of the state lottery or its ability to provide lottery products online or over the internet.

2005 (b) The commission shall consist of: 1 person who shall be appointed by the governor
2006 who shall have industry expertise in fantasy contests; 1 person who shall be appointed by the
2007 Massachusetts gaming commission; 1 person who shall be appointed by the attorney general who
2008 shall have expertise in fantasy contest consumer protection; 2 persons who shall be appointed by
2009 the president of the senate, 1 of whom shall be the senate chair of the joint committee on
2010 economic development and emerging technologies; 1 person who shall be appointed by the
2011 minority leader of the senate; 2 persons who shall be appointed by the speaker of the house of
2012 representatives, 1 of whom shall be the house chair of the joint committee on economic
2013 development and emerging technologies; and 1 person who shall be appointed by the minority
2014 leader of the house of representatives.

2015 (c) The commission shall convene its first meeting not later than October 1, 2016, and
2016 shall elect a chairperson. The commission shall submit its final report and its recommendations
2017 for legislation by filing the same with the clerks of the senate and the House of Representatives
2018 not later than March 1, 2017.

2019 SECTION 108. The deduction allowed pursuant to clause (19) of subsection (a) of part B
2020 of section 3 of chapter 62 of the General Laws shall apply for taxable years beginning on or after
2021 January 1, 2017 through the tax year beginning on January 1, 2021.

2022 SECTION 109. Sections 4 to 6, inclusive, 14 to 20, inclusive, 29, 30, 51 to 61, inclusive,
2023 63 to 77, inclusive, 94 to 98, inclusive, and 101 shall be effective for tax years beginning on or
2024 after January 1, 2017.

2025 SECTION 110. Sections 4 to 6, inclusive, 14 to 20, inclusive, 29, 30, 51 to 61, inclusive,
2026 63 to 77, inclusive, 94 to 98, inclusive, and 101 shall take effect on January 1, 2017.

2027 SECTION 111. Sections 21 to 26, inclusive, 33 to 53, inclusive, shall take effect on
2028 January 1, 2017.

2029 SECTION 112. Section 6 of Chapter 62 of the General Laws, as appearing in the 2008
2030 Official Edition, is further amended by adding the following subsection:

2031 (t) There shall be established a live theater tax credit program under which a live theater
2032 company doing business with a Massachusetts based theater venue, theater company, theater
2033 presenter or producer may be eligible. The credit may be claimed against the taxes due pursuant
2034 to this chapter or Chapter 63. The credit shall be established to support the expansion of pre-
2035 Broadway, pre off-Broadway live theater, Broadway tour launches and World Premieres and
2036 shall assist in the development of long run show development and growth.

2037 (1) As used in this section the following words shall, unless the context clearly requires
2038 otherwise, have the following meanings:

2039 “Commissioner” means the commissioner of revenue.

2040 “Company” means a live theater company, however organized.

2041 “Eligible theater production” means a live stage musical or theatrical production or tour
2042 being presented in a qualified production facility, as defined in this chapter that is either: (a) a
2043 Pre-Broadway production, or (b) a pre off-Broadway production, or (c) a Broadway Tour Launch
2044 or (d) a World Premiere.

2045 “Eligible theater production certificate” means a certificate issued by the Massachusetts
2046 Office of Travel and Tourism certifying that the production is an eligible theater production that
2047 meets the guidelines of this chapter.

2048 “Advertising and public relations expenditure” means costs incurred within the state by
2049 the Eligible theater productions for goods or services related to the marketing, public relations,
2050 creation and placement of print, electronic, television, billboards and other forms of advertising
2051 to promote the Eligible theater production.

2052 “Office” means the Massachusetts office of travel and tourism.

2053 "Payroll" means all salaries, wages, fees, and other compensation wages including, but
2054 not limited to, taxes, benefits, and any other consideration incurred or paid to talent and non-
2055 talent employees of the applicant who are residents of the commonwealth of Massachusetts for
2056 services rendered to and on behalf of an eligible theater production. The expenditure shall be
2057 incurred or paid by the applicant for services related to any portion of an eligible theater
2058 production from its pre-production stages, including, but not limited to, (a) the writing of the
2059 script, (b) casting, (c) hiring of service providers, (d) purchases from vendors, (e) marketing, (f)
2060 advertising, (g) public relations, (h) load in, (i) rehearsals, (j) performances, (k) other eligible
2061 theater production related activities, (l) load out; provided further, said labor expenditure shall be
2062 directly attributable to the eligible theater production and shall be limited to the first \$100,000 of
2063 wages incurred or paid to each employee of an eligible theater production in each tax year.

2064 “Pre-Broadway Production” means a live stage production that, in its original or adaptive
2065 version, is performed in a qualified production facility having a presentation scheduled for New
2066 York City’s Broadway theater district within (12) months after its Massachusetts presentation.

2067 “Pre-Off Broadway Production” means a live stage production that, in its original or
2068 adaptive version, is performed in a qualified production facility having a presentation scheduled

2069 for New York City’s Off-Broadway’s theater district within (12) months after its Massachusetts
2070 presentation.

2071 “Broadway Tour Launch” means a live stage production that, in its original or adaptive
2072 version, is performed in a qualified production facility that was originally presented in New York
2073 City’s Broadway theater district and opens its US tour in Massachusetts.

2074 “Production and Performance Expenditures” means a contemporaneous exchange of cash
2075 or cash equivalent for goods or services related to development, production, performance or
2076 operating expenditures incurred in this state for a qualified theater production including, but not
2077 limited to, expenditures for design, construction and operation, including sets, special and visual
2078 effects, costumes, wardrobes, make-up, accessories, costs associated with sound, lighting,
2079 staging, payroll, transportation expenditures, advertising and public relations expenditures,
2080 facility expenses, rentals, per diems, accommodations and other related costs.

2081 “Qualified Production Facility” means a facility located in the State of Massachusetts in
2082 which live theatrical productions are, or are intended to be, exclusively presented that contains at
2083 least one stage, a seating capacity of three hundred fifty (350) or more seats, and dressing rooms,
2084 storage areas, and other ancillary amenities necessary for the Eligible theater production.

2085 “Massachusetts Office of Travel and Tourism” means the office within the secretariat of
2086 economic development that has been established in order to market Massachusetts as a leisure
2087 travel destination in order to generate state and local tax revenues, create jobs, and support
2088 travel-related businesses.

2089 “Transportation expenditures” means expenditures for the packaging, crating, and
2090 transportation both to the state for use in a qualified theater production of sets, costumes, or other

2091 tangible property constructed or manufactured out of state, and/or from the state after use in a
2092 qualified theater production of sets, costumes, or other tangible property constructed or
2093 manufactured in this state and the transportation of the cast and crew to and from the state. Such
2094 term shall include the packaging, crating, and transporting of property and equipment used for
2095 special and visual effects, sound, lighting, and staging, costumes, wardrobes, make-up and
2096 related accessories and materials, as well as any other performance or production-related
2097 property and equipment.

2098 “World Premiere” means a live stage production performed in a qualified production
2099 facility of an original work which has never been commercially presented in public before.

2100 (2) Any person, firm, partnership, trust, estate or other entity that receives an eligible
2101 theater production certificate shall be allowed a tax credit equal to thirty-five percent (35%) of
2102 production and performance expenditures which shall consist of payroll and twenty –five percent
2103 (25%) of the production and performance expenditures and transportation expenditures for the
2104 eligible theater production and to be computed as provided in this chapter against a tax imposed
2105 by this chapter. Said credit shall not exceed five million dollars (\$5,000,000) and shall be limited
2106 to certified production cost directly attributable to activities in the state and transportation
2107 expenditures defined above. The total production budget shall be a minimum of one hundred
2108 thousand dollars (\$100,000).

2109 (3) No more than five million dollars (\$5,000,000) in total may be issued for any tax year
2110 for musical and theatrical production tax credits pursuant to this chapter.

2111 (4) The tax credit shall be allowed against the tax for the taxable period in which the
2112 credit is earned and can be carried forward for not more than five (5) succeeding tax years.

2113 (5) Credits allowed to a company, which is a subchapter S corporation, partnership, or a
2114 limited liability company that is taxed as a partnership, shall be passed through respectively to
2115 persons designated as partners, members or owners of such companies on a pro rata basis or
2116 pursuant to an executed agreement among such persons designated as subchapter S corporation
2117 shareholders, partners, or members documenting an alternate distribution method without regard
2118 to their sharing of other tax or economic attributes of such entity.

2119 (6) If the company has not claimed the tax credits in whole or part, taxpayers eligible for
2120 the tax credits may assign, transfer or convey the tax credits, in whole or in part, by sale or
2121 otherwise to any individual or entity and such assignee of the tax credits that have not claimed
2122 the tax credits in whole or part may assign, transfer or convey the tax credits, in whole or in part,
2123 by sale or otherwise to any individual or entity. The assignee of the tax credits may use acquired
2124 credits to offset up to one hundred percent (100%) of the tax liabilities otherwise imposed
2125 pursuant to this chapter or Chapter 63, as appropriate. The assignee may apply the tax credit
2126 against taxes imposed on the assignee for not more than three (3) succeeding tax years. The
2127 assignor shall perfect the transfer by notifying the commissioner of revenue, in writing, within
2128 thirty (30) calendar days following the effective date of the transfer and shall provide any
2129 information as may be required by the commissioner to administer and carry out the provisions
2130 of this section.

2131 (7) For purposes of this chapter, any assignment or sales proceeds received by the
2132 assignor for its assignment or sale of the tax credits allowed pursuant to this section and Section
2133 38GG of Chapter 63 shall be exempt from this title.

2134 (8) In the case of a corporation, this credit is only allowed against the tax of a corporation
2135 included in a consolidated return that qualifies for the credit and not against the tax of other
2136 corporations that may join in the filing of a consolidated tax return, provided, however, that in
2137 the case of a corporation that files a consolidated return with one or more other corporations with
2138 operations in Massachusetts, the credit will be allowed to be included in a consolidated return
2139 with respect to such corporations with operations in Massachusetts only.

2140 (9) The applicant or applicants shall properly prepare, sign and submit to the
2141 Massachusetts office of travel and tourism an application for initial certification of the theater
2142 production. The application shall include such information and data as the office deems
2143 reasonably necessary for the proper evaluation and administration of said application, including,
2144 but not limited to, any information about the theater production company or their related
2145 partners/presenters and a specific Massachusetts live theater or musical production. The office
2146 shall review the completed applications and determine whether it meets the requisite criteria and
2147 qualifications for the initial certification for the production and/or presentation. If the initial
2148 certification is granted, the office shall issue a notice of initial certification of the eligible theater
2149 production and/or presentation to the theater production company, co-producer or presenter and
2150 to the commissioner. The notice shall state that, after appropriate review, the initial application
2151 meets the appropriate criteria for conditional eligibility. The notice of initial certification will
2152 provide a unique identification number for the production/presentation and is only a statement of
2153 conditional eligibility for the production/presentation and, as such, does not grant or convey any
2154 Massachusetts tax benefits.

2155 (10) Upon completion of an eligible theater production, the applicant or applicants shall
2156 properly prepare, sign and submit to the office an application for final certification of the eligible

2157 theater production. The final application shall also contain a cost report and an “accountant’s
2158 certification.” The office and commissioner may rely without independent investigation, upon
2159 the accountant’s certification, in the form of an opinion, confirming the accuracy of the
2160 information included in the cost report. Upon review of a duly completed and filed application
2161 and upon no later than thirty (30) days of submission thereof, the commissioner will make a
2162 determination pertaining to the final certification of the eligible theater production and the
2163 resultant tax credits.

2164 (11) Upon completion of an eligible theater production, the applicant or applicants shall
2165 deposit an amount equal to 15% of the tax credits received pursuant to this chapter into the
2166 Massachusetts Cultural Council Facilities Fund. The Massachusetts Cultural Council shall use
2167 these funds to address issues related to the workforce development and sustainability of the
2168 Massachusetts live theater industry.

2169 (12) Upon determination that the company qualifies for final certification and the
2170 resultant tax credits, the commissioner shall issue to the company: (1) an eligible theater
2171 production certificate; and (2) a tax credit certificate in an amount in accordance with this section
2172 (b) hereof. A musical and theatrical production company is prohibited from using state funds,
2173 state loans or state guaranteed loans to qualify for the live theater infrastructure tax credit. All
2174 documents that are issued by the office pursuant to this section shall reference the identification
2175 number that was issued to the production as part of its initial certification.

2176 (13) The Massachusetts office of travel and tourism, in consultation as needed with the
2177 commissioner of revenue, shall promulgate such rules and regulations as are necessary to carry

2178 out the intent and purposes of this chapter in accordance with the general guidelines provided
2179 herein for the certification of the production and the resultant production credit.

2180 (14) If information comes to the attention of the Massachusetts Office of Travel and
2181 Tourism that is materially inconsistent with representations made in an application, the office
2182 may deny the requested certification. In the event that tax credits or a portion of tax credits are
2183 subject to recapture for ineligible costs and such tax credits have been transferred, assigned
2184 and/or allocated, the state will pursue its recapture remedies and rights against the applicant of
2185 the theater production tax credits. No redress shall be sought against assignees, sellers,
2186 transferees or allocates of such credits.

2187 (15) No credits shall be issued on or after January 1, 2022 unless the production has
2188 received initial certification under this section prior to January 1, 2022.

2189 SECTION 112A. Chapter 63 of the General Laws, as appearing in the 2008 Official
2190 Edition, is further amended by adding the following section:

2191 Section 38GG. There shall be established a live theater tax credit program under which a
2192 live theater company doing business with a Massachusetts based theater venue, theater company,
2193 theater presenter or producer may be eligible. The credit may be claimed against the taxes due
2194 pursuant to this chapter or Chapter 62. The credit shall be established to support the expansion of
2195 pre-Broadway, pre off-Broadway live theater, Broadway tour launches and World Premieres and
2196 shall assist in the development of long run show development and growth.

2197 (a) As used in this section the following words shall, unless the context clearly requires
2198 otherwise, have the following meanings:

2199 “Commissioner” means the commissioner of revenue.

2200 “Company” means a live theater company, however organized.

2201 “Eligible theater production” means a live stage musical or theatrical production or tour
2202 being presented in a qualified production facility, as defined in this chapter that is either: (a) a
2203 Pre-Broadway production, or (b) a pre off-Broadway production, or (c) a Broadway Tour Launch
2204 or (d) a World Premiere.

2205 “Eligible theater production certificate” means a certificate issued by the Massachusetts
2206 Office of Travel and Tourism certifying that the production is an eligible theater production that
2207 meets the guidelines of this chapter.

2208 “Advertising and public relations expenditure” means costs incurred within the state by
2209 the Eligible theater productions for goods or services related to the marketing, public relations,
2210 creation and placement of print, electronic, television, billboards and other forms of advertising
2211 to promote the Eligible theater production.

2212 “Office” means the Massachusetts office of travel and tourism.

2213 "Payroll" means all salaries, wages, fees, and other compensation wages including, but
2214 not limited to, taxes, benefits, and any other consideration incurred or paid to talent and non-
2215 talent employees of the applicant who are residents of the commonwealth of Massachusetts for
2216 services rendered to and on behalf of an eligible theater production. The expenditure shall be
2217 incurred or paid by the applicant for services related to any portion of an eligible theater
2218 production from its pre-production stages, including, but not limited to, (a) the writing of the
2219 script, (b) casting, (c) hiring of service providers, (d) purchases from vendors, (e) marketing, (f)

2220 advertising, (g) public relations, (h) load in, (i) rehearsals, (j) performances, (k) other eligible
2221 theater production related activities, (l) load out; provided further, said labor expenditure shall be
2222 directly attributable to the eligible theater production and shall be limited to the first \$100,000 of
2223 wages incurred or paid to each employee of an eligible theater production in each tax year.

2224 “Pre-Broadway Production” means a live stage production that, in its original or adaptive
2225 version, is performed in a qualified production facility having a presentation scheduled for New
2226 York City’s Broadway theater district within (12) months after its Massachusetts presentation.

2227 “Pre-Off Broadway Production” means a live stage production that, in its original or
2228 adaptive version, is performed in a qualified production facility having a presentation scheduled
2229 for New York City’s Off-Broadway’s theater district within (12) months after its Massachusetts
2230 presentation.

2231 “Broadway Tour Launch” means a live stage production that, in its original or adaptive
2232 version, is performed in a qualified production facility that was originally presented in New York
2233 City’s Broadway theater district and opens its US tour in Massachusetts.

2234 “Production and Performance Expenditures” means a contemporaneous exchange of cash
2235 or cash equivalent for goods or services related to development, production, performance or
2236 operating expenditures incurred in this state for a qualified theater production including, but not
2237 limited to, expenditures for design, construction and operation, including sets, special and visual
2238 effects, costumes, wardrobes, make-up, accessories, costs associated with sound, lighting,
2239 staging, payroll, transportation expenditures, advertising and public relations expenditures,
2240 facility expenses, rentals, per diems, accommodations and other related costs.

2241 “Qualified Production Facility” means a facility located in the State of Massachusetts in
2242 which live theatrical productions are, or are intended to be, exclusively presented that contains at
2243 least one stage, a seating capacity of three hundred fifty (350) or more seats, and dressing rooms,
2244 storage areas, and other ancillary amenities necessary for the Eligible theater production.

2245 “Massachusetts Office of Travel and Tourism” means the office within the secretariat of
2246 economic development that has been established in order to market Massachusetts as a leisure
2247 travel destination in order to generate state and local tax revenues, create jobs, and support
2248 travel-related businesses.

2249 “Transportation expenditures” means expenditures for the packaging, crating, and
2250 transportation both to the state for use in a qualified theater production of sets, costumes, or other
2251 tangible property constructed or manufactured out of state, and/or from the state after use in a
2252 qualified theater production of sets, costumes, or other tangible property constructed or
2253 manufactured in this state and the transportation of the cast and crew to and from the state. Such
2254 term shall include the packaging, crating, and transporting of property and equipment used for
2255 special and visual effects, sound, lighting, and staging, costumes, wardrobes, make-up and
2256 related accessories and materials, as well as any other performance or production-related
2257 property and equipment.

2258 “World Premiere” means a live stage production performed in a qualified production
2259 facility of an original work which has never been commercially presented in public before.

2260 (b) Any person, firm, partnership, trust, estate or other entity that receives an eligible
2261 theater production certificate shall be allowed a tax credit equal to thirty-five percent (35%) of
2262 production and performance expenditures which shall consist of payroll and twenty –five percent

2263 (25%) of the production and performance expenditures and transportation expenditures for the
2264 eligible theater production and to be computed as provided in this chapter against a tax imposed
2265 by this chapter. Said credit shall not exceed five million dollars (\$5,000,000) and shall be limited
2266 to certified production cost directly attributable to activities in the state and transportation
2267 expenditures defined above. The total production budget shall be a minimum of one hundred
2268 thousand dollars (\$100,000).

2269 (c) No more than five million dollars (\$5,000,000) in total may be issued for any tax year
2270 for musical and theatrical production tax credits pursuant to this chapter or chapter 62.

2271 (d) The tax credit shall be allowed against the tax for the taxable period in which the
2272 credit is earned and can be carried forward for not more than five (5) succeeding tax years.

2273 (e) If the company has not claimed the tax credits in whole or part, taxpayers eligible for
2274 the tax credits may assign, transfer or convey the tax credits, in whole or in part, by sale or
2275 otherwise to any individual or entity and such assignee of the tax credits that have not claimed
2276 the tax credits in whole or part may assign, transfer or convey the tax credits, in whole or in part,
2277 by sale or otherwise to any individual or entity. The assignee of the tax credits may use acquired
2278 credits to offset up to one hundred percent (100%) of the tax liabilities otherwise imposed
2279 pursuant to this chapter or Chapter 62, as appropriate. The assignee may apply the tax credit
2280 against taxes imposed on the assignee for not more than three (3) succeeding tax years. The
2281 assignor shall perfect the transfer by notifying the commissioner of revenue, in writing, within
2282 thirty (30) calendar days following the effective date of the transfer and shall provide any
2283 information as may be required by the commissioner to administer and carry out the provisions
2284 of this section.

2285 (f) For purposes of this chapter, any assignment or sales proceeds received by the
2286 assignor for its assignment or sale of the tax credits allowed pursuant to this section and
2287 subsection (t) of section 6 of Chapter 62 shall be exempt from this title.

2288 (g) In the case of a corporation, this credit is only allowed against the tax of a corporation
2289 included in a consolidated return that qualifies for the credit and not against the tax of other
2290 corporations that may join in the filing of a consolidated tax return, provided, however, that in
2291 the case of a corporation that files a consolidated return with one or more other corporations with
2292 operations in Massachusetts, the credit will be allowed to be included in a consolidated return
2293 with respect to such corporations with operations in Massachusetts only.

2294 (h) The applicant or applicants shall properly prepare, sign and submit to the
2295 Massachusetts office of travel and tourism an application for initial certification of the theater
2296 production. The application shall include such information and data as the office deems
2297 reasonably necessary for the proper evaluation and administration of said application, including,
2298 but not limited to, any information about the theater production company or their related
2299 partners/presenters and a specific Massachusetts live theater or musical production. The office
2300 shall review the completed applications and determine whether it meets the requisite criteria and
2301 qualifications for the initial certification for the production and/or presentation. If the initial
2302 certification is granted, the office shall issue a notice of initial certification of the eligible theater
2303 production and/or presentation to the theater production company, co-producer or presenter and
2304 to the commissioner. The notice shall state that, after appropriate review, the initial application
2305 meets the appropriate criteria for conditional eligibility. The notice of initial certification will
2306 provide a unique identification number for the production/presentation and is only a statement of

2307 conditional eligibility for the production/presentation and, as such, does not grant or convey any
2308 Massachusetts tax benefits.

2309 (i) Upon completion of an eligible theater production, the applicant or applicants shall
2310 properly prepare, sign and submit to the office an application for final certification of the eligible
2311 theater production. The final application shall also contain a cost report and an “accountant’s
2312 certification.” The office and commissioner may rely without independent investigation, upon
2313 the accountant’s certification, in the form of an opinion, confirming the accuracy of the
2314 information included in the cost report. Upon review of a duly completed and filed application
2315 and upon no later than thirty (30) days of submission thereof, the commissioner will make a
2316 determination pertaining to the final certification of the eligible theater production and the
2317 resultant tax credits.

2318 (j) Upon determination that the company qualifies for final certification and the resultant
2319 tax credits, the commissioner shall issue to the company: (1) an eligible theater production
2320 certificate; and (2) a tax credit certificate in an amount in accordance with this section (b) hereof.
2321 A musical and theatrical production company is prohibited from using state funds, state loans or
2322 state guaranteed loans to qualify for the live theater infrastructure tax credit. All documents that
2323 are issued by the office pursuant to this section shall reference the identification number that was
2324 issued to the production as part of its initial certification.

2325 (k) Upon completion of an eligible theater production, the applicant or applicants shall
2326 deposit an amount equal to 15% of the tax credits received pursuant to this chapter into the
2327 Massachusetts Cultural Council Facilities Fund. The Massachusetts Cultural Council shall use

2328 these funds to address issues related to the workforce development and sustainability of the
2329 Massachusetts live theater industry.

2330 (l) The Massachusetts office of travel and tourism, in consultation as needed with the
2331 commissioner of revenue, shall promulgate such rules and regulations as are necessary to carry
2332 out the intent and purposes of this chapter in accordance with the general guidelines provided
2333 herein for the certification of the production and the resultant production credit.

2334 (m) If information comes to the attention of the Massachusetts Office of Travel and
2335 Tourism that is materially inconsistent with representations made in an application, the office
2336 may deny the requested certification. In the event that tax credits or a portion of tax credits are
2337 subject to recapture for ineligible costs and such tax credits have been transferred, assigned
2338 and/or allocated, the state will pursue its recapture remedies and rights against the applicant of
2339 the theater production tax credits. No redress shall be sought against assignees, sellers,
2340 transferees or allocates of such credits.

2341 (n) No credits shall be issued on or after January 1, 2022 unless the production has
2342 received initial certification under this section prior to January 1, 2022.

2343 SECTION 113. Chapter 301 of the acts of 1998, as amended by section 37 of chapter
2344 303 of the acts of 2008, and as further amended by chapter 291 of the acts of 2014, is hereby
2345 further amended by striking out, in subsection (c) of section 19, the last sentence and inserting in
2346 place thereof the following 5 sentences:-

2347 The preceding three sentences of this section 19(c) shall not apply to any portion of the
2348 parkway. Ownership of any completed portion of the parkway, together with ownership of any
2349 associated and completed infrastructure including but not limited to public utilities and sewer

2350 and storm drain lines located within or adjacent to said portion, shall be transferred to the
2351 applicable town, or to the authority, no later than the later of thirty days following the date on
2352 which said portion of the parkway is completed or October 1, 2016, as applicable. Prior to the
2353 date on which any portion of the parkway is completed and until such date that ownership of said
2354 portion is transferred in accordance with the provisions of this section 19(c), said portion shall
2355 remain subject to the master developer’s control. On or after the date on which any portion of
2356 the parkway is completed and ownership of said portion is transferred in accordance with the
2357 provisions of this Section 19(c), any applicable town, or the authority, may enter into a contract
2358 with a governmental person, a nonprofit person or a private person for the operation and
2359 maintenance of said portion, together with operation and maintenance of associated
2360 infrastructure including but not limited to public utilities and sewer and storm drain lines located
2361 within or adjacent to said portion. For purposes of this section 19(c), (i) except for that portion
2362 of the parkway constituting “Parkway-Phase 1” as defined in Article I of the Parkway financing
2363 MOA, any portion of the parkway shall be deemed completed on the date on which said portion
2364 is open and available for public use, and (ii) that portion of the parkway constituting “Parkway-
2365 Phase 1” as defined in Article I of the Parkway financing MOA shall be deemed to have been
2366 completed no later than August 19, 2013.

2367 SECTION 114. Section 44 of chapter 303 of the acts of 2008 is hereby amended by
2368 inserting, after the figure “\$43,000,000,” the following words:- excluding bonds issued to
2369 refinance bonds previously issued under this section 44.

2370 SECTION 115. Subsection (c) of section 233 of chapter 165 of the acts of 2014, as
2371 amended by section 30 of chapter 119 of the acts of 2015, is hereby amended by striking out in
2372 said subsection (c) “December 31, 2016” and inserting in place thereof “June 30, 2017”.

2373 SECTION 116. The General Laws, as appearing in the 2014 Official Edition, are hereby
2374 amended by adding the following new chapter:-

2375 Chapter 40X. Supplemental Infrastructure Financing for Transportation.

2376 Section 1. As used in this chapter, the following words shall, unless the context clearly
2377 requires otherwise, have the following meanings:-

2378 “Authority”, the Massachusetts Bay Transportation Authority, and/or a Regional Transit
2379 Authority.

2380 “Base date”, the last assessment date of the real property tax immediately preceding the
2381 creation of the SIFT district, or any other assessment date designated as the base date in a SIFT
2382 agreement.

2383 “Department”, the Massachusetts Department of Transportation.

2384 “Financial plan”, a statement of the costs and sources of revenue required to complete
2385 construction of the transportation project, which shall include: (1) cost estimates; (2) the
2386 projected amount of indebtedness to be incurred by the municipality, the department and/or the
2387 authority; and (3) any other sources of anticipated capital, including but not limited to any
2388 federal funding.

2389 “Original assessed value”, the aggregate assessed value of all properties within the SIFT
2390 district as of the base date.

2391 “Secretary”, the secretary of the Massachusetts Department of Transportation.

2392 “SIFT agreement”, an agreement entered into by the secretary and a municipality and
2393 approved by the municipality in accordance with section 2 authorizing a municipality to collect
2394 and remit tax increment revenue in accordance with this chapter and which shall include without
2395 limitation: (1) a detailed description of the transportation project to be financed in whole or in
2396 part by the SIFT agreement, including a financial plan for such project; (2) the boundaries of the
2397 SIFT district, including a depiction of the SIFT district on a map of the municipality and a listing
2398 of the street addresses and lot numbers of all lots within the SIFT district; (3) estimates of the
2399 amount of tax increment revenue to be remitted during the term of the SIFT agreement; (4) the
2400 method of calculating the percentage of the tax increment to be remitted together with any
2401 provisions for adjustment of the method of calculation; (5) the board or officer of the city or
2402 town responsible for calculating the tax increment; (6) any tax increment pledged or otherwise
2403 subject to chapter 40Q or section 59 of chapter 40; (7) a statement of the estimated impact of tax
2404 increment financing on all taxing jurisdictions in which the SIFT district is located; (8) the term
2405 of years of the SIFT agreement; (9) the base date; (10) the date, if any, following which the SIFT
2406 agreement must be re-approved by the city or town in accordance with section 2 if a notice to
2407 proceed has not been issued by the department or authority with respect to the transportation
2408 project; (11) anticipated or known gifts, grants, or private contributions; and (12) the department
2409 and/or authority fund to which the tax increment revenue shall be remitted.

2410 “SIFT district”, a specified area within the corporate limits of a city or town as set forth
2411 in the SIFT agreement.

2412 “Tax increment”, all annual increases in the municipality’s limit on total taxes assessed
2413 under section 21C(f) of chapter 59 that are attributable to parcels within the district for fiscal
2414 years with an assessment date later than the base date. The tax increment shall also include the

2415 part of increases in the limit on total taxes assessed allowed under subsection (f) of section 21C
2416 of chapter 59 that are attributable to such increases under said subsection in prior years that were
2417 part of the increment in such prior years. In any year in which the limit on total taxes assessed
2418 under section 21C is lower than the prior year's limit on total taxes assessed, the tax increment
2419 shall be reduced in the same proportion as the limit on total taxes assessed.

2420 "Transportation project", any construction project, or any component thereof, undertaken
2421 by the authority and/or department, including without limitation construction, reconstruction,
2422 repair or enhancement of ways or bridges, on- or off-ramps, bikeways or multi-use paths, transit
2423 stations, passenger facilities, and rail projects and extensions.

2424 Section 2. (a) The secretary and any municipality may enter into a SIFT agreement;
2425 provided, that no municipality may enter into or implement a SIFT agreement unless and until
2426 the SIFT agreement has been approved by the municipality in accordance with this section.

2427 (b) Notwithstanding any general or special law or regulation to the contrary, not less than
2428 30 days prior to any vote required under subsection (c), a municipality shall hold a public
2429 hearing regarding the SIFT agreement or amendment thereto and shall provide the public with an
2430 opportunity to submit written comments. The municipality shall create a written record of the
2431 public hearing, which shall include a description of the testimony offered by persons at such
2432 hearing. Not less than 14 days prior to the hearing: (i) public notice of the hearing shall be
2433 published in one or more local newspapers of general circulation and shall be posted in the
2434 municipality's main governmental building and on the municipality's web site; and (ii) the SIFT
2435 agreement or amendment shall be made available by the municipality for inspection and copying.

2436 (c) Notwithstanding any general or special law or regulation to the contrary, a city or
2437 town shall approve the SIFT agreement by vote of its town meeting, town council or city council,
2438 with the approval of the mayor where required by law; provided, that the term of years, any
2439 provision related to calculation of the tax increment, or the boundaries of a SIFT district may
2440 only be amended, following approval by the secretary, after meeting the requirements for
2441 adoption under this section.

2442 Section 3. (a) Within 60 days following approval of a SIFT agreement in accordance with
2443 section 2, the assessor of the city or town shall certify the original assessed value of the taxable
2444 property within the boundaries of the SIFT district. Each year after the approval of a SIFT
2445 agreement the assessor of the city or town shall certify the amount by which the assessed value
2446 has increased or decreased from the original value.

2447 (b) Following approval of a SIFT agreement in accordance with section 2, the city or
2448 town shall set aside and remit all tax increment revenues in accordance with the SIFT agreement.

2449 Section 4. The department shall promulgate rules and regulations necessary to implement
2450 this chapter, including, without limitation, rules and regulations establishing criteria for
2451 evaluating eligible transportation projects.

2452 Section 117. Section 225 of Chapter 112 of the General Laws, as appearing in the 2014
2453 Official Edition, is hereby amended by striking out, in fourth paragraph, the word “three” and
2454 replacing it with the following word:- “two”.

2455 SECTION 118. Said chapter 7 of the General Laws, as so appearing in the 2012 Official
2456 Edition, is hereby amended by inserting after Section 23B the following section:-

2457 Section 23B ½ Contracting diversity goals

2458 For the purposes of this chapter, it shall be the official goal of the Commonwealth to
2459 achieve minority business enterprise and women business enterprise contracting goals within
2460 state procurement that are reflective of the diverse racial, ethnic, and gender make-up of the
2461 Commonwealth's population.

2462 SECTION 119. Section 44A½ of said chapter 149, as so appearing, is hereby amended by
2463 inserting after the last paragraph the following paragraphs:-

2464 (d) It shall be the goal of the Commonwealth to achieve minority business enterprise and
2465 women business enterprise contracting goals and workforce participation goals on the totality of
2466 state-funded design and construction contracts that are reflective of the diverse racial, ethnic, and
2467 gender make-up of the Commonwealth's population.

2468 SECTION 120. Chapter 74 of the General Laws is hereby amended by inserting the
2469 following new section:-

2470 Section 57. The board of higher education shall establish and maintain, in cooperation
2471 with local public and vocational school authorities, post-secondary technical schools, and the
2472 boards of trustees of community colleges, a program to support training and education programs
2473 that address the workforce shortages of the advanced automotive and diesel technician industry
2474 in the commonwealth with the goal of training students, creating new jobs, retaining and
2475 upgrading existing jobs, and re-training existing workers to implement new technologies and to
2476 help meet the workforce and talent pipeline needs of employers, including, but not limited to, a
2477 person who has obtained a class 1 license pursuant to sections 58 and 59 of chapter 140 of the
2478 General Laws.

2479 There shall be established a grant program to implement the provisions of this section to
2480 which employers shall have access for the following purposes:

2481 (1) identify, support, or establish collaborative regional partnerships, including, but not
2482 limited to, employers, workforce development and education organizations, regional economic
2483 development organizations established under sections 3J and 3K of chapter 23A, and economic
2484 development officials in every region of the state where said class 1 licensees and related
2485 industries demonstrate demand for automotive and diesel repair technicians;

2486 (2) address critical workforce shortages in the automotive and diesel repair industry;

2487 (3) improve and increase employment opportunities in the automotive and diesel repair
2488 industry for low-income individuals, women, and minorities;

2489 (4) provide training and educational or career ladder services for currently employed or
2490 unemployed automotive and diesel repair workers who are seeking new positions or
2491 responsibilities within the automotive and diesel repair industry;

2492 (5) increase support for internship and apprentice training at facilities associated with said
2493 class 1 licensees;

2494 (6) boost industry-relevant instructor capacity for high school and postsecondary
2495 programs; and

2496 (7) direct support for succession planning, worker retention, and up-skilling strategies for
2497 older and incumbent workers.

2498 For the purposes of this grant program, eligible applicants shall include, but not be
2499 limited to, employers and employer associations; local workforce investment boards; institutions

2500 of higher education; kindergarten through grade 12 and vocational education institutions; private
2501 for-profit and non-profit organizations providing education and workforce training, one-stop
2502 career centers; local workforce development entities; and any partnership or collaboration
2503 between eligible applicants. Any funds allocated through such program shall complement and
2504 not replace existing local, state, private, or federal funding for training and educational programs.

2505 A grant proposal submitted pursuant to this section shall include, but not be limited to,
2506 the following:

2507 (1) a plan that defines specific goals for advanced automotive and diesel repair
2508 technology workforce training and educational improvements;

2509 (2) the evidence-based programs the applicant shall use to meet the goals;

2510 (3) a budget necessary to implement the plan, including a detailed description of any
2511 funding or in-kind contributions the applicant or applicants will be providing in support of the
2512 proposal;

2513 (4) any other private funding or private sector participation the applicant anticipates in
2514 support of the proposal; and

2515 (5) the proposed number of individuals who would be enrolled, complete training, and be
2516 placed into employment in the targeted industries.

2517 The board of higher education shall, in consultation with the executive office of housing
2518 and economic development, executive office of labor and workforce development, the
2519 department of education, and entities representing parties who are eligible to participate in the
2520 grant program, develop guidelines for an annual review of the progress being made by each

2521 grantee. Each grantee shall participate in any evaluation or accountability process implemented
2522 by or authorized by the commonwealth corporation. The board shall file annual reports for the
2523 duration of the programs with the chairs of the house and senate committee on ways and means,
2524 the chairs of the joint committee on labor and workforce development, and the chairs of the joint
2525 committee on economic development and emerging technologies, on or before January 1;
2526 provided further, the report shall include an overview of the activities of the programs, the
2527 number of participants in the programs, and the employment outcomes in the programs.

2528 SECTION 121. Section 6I of chapter 40J of the General Laws is hereby amended by
2529 striking out subsection (b) and inserting in place thereof the following subsection:-

2530 (b) There shall be a MassCAN advisory board to consist of 13 members to be appointed
2531 by the governor, including: 1 person recommended by the Massachusetts Competitive
2532 Partnership, Inc.; 1 person recommended by the Massachusetts Business Roundtable; 1 person
2533 recommended by the Massachusetts Technology Leadership Council, Inc.; 1 person
2534 recommended by a federally-funded research corporation; 1 person recommended by the chair of
2535 the computer science department of a public university; 1 person recommended by the
2536 Massachusetts Association of School Superintendents, Inc.; 1 person recommended by the
2537 Greater Boston chapter of the Computer Science Teachers Association; 1 person recommended
2538 by the METCO program; 1 person recommended by the Massachusetts Technology Leadership
2539 Council Education Foundation; 1 person recommended by The Partnership, Inc.; 1 person
2540 recommended by TechNet; 1 person recommended by the Society of Hispanic Professional
2541 Engineers; and 1 person recommended by the Massachusetts chapter of the Society of Women
2542 Engineers.

2543 SECTION 122. Section 22 (b) of Chapter 237 of the Acts of 2014 is hereby amended by
2544 adding the following word after the word Middleton:- “initially” and by adding the following
2545 phrase after the words Essex Sports Center, LLC:- “and any of its leasehold mortgagees.”

2546 SECTION 123. Section 22 (c) of Chapter 237 of the Acts of 2014 is hereby amended by
2547 striking out the following phrase:- “or if Essex Sports Center, LLC ceases to be the lessee at any
2548 time before the expiration of the lease,”

2549 SECTION 124. Section 3 of said chapter 40R, as so appearing, is amended by inserting
2550 after the figure “40A,” in line 9, the following:-

2551 ; provided, however, that a smart growth zoning district or starter home zoning district
2552 ordinance or by-law shall be adopted, amended or repealed by a simple majority vote of all the
2553 members of the town council, or of the city council where there is a commission form of
2554 government or a single branch, or of each branch where there are 2 branches, or by a simple
2555 majority vote of a town meeting.

2556 SECTION 125. There shall be a special commission to investigate the issue of college
2557 affordability. The commission shall examine and make recommendations on the contributing
2558 factors to rising tuition and fee costs at institutes of higher education in the commonwealth. For
2559 the purposes of this section, the term “institutes of higher education” shall include public and
2560 private institutes of higher education. The commission may hold public hearings.

2561 The commission’s investigation shall include, but not be limited to, the following areas:
2562 (i)employee expenditures including, but not limited to, employee issued credit cards and expense
2563 accounts; (ii) vacation and sick time policies for administrative employees; (iii) salaries, bonuses
2564 and stipends for administrative employees and professors including, but not limited to, tenured

2565 and non-tenured, associate and part-time professors and instructors who are members of
2566 collective bargaining units and who are considering joining collective bargaining units; (iv)
2567 professor class load; (v) the number of administrative positions at institutes of higher education
2568 and their descriptions; (vi) the cost and benefit of construction projects on campuses of institutes
2569 of higher education; (vii) endowments and annual profits of institutes of higher education; (viii)
2570 mandatory fees charged to students beyond the price of tuition charges, including technology and
2571 laboratory fees; (ix) the affordability of college textbooks including, but not limited to, the costs
2572 and benefits of open source textbooks; (x) ways for an institute of higher education to directly
2573 credit a student's account with funds to pay for books and supplies in accordance with 34 C.F.R.
2574 668.164(c)(2); (xi) the cost differences and composition of online credit hours versus on-campus
2575 credit hour; (xii) and other areas the commission deems appropriate to review and investigate.

2576 The commission shall consist of the following members: four persons appointed by the
2577 governor, one of whom shall serve as the chair, one of whom shall have expertise in finance and
2578 investment, two of whom shall be parents or guardians of current college students; one member
2579 of the senate to be appointed by the senate president; one member of the senate to be appointed
2580 by the senate minority leader; one member of the house to be appointed by the speaker; one
2581 member of the house to be appointed by the minority leader; a representative of the University of
2582 Massachusetts office of the president; a representative of the University of Massachusetts
2583 director of libraries; two members of the Student Advisory Council to the board of education; a
2584 representative from the Massachusetts Office of Financial Assistance; a representative from the
2585 Massachusetts Educational Financing Authority; a representative from the department of higher
2586 education; a member of the board of higher education; a representative of the Massachusetts
2587 State College Association; a representative of the Massachusetts Community Colleges Executive

2588 Office; a representative of Pioneer Institute; a member of the Massachusetts Society of Certified
2589 Public Accountants, Inc.; and a member of the Association of Independent Colleges and
2590 Universities in Massachusetts, Inc.

2591 SECTION 126. Section 13 of chapter 176J of the General Laws, as appearing in the 2014
2592 Official Edition, is hereby amended by adding the following subsection:

2593 (d) Notwithstanding this chapter or any other general or special law to the contrary,
2594 carriers may annually offer group purchasing cooperative members rewards or other incentives
2595 for participation in wellness programs sponsored by the cooperative. The amount of such
2596 rewards shall be determined by the carrier in coordination with the provider of the wellness
2597 program, based upon the promotion and participation of the cooperative and its members in
2598 sponsored wellness programs that include, among other things, health care education and the use
2599 of available transparency tools. Any reward established pursuant to this subsection shall be
2600 submitted to the commissioner for informational purposes prior to the payment of any such
2601 reward. The requirements to qualify for such reward shall be applied equally and consistently to
2602 all cooperative members, treating all similarly situated cooperative members that have qualified
2603 for the reward in the same manner.

2604 The Commissioner shall study the ability of cooperatives to use other incentives for
2605 wellness programs within the restrictions of state and federal rating rules and may also consider
2606 the use of an innovation waiver to pursue such flexibility.

2607 SECTION 127. Chapter 59 of the General Laws is hereby amended by inserting after
2608 section 2D the following section:-

2609 2E. Any charitable organization or educational institution otherwise exempt from the
2610 payment of property taxes pursuant to section 5 of chapter 59, or any nonprofit charitable
2611 corporation or public charity otherwise exempt from the payment of property taxes, that
2612 purchases real property that was subject to taxation under said chapter 59 at the time of the
2613 purchase, shall pay property taxes on the assessed value of said property for a period of 4 years
2614 after the purchase, the amount of said property taxes paid to be phased out as follows: in the first
2615 year, 100 per cent of the property tax; in the second year, 75 per cent of the property tax; in the
2616 third year, 50 per cent of the property tax; and in the fourth year, 25 per cent of the property tax.

2617 SECTION 128. Section 42 of chapter 52 of the acts of 2016 is hereby amended by
2618 striking the text in its entirety and inserting the following:-

2619 Section 2A. No person shall sell, offer for sale, manufacture or possess powdered
2620 alcohol. Whoever violates this section shall be punished by a fine of not less than \$100 or more
2621 than \$1,000.

2622 This section does not apply to (A) the use of powdered alcohol as an ingredient in non-
2623 powdered products or (B) the production of, sale, offering to sell, or delivery, receipt or
2624 purchasing for resale, powdered alcohol for the use as an ingredient in non-powdered products.

2625 SECTION 129. Paragraph (4) of subsection (c) of section 6M of chapter 62 of the
2626 General Laws, as appearing in the 2014 Official Edition, is hereby amended by striking out, in
2627 line 155, the words “it has utilized at least 95 per cent of the 3 year total of any prior allocation”
2628 and inserting in place thereof the following words:- “the department has determined that it has
2629 made satisfactory progress toward utilizing any prior allocation”

2630 SECTION 130. Paragraph (4) of subsection (c) of section 38EE of chapter 63 of the
2631 General Laws, as appearing in the 2014 Official Edition, is hereby amended by striking out, in
2632 line 141, the words “it has utilized at least 95 per cent of the 3-year total of any prior allocation”
2633 and inserting in place thereof the following words:- “the department has determined that it has
2634 made satisfactory progress toward utilizing any prior allocation”

2635 SECTION 131. Chapter 166A of the General Laws, as so appearing, is hereby amended
2636 by inserting after section 22 the following section:-

2637 Section 23. All cable television operators shall locate PEG channels on the high
2638 definition tier. Cable television operators shall provide PEG channel managers with access to the
2639 electronic program guide to ensure that residents can access information about local PEG
2640 channels.