

**HOUSE . . . . . No. 4820**

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**The Commonwealth of Massachusetts**

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By Mr. Murphy of Burlington, for the committee on Ways and Means, to whom was referred the Bill relative to economic development reorganization (Senate, No. 2380); and the Bill relative to providing for job creation by small businesses (House, No. 4553); and the Bill relative to providing for job creation by small businesses (House, No. 4629); and the Bill relative to establishing the Massachusetts growth capital corporation (House, No. 4705) that the Bill relative to economic development reorganization (Senate, No. 2380) ought to pass with an amendment by striking out all after the enacting clause and inserting in place thereof the text contained in House document numbered 4820. June 25, 2010.

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FOR THE COMMITTEE:

NAME:	DISTRICT/ADDRESS:
Charles Murphy	21st Middlesex

# The Commonwealth of Massachusetts

In the Year Two Thousand and Ten

The committee on Ways and Means recommends that the Bill be amended by striking out all after the enacting clause and inserting in place thereof the following:—

1 “**SECTION 2A.** To provide for certain unanticipated obligations of the commonwealth, to provide for an  
2 alteration of purpose for current appropriations, and to meet certain requirements of law, the sums set  
3 forth in this section are hereby appropriated from the General Fund unless specifically designated  
4 otherwise, for the several purposes and subject to the conditions specified in this section, and subject to  
5 laws regulating the disbursement of public funds for the fiscal year ending June 30, 2010; provided, that  
6 notwithstanding any general or special law to the contrary, appropriations made herein shall not revert  
7 and shall be available for expenditure until June 30, 2011. The sums shall be in addition to any amounts  
8 previously appropriated and made available for the purposes of these items.

9 1100-7400 For the recapitalization of the Massachusetts Growth Capital Corporation.....  
10 .....\$20,000,000.

11 7007-9031 For the recapitalization of the Massachusetts Technology Development Corporation,  
12 established pursuant to section 3 of chapter 40G of the General  
13 Laws.....\$5,000,000.

14 **SECTION 2B.** To provide for a program of infrastructure development and improvements, the sums set  
15 forth in section 2B for the several purposes and subject to the conditions specified in this act, are hereby  
16 made available, subject to the laws regulating the disbursement of public funds and approval thereof.

17 6001-0817 For the recapitalization of the grant program to provide for commercial and residential  
18 transportation and infrastructure development, improvements and various capital investment projects  
19 under the Growth Districts Initiative established by the executive office of housing and economic  
20 development; provided, that the secretary of housing and economic development, in consultation with the  
21 secretary of the Massachusetts department of transportation, shall adopt, amend or continue regulations or  
22 guidelines regarding this program; provided further, that annually not later than December 31, the  
23 secretary of housing and economic development shall issue a written report to the clerks of the senate and

24 house of representatives, the chairs of joint committee on bonding, capital expenditures and state assets,  
25 the chairs of the joint committee on transportation, the chairs of the joint committee on economic  
26 development and emerging technologies, and the chairs of the senate and house committees on ways and  
27 means, which shall include detailed descriptions of infrastructure improvement projects funded pursuant  
28 to this program and all funds expended for this  
29 purpose.....\$50,000,000.

30 **SECTION 3.** Section 16G of chapter 6A of the General Laws, as appearing in the 2008 Official Edition,  
31 is hereby amended by striking out, in line 2, the words ‘a department’ and inserting in place thereof the  
32 following words:- the Massachusetts office.

33 **SECTION 4.** Said section 16G of said chapter 6A, as so appearing, is hereby further amended by striking  
34 out subsections (i) and (j) and inserting in place thereof the following subsection:-

35 (i) During the first year of each new gubernatorial administration, there shall convene an economic  
36 development planning council consisting of 12 members: 1 of whom shall be the secretary of housing and  
37 economic development, who shall serve as chair; 1 of whom shall be the secretary of administration and  
38 finance; 1 of whom shall be the secretary of labor and workforce development; 1 of whom shall be the  
39 secretary of energy and environmental affairs; 1 of whom shall be the secretary of transportation; 1 of  
40 whom shall be appointed by Speaker of the House of Representatives; 1 of whom shall be appointed by  
41 the President of the Senate; and 5 of whom shall be appointed by the governor: 1 of whom shall be the  
42 president of the University of Massachusetts or a president from a community college, 1 of whom shall be  
43 a representative from Associated Industries of Massachusetts, 1 of whom shall be a representative from  
44 the Massachusetts municipal association, 1 of whom shall be a representative from a chamber of  
45 commerce, and 1 of whom shall be from a venture capital firm with a principal place of business in  
46 Massachusetts. Members of the council shall serve for a term of 1 year or until an economic development  
47 policy has been approved by the governor pursuant to this section.

48 The secretary, with the assistance of the economic development planning council established under this  
49 section, shall develop and implement during the first year of each new gubernatorial administration, a  
50 comprehensive economic development policy for the commonwealth and a strategic plan for  
51 implementing the policy. The policy shall set forth long-term goals and actionable benchmarks that are  
52 not limited to a particular gubernatorial administration. In developing the policy, the council may hold  
53 public hearings in regions throughout the commonwealth. Once a policy has been finalized, it shall be  
54 submitted to the governor for approval and made available on the official website of the commonwealth.

55 **SECTION 5.** Subsection (k) of said section 16G of said chapter 6A, as so appearing, is hereby amended  
56 by striking out the sixth sentence.

57 **SECTION 6.** Section 35J of chapter 10 of the General Laws, as so appearing, is hereby amended by  
58 striking out, in lines 16 and 17, the words ‘International Trade Council’ and inserting in place thereof the  
59 following words:- international trade office.

60 **SECTION 7.** Section 1 of chapter 23A of the General Laws, as so appearing, is hereby amended by  
61 striking out, in lines 2 and 3, the words ‘department of business and technology in this chapter called the  
62 department, which shall be under the control of the director of business and technology’ and inserting in  
63 place thereof the following words:- Massachusetts office of business development, in this chapter referred  
64 to as MOBD, which shall be under the control of the director of business development,.

65 **SECTION 8.** Said section 1 of said chapter 23A, as so appearing, is hereby amended by striking out  
66 subsection (b).

67 **SECTION 9.** Section 3A of chapter 23A of the General Laws, as most recently amended by section 2 of  
68 chapter 166 of the acts of 2009, is hereby amended by striking out the definition of ‘Enhanced expansion  
69 product’ and inserting in place thereof the following definition:-

70 ‘Enhanced expansion project’, a facility that in its entirety and as of the project proposal date: (i) is  
71 located or will be located within the commonwealth; (ii) generates substantial sales from outside of the  
72 commonwealth; and (iii) generates a net increase of at least 100 full-time employees within 2 years before  
73 or after project certification, but not before January 1 of the year preceding the year in which the project  
74 receives certification, and which shall be maintained for a period of not less than 5 years; provided,  
75 however, that in the case of a facility that as of the project proposal date is already located in the  
76 commonwealth, ‘enhanced expansion project’ shall refer only to a facility at which the controlling  
77 business has expanded or proposed to expand the number of permanent full-time employees at such  
78 facility and the expansion shall represent: (1) an increase in the number of permanent full-time employees  
79 employed by the controlling business within the commonwealth; and (2) not a replacement or relocation  
80 of permanent full-time employees employed by the controlling business at any other facility located  
81 within the commonwealth; and provided further, that in the case of a facility to be located within the  
82 commonwealth after the project proposal date, ‘enhanced expansion project’ shall refer only to a facility  
83 that is: (a) the first facility of the controlling business to be located within the commonwealth; or (b) a  
84 new facility of such business and not a replacement or relocation of an existing facility of such controlling

85 business located within the commonwealth; or an expansion of an existing facility of the controlling  
86 business that results in an increase in permanent full-time employees.

87 **SECTION 10.** Said section 3A of said chapter 23A is hereby further amended by inserting in the  
88 definition of ‘Facility’ after the word ‘buildings’ the words ‘or locations’.

89 **SECTION 11.** Said section 3A of said chapter 23A is hereby further amended by striking out, in the  
90 definition of ‘gateway municipalities’, the words ‘educational attainment rates that are below the  
91 commonwealth’s average’ and inserting in place thereof the following words:-

92 a rate of educational attainment of a bachelor's degree or above that is below the commonwealth’s  
93 average.

94 **SECTION 12.** Said section 3A of said chapter 23A is hereby further amended by striking, each time it  
95 appears, the term ‘manufacturing retention’, and inserting in place thereof the following words:-  
96 manufacturing retention and job growth.

97 **SECTION 13.** Said section 3A of said chapter 23A, as most recently amended by section 3 of chapter  
98 166 of the acts of 2009, is hereby amended by striking the definition of ‘manufacturing retention project’  
99 and inserting in place thereof the following definition:-

100 ‘Manufacturing retention and job growth project’, a manufacturing facility that in its entirety and as of the  
101 project proposal date: (i) is located or will be located within a gateway municipality; (ii) generates a net  
102 increase or retention of a minimum of at least 50 permanent full-time positions or creates a minimum of  
103 25 new full-time positions; provided, however, that if the controlling business increases the number of  
104 full-time positions at the facility, it shall be within 2 years after certification of the project and the  
105 controlling business shall make a commitment that the positions created or retained are to be maintained  
106 for at least a 5-year period; and (iii) generates substantial sales from outside of the commonwealth;  
107 provided, however, that in the case of a facility that as of the project proposal date is already located in  
108 the gateway municipality, ‘manufacturing retention project’ shall refer only to a facility for which there is  
109 a proposed expansion or retention of the number of permanent full-time employees at such facility by the  
110 controlling business, to occur after the project proposal date and the expansion shall represent a retention  
111 or increase of at least 50 permanent full-time positions or creates a minimum of 25 new full-time  
112 employees employed by the controlling business within the project and shall not represent a replacement  
113 or relocation of permanent full-time employees employed by the controlling business at any other facility  
114 located within the commonwealth; and provided further, that in the case of a facility to be located after

115 the project proposal date, the ‘manufacturing retention project’ shall refer only to a facility that is: (1) the  
116 first facility of the controlling business to be located within the commonwealth; or (2) a new facility of  
117 such business and not a replacement or relocation of an existing facility of such controlling business  
118 located within the commonwealth.

119 **SECTION 14.** Said Section 3A of said chapter 23A is hereby further amended by inserting after the  
120 definition of ‘Manufacturing retention project proposal’ the following definition:

121 ‘Massachusetts office of business development’ or ‘MOBD’ the office established by section 1.

122 **SECTION 15.** Section 3F of said chapter 23A, as most recently amended by chapter 166 of the acts of  
123 2009, is hereby amended by striking, each time it appears, the term ‘manufacturing retention’ and  
124 inserting in place thereof the following words:- manufacturing retention and job growth.

125 **SECTION 16.** Section 3I of chapter 23A of the General Laws, as appearing in the 2008 Official Edition,  
126 is hereby amended by striking out, in line 2 and line 33, the words ‘the department’ and inserting in place  
127 thereof, in each instance, the following words:- Massachusetts office of business development.

128 **SECTION 17.** Said Chapter 23A is hereby further amended by inserting after section 3I the following  
129 sections:-

130 Section 3J. (a) The Massachusetts office of business development, or MOBD, shall partner with statewide  
131 or regional economic development organizations, including, but not limited to, public-private alliances  
132 promoting economic development, to establish a plan for business development to support regionally-  
133 based efforts to grow and retain existing businesses and attract new business to the commonwealth. The  
134 plan shall include the municipalities which comprise the region to be served under the plan and a contact  
135 for businesses seeking assistance, services or information from the commonwealth in that region. MOBD  
136 may contract with economic development organizations to implement the regional plan and provide  
137 services to businesses.

138 (b) Eligible organizations for contract under this section shall be corporations, foundations, organizations  
139 or institutions that are exempt from federal taxation under section 501(c) of the Internal Revenue Code  
140 and have a primary focus on economic development in the commonwealth. Governmental regional  
141 entities which serve as regional or district planning commissions under chapter 40B, regional employment  
142 boards, tourism councils under section 14 of chapter 23A, or entities which are a political subdivision of a  
143 municipality or wholly owned by a municipality shall not be eligible.

144 (c) Each contract entered into by MOBD shall include performance criteria specific to the contracting  
145 organization developed under section 3K and uniform standards for the use of contract funds related to  
146 accounting procedures, personnel practices, purchasing procedures and conflict of interest rules. As a  
147 condition to its receipt of funds, the contracting organization shall agree to follow these standards and to  
148 perform the contracted services in conformity with conflict of interest rules which shall include provisions  
149 requiring that in any matter where a person, corporation or other business entity in which any partner is in  
150 any way interested, such interest is disclosed in advance and further, that no partner having such an  
151 interest may participate in a decision relating to such person, corporation or other business entity. The  
152 contracting organization shall also agree to a biennial audit and examination of its audited financial  
153 statements conducted by the auditor of the commonwealth.

154 (d) MOBD shall establish standard governance provisions to be required of regional economic  
155 development organizations that contract with the commonwealth as provided in this section.

156 (e) Contracts entered into under this section shall be for a term not greater than 2 years, and may provide  
157 for the renewal of the contract at the discretion of MOBD, provided that the renewal shall be for a term  
158 not longer than 2 years. Nothing in this subsection shall preclude an organization from reapplying to  
159 provide services under a new contract.

160 (f) Organizations entering into contracts with the commonwealth under this section may enter into  
161 additional contracts with the commonwealth to provide additional regional services which do not  
162 constitute business assistance activities.

163 (g) If MOBD determines, through a request for proposal process, that no organization meets the  
164 requirements set forth in this section to be a regional contact, MOBD may either rebid the contract or  
165 serve as the primary coordinator for development initiatives in that region and rebid the contract at its  
166 discretion.

167 (h) The contact under a regional plan for business development shall, under the terms of the contract with  
168 MOBD, be required to perform the following services on behalf of the commonwealth:

169 (i) act as the primary contact for businesses seeking assistance from state or local governments,  
170 including those seeking to locate within the region or expand existing operations;

171 (ii) identify public funding sources for business activity and provide assistance in accessing  
172 public tax incentive programs;

- 173 (iii) identify potential sites for business development and maintain an inventory of key  
174 development parcels;
- 175 (iv) market the identified region in coordination with the Massachusetts marketing partnership  
176 established under section 13A and in compliance with the marketing materials developed by the  
177 partnership;
- 178 (v) furnish advice and assistance to businesses and industrial prospects which may locate in the  
179 region, existing businesses and industries, and persons seeking to establish new businesses or  
180 industries, and engage in related activities;
- 181 (vi) establish and maintain a network of public and private expertise related to regional assets,  
182 industry clusters, workforce and education opportunities and public tax and regulatory incentive  
183 and capital access programs;
- 184 (vii) partner with an MOBD representative to the region and representatives of quasi-public  
185 agencies and authorities engaged in economic development activities to exchange information  
186 and jointly provide direct consultation with businesses seeking to expand or locate to the region;
- 187 (viii) act as the primary contact for the region for a business seeking state assistance and  
188 incentives in a location decision;
- 189 (ix) in partnership with the staff of MOBD, assist member municipalities with economic  
190 development efforts related to business attraction and retention and with access to state economic  
191 development programs; and
- 192 (x) submit an annual report to MOBD on the region's business development activities. The report  
193 shall include: a summary of the preceding year's program activities, objectives and  
194 accomplishments; a description of how the primary contact's programs and marketing strategy  
195 aligns with the commonwealth's overall economic development and strategies; an analysis of how  
196 the primary contact's involvement in promotion activities has generated prospective business  
197 expansion and relocation clients; and a summary of the primary contact's efforts to obtain funds  
198 from local, private, and federal sources.
- 199 (i) The MOBD shall have the authority to cancel any contract with an organization serving as a regional  
200 contact upon a showing that the regional contact has failed to provide the necessary regional services  
201 listed in subsection (h).

202 (j) The MOBD shall locate staff throughout the regions of the commonwealth and coordinate with staff of  
203 existing regional economic development organizations in order to establish efficient and rapid access to  
204 all state government and quasi-public business services. The Massachusetts office of business  
205 development shall provide information to the regional economic development organizations about state  
206 economic development, business assistance, capital access and incentive programs, marketing activities  
207 and programs offered by agencies, authorities and private entities.

208 Section 3K. (a) The governor shall appoint the director of the office of performance measurement within  
209 the executive office of housing and economic development. The director shall have experience with  
210 economic development in the public or private sector. The director shall establish performance  
211 measurement metrics for all public and quasi-public entities engaged in economic development and any  
212 private organizations under contract with the commonwealth to perform economic development services  
213 in order to improve the effectiveness of the economic development efforts of the commonwealth. In  
214 developing these metrics, the director shall seek out private sector advice and models that can be adapted  
215 to the needs of the commonwealth. Clear metrics shall be developed and effectuated while ensuring that  
216 no undue administrative burden is placed on agencies and organizations subject to this section.

217 (b) Agencies or organizations subject to the reporting requirements under this section shall work with the  
218 director to develop a yearly plan and shall agree to the performance measurements by which they will be  
219 evaluated. Each agency or organizations shall then file an annual report with the office of performance  
220 management in a form and manner prescribed by the director. Any report submitted to the office of  
221 performance management shall be made available to the public and published on the state website. An  
222 annual report shall include, but not be limited to the agency's: (i) operations and accomplishments; (ii)  
223 performance on the goals and programs or initiatives outlined in the approved plan of the agency; (iii)  
224 receipts and expenditures during the fiscal year; and (iv) assets and liabilities at the end of the fiscal year.

225 (c) The director shall evaluate the goals and measures established by the office and shall recommend  
226 changes to proposed goals and measures as are appropriate to align goals and measures with the statewide  
227 economic development policy plan established by section 16G of chapter 6A.

228 (d) The secretary shall use the performance measurements established in this section to determine the  
229 quality of service of all private entities, including regional economic development organizations that  
230 perform economic development services under contract with the office.

231 **SECTION 18.** Said chapter 23A, as so appearing, is hereby further amended by striking out sections 13A  
232 to 13E, inclusive, and inserting in place thereof the following sections:-

233 Section 13A. (a) For the purposes of sections 13A to 13Q, inclusive, the following words shall, unless the  
234 context clearly requires otherwise, have the following meanings:

235 ‘Foreign offices’, foreign offices for international trade within the international trade office.

236 ‘Partnership’, the Massachusetts marketing partnership established by this section.

237 ‘Tourism’, the office of travel and tourism.

238 (b) There shall be within the executive office of housing and economic development, but not subject to  
239 the supervision or control of said executive office, the Massachusetts marketing partnership which shall  
240 coordinate marketing efforts on behalf of the commonwealth and shall oversee the activities of the  
241 agencies placed within it.

242 (c) The partnership shall consist of 11 partners: 1 of whom shall be the secretary of housing and economic  
243 development, who shall chair the partnership; 1 of whom shall be the director of the Massachusetts office  
244 of business development or the director’s designee; 1 of whom shall be the executive director of the  
245 Massachusetts Convention Center Authority or the executive director’s designee; 1 of whom shall be the  
246 executive director of the Massachusetts Port Authority or the executive director’s designee; 1 of whom  
247 shall be the executive director of the Massachusetts Alliance for Economic Development, or its successor  
248 organization; and 6 of whom shall be appointed by the governor for terms of 5 years: 2 of whom shall be  
249 employed by a business that has a principal place of business in the commonwealth and exports goods to  
250 other countries, 1 of whom shall be selected from a list of 3 names submitted by the Associated Industries  
251 of Massachusetts, 1 of whom has significant experience with a public relations or advertising firm doing  
252 business in the commonwealth, 1 of whom shall be on the faculty of a public or private business school in  
253 the commonwealth who is experienced in international business, and 2 of whom shall represent a regional  
254 tourism council in the commonwealth outside of Suffolk County, Middlesex County and Norfolk County.  
255 Of the initial partners appointed by the governor, 3 shall serve a term of 2 years and 3 shall serve a term  
256 of 5 years.

257 Of the 6 gubernatorial appointments, no more than 3 shall be from the same political party. Each partner  
258 shall serve without compensation but shall be reimbursed for actual and necessary expenses reasonably  
259 incurred in the performance of the partner’s duties, including reimbursement for the reasonable costs of  
260 travel deemed necessary by the partnership. A person appointed to fill a vacancy in the office of a partner  
261 shall be appointed in a like manner and shall serve for only the unexpired term of the former partner. A  
262 partner shall be eligible for reappointment and may be removed by the governor for cause. The  
263 partnership shall annually elect 1 partner to serve as vicechair.

264 (d) The partnership shall biannually elect 1 of its partners as treasurer and 1 of its partners as secretary.  
265 The secretary of the partnership shall keep a record of its proceedings and shall be custodian of all books,  
266 documents and papers filed by the partnership and of its minute book and seal. The secretary of the  
267 partnership shall cause copies to be made of all minutes and other records and documents of the  
268 partnership and shall certify that such copies are true copies and all persons dealing with the partnership  
269 may rely upon such certification.

270 (e) Eight partners shall constitute a quorum and the affirmative vote of a majority of partners present at a  
271 duly called meeting, if a quorum is present, shall be necessary for an action to be taken by the partnership.  
272 An action required or permitted to be taken at a meeting of the partnership may be taken without a  
273 meeting if all of the partners consent, in writing, to the action and that written consent is filed with the  
274 records of the minutes of the meetings of the partnership. Such consent shall be treated for all purposes as  
275 a vote at a meeting. Each partner shall make full disclosure pursuant to subsection (f) of the partner's  
276 financial interest, if any, in matters before the partnership by notifying the state ethics commission, in  
277 writing, and the partner shall abstain from voting on a matter before the board in which the partner has a  
278 financial interest, unless otherwise permitted under chapter 268A.

279 (f) Chapters 268A and 268B shall apply to all ex officio partners or the partners' designees and  
280 employees of the agencies within the partnership. Chapters 268A and 268B shall apply to all other  
281 partners, except that the agencies within the partnership may purchase from, sell to, borrow from, loan to,  
282 contract with or otherwise deal with a person, corporation or other business entity in which any partner is  
283 in any way interested or involved; provided, however, that such interest or involvement is disclosed in  
284 advance to the partners of the partnership and recorded in its minutes; and provided further, that no  
285 partner having such an interest or involvement may participate in a decision of the partnership relating to  
286 such person, corporation or other business entity. Employment by the commonwealth or service in an  
287 agency or political subdivision of the commonwealth shall not be deemed to be such an interest or  
288 involvement.

289 (g) Partners and employees of the agencies within the partnership having access to its cash or negotiable  
290 securities shall give bond to the partnership at its expense in such amounts and with such surety as the  
291 partnership may prescribe. The persons required to give bond may be included in 1 or more blanket or  
292 scheduled bonds.

293 (h) Partners and officers who are not compensated employees of the partnership shall not be liable to the  
294 commonwealth, the executive office of housing and economic development or any other person as a result  
295 of their activities, whether ministerial or discretionary, as such partners or officers except for willful

296 dishonesty or intentional violations of law. Neither members of the partnership nor a person executing  
297 bonds or policies of insurance shall be personally liable on those bonds or policies or be subject to any  
298 personal liability or accountability by reason of the issuance of those bonds or policies. The partnership  
299 may purchase liability insurance for partners, officers and employees and may indemnify the partners  
300 against claims of others.

301 (i) Upon the termination of the existence of the partnership, all right, title and interest in and to all of its  
302 assets and all of its obligations, duties, covenants, agreements and obligations shall vest in and be  
303 possessed, performed and assumed by the commonwealth.

304 (j) An action of the partnership may take effect immediately and need not be published or posted unless  
305 otherwise provided by law. Meetings of the partnership shall be subject to section 11A 1/2 of chapter  
306 30A, except that said section 11A 1/2 shall not apply to any meeting of partners in the partnership serving  
307 ex officio in the exercise of their duties as officers of the commonwealth so long as no matter relating to  
308 the official business of the partnership is discussed and decided at the meeting. The partnership shall be  
309 subject to all other sections of said chapter 30A and records pertaining to the administration of the  
310 partnership shall be subject to section 42 of chapter 30 and section 10 of chapter 66. All moneys of the  
311 partnership shall be considered to be public funds for the purposes of chapter 12A.

312 (k) The partnership shall be subject to sections 3K and 56 of this chapter.

313 Section 13B. There shall be within the partnership the following offices: the office of travel and tourism,  
314 the Massachusetts international trade office and the commonwealth marketing office.

315 Section 13C. The partnership shall have the power to:

316 (1) adopt and amend bylaws, regulations and procedures for the governance of its affairs and the  
317 conduct of its business for the administration and enforcement of sections 13A to 13Q, inclusive;  
318 provided, however, that regulations adopted by agencies within the partnership shall be adopted  
319 under chapter 30A;

320 (2) adopt an official seal and a functional name;

321 (3) maintain offices at places within the commonwealth as it may determine and to conduct  
322 meetings of the partnership in accordance with the bylaws of the partnership;

- 323 (4) enter into agreements and transactions with federal, state and municipal agencies and other  
324 public institutions and private individuals, partnerships, firms, corporations, associations and  
325 other entities on behalf of the partnership;
- 326 (5) sue and be sued in its own name, plead and be impleaded;
- 327 (6) act as the central entity and coordinating organization for marketing initiatives on behalf of  
328 the commonwealth and to work in collaboration with governmental entities, regional economic  
329 development organizations, bodies, centers, institutes and facilities to advance the  
330 commonwealth's interests and investments in travel and tourism, international trade and economic  
331 development;
- 332 (7) appear in its own behalf before boards, commissions, departments or other agencies of  
333 municipal, state or federal government;
- 334 (8) obtain insurance;
- 335 (9) apply for and accept subventions, grants, loans, advances and contributions from any source  
336 of money, property, labor or other things of value to be held, used and applied for its corporate  
337 purposes;
- 338 (10) review and recommend changes in laws, rules, programs and policies of the commonwealth  
339 and its agencies and subdivisions to further the marketing of the commonwealth and economic  
340 development within the commonwealth;
- 341 (11) enter into agreements with public and private entities that deal primarily with economic  
342 development, in order to distribute and provide leveraging of funds or services to further  
343 economic development in the commonwealth and promote overall economic growth within the  
344 commonwealth by fostering collaboration and investments in tourism and international trade  
345 initiatives in the commonwealth;
- 346 (12) provide and pay for such advisory services and technical assistance as may be necessary or  
347 desired to carry out the purposes of this chapter;
- 348 (13) establish and collect such fees and charges as the department without further appropriation  
349 shall determine to be reasonable and consistent with this sections 13A to 13Q, inclusive; and to  
350 receive and apply revenues from fees and charges to the purposes of the department or allotment  
351 by the commonwealth or any political subdivision of the commonwealth;

352 (14) disburse, appropriate, grant, loan or allocate funds for the purposes of investing in economic  
353 development initiatives as directed in sections 13A to 13Q, inclusive;

354 (15) provide assistance to local entities, local authorities, public bodies, regional economic  
355 development organizations, and private corporations for the purposes of maximizing  
356 opportunities for economic development initiatives in the commonwealth;

357 (16) prepare, publish and distribute, with or without charge, as the department may determine,  
358 such studies, reports and bulletins and other material as the department deems appropriate;

359 (17) exercise any other powers of a corporation organized under chapter 156B;

360 (18) develop a common internet portal to be used by state agencies and state authorities to  
361 promote the commonwealth's programs providing business assistance and to promote economic  
362 development in the commonwealth;

363 (19) take any actions necessary or convenient to the exercise of any power or the discharge of any  
364 duty provided for by sections 13A to 13Q, inclusive;

365 (20) establish an advisory council to assist and advise the partnership on matters related to the  
366 commonwealth's business marketing efforts;

367 (21) enter into agreements or other transactions with any person including, without limitation, a  
368 public entity or other governmental instrumentality or agency in connection with the powers and  
369 duties provided to the partnership under sections 13A to 13Q, inclusive; and

370 (22) delegate any of the powers under this section to a director having charge of an agency within  
371 the partnership.

372 Section 13D. (a) The partnership and the agencies within the partnership shall, for the purposes of  
373 compliance with state finance law, operate as a state agency as defined in section 1 of chapter 29 and shall  
374 be subject to the laws applicable to agencies under the control of the governor including, but not limited  
375 to, chapter 7, chapter 7A, chapter 10 and chapter 29; provided, however, that the comptroller may identify  
376 additional instructions or actions necessary for the partnership to manage fiscal operations in the state  
377 accounting system and meet statewide and other governmental accounting and audit standards. Unless  
378 otherwise exempted by law or the applicable central service agency, the partnership shall participate in  
379 other available commonwealth central services including, but not limited, to the state payroll system  
380 under section 31 of chapter 29, and may purchase other goods and services provided by state agencies

381 under the direction of the comptroller. The comptroller may chargeback the partnership for the transition  
382 and ongoing costs for participation in the state accounting and payroll systems and may retain and expend  
383 such costs without further appropriation for the purposes of this section. The partnership shall be subject  
384 to section 5D of chapter 29 and subsection (f) of section 6B of chapter 29. This section shall not apply to  
385 authorities who are serving as partners of the partnership.

386 (b) The office of the attorney general shall appear for the partnership in all suits and other civil  
387 proceedings in which the partnership is a party or interested, or in which the official acts and doings of the  
388 partnership are called into question, to the same extent and in the same manner as provided to the  
389 commonwealth and state departments, officers and commissions under section 3 of chapter 12. The  
390 partnership shall be generally considered to be an agency of the commonwealth for purposes of chapter  
391 12.

392 (c) The Massachusetts office of business development may provide staff support for the Massachusetts  
393 marketing partnership; provided, however, that the partnership shall contract with another public authority  
394 for the performance by that authority of core administrative functions, as determined by the secretary of  
395 housing and economic development which may include but shall not be limited to, human resources,  
396 financial management, information technology, legal, procurement and asset management, to minimize  
397 the administrative costs and expenses of the partnership.

398 Section 13E. (a) There shall be within the partnership an office of travel and tourism which shall be under  
399 the supervision and control of an executive director. The powers and duties given to the executive director  
400 of the office of travel and tourism in this chapter and in any other general or special law shall be exercised  
401 and discharged subject to the direction, control and supervision of the partnership.

402 (b) The executive director of the office of travel and tourism shall be appointed by the governor, and  
403 serve at the pleasure of the governor. The position of executive director of the office of travel and tourism  
404 shall be classified under section 45 of chapter 30 and the executive director of travel and tourism shall  
405 devote full time during business hours to the duties of the office of travel and tourism and shall give to the  
406 state treasurer a bond for the faithful performance of those duties.

407 (c) The executive director of travel and tourism shall be the executive and administrative head of travel  
408 and tourism and shall be responsible for administering and enforcing the laws relative to travel and  
409 tourism and to any administrative unit of that office. Powers and duties given to an administrative unit of  
410 travel and tourism by a general or special law shall be exercised subject to the direction, control and  
411 supervision of the executive director of travel and tourism.

412 Section 13F. The office of travel and tourism shall serve as the principal agency for promoting the  
413 recreational, cultural, historic and scenic resources of the commonwealth to increase its desirability as a  
414 location for tourism, convention, travel and recreation-related activities by providing informational,  
415 marketing and technical assistance to public and private nonprofit entities organized for similar purposes.

416 Section 13G. The executive director of travel and tourism may, subject to appropriation and with the  
417 approval of the partnership, appoint and may, with like approval, remove all such employees as may be  
418 necessary to carry out the work of tourism. Unless otherwise provided by law, all such appointments and  
419 removals shall be made under chapter 31. The executive director may, subject to appropriation and the  
420 laws and regulations pertaining to the employment of consultants, employ such consultants as the  
421 executive director may deem necessary.

422 Section 13H. (a) There shall be an advisory commission on travel and tourism to the partnership to  
423 develop budget recommendations and marketing strategies for the promotion of travel and tourism to the  
424 commonwealth. The executive director of travel and tourism shall convene the advisory commission  
425 quarterly. The advisory commission shall annually report its recommendations to the partnership not later  
426 than November 1. The advisory commission shall annually file its recommendations with the clerks of the  
427 senate and house of representatives not later than November 1. The membership of the commission shall  
428 annually elect a chairperson.

429 (b) The advisory commission shall have 30 members: 1 representative from each of the following  
430 organizations: the Massachusetts Restaurant Association, the Massachusetts Lodging Association, the  
431 Massachusetts Camping Ground Association, the New England Bus Association, the Massachusetts  
432 cultural council and the Massachusetts historical commission; 1 representative of a professional sports  
433 franchise located in the commonwealth, 2 representatives of the Massachusetts Visitor Industry Council;  
434 the executive director or the executive director's designee of each of the following regional tourism  
435 councils: the Berkshire Hills Visitors Bureau, the Bristol County Convention and Visitors Bureau, the  
436 Cape Cod Chamber of Commerce, the Franklin County Chamber of Commerce, the Greater Boston  
437 Convention and Visitors Bureau, the Worcester County Convention and Visitors Bureau, the Martha's  
438 Vineyard Chamber of Commerce, the Greater Merrimack Valley Convention and Visitors Bureau, the  
439 Mohawk Trail Association, the North of Boston Convention and Visitors Bureau, the Greater Springfield  
440 Convention and Visitors Bureau, the Plymouth County Development Council, Inc., the Nantucket Island  
441 Chamber of Commerce, the MetroWest Tourism and Visitor's Bureau, the Johnny Appleseed Trail  
442 Association, Inc., the Hampshire County Tourism and Visitor's Bureau and the following individuals,  
443 who shall not serve as chair: the commissioner of conservation and recreation or the commissioner's

444 designee, the administrator of the highway division or the administrator's designee, the Massachusetts  
445 state coordinator of the United States National Park Service, and the house and senate chairs of the joint  
446 committee on tourism, arts and cultural development.

447 (c) Members of this commission shall receive no compensation for their services, but each member shall  
448 be reimbursed the member's necessary expenses incurred while engaged in the performance of the  
449 member's duties. This commission shall annually, not later than November 1, make a report to the  
450 executive director and the secretary of housing and economic development, and may make such special  
451 reports as the commission or the executive director of tourism may deem desirable.

452 Section 13I. The office of travel and tourism may accept gifts or grants of money or property from any  
453 source, which shall be held in trust for the use of tourism by the treasurer of the partnership as custodian.

454 Section 13J. The following offices shall be within the office of travel and tourism: the Massachusetts film  
455 office, which shall be the official and lead agency to facilitate motion picture production and development  
456 within the commonwealth; and the Massachusetts sports partnership, which shall be the official and lead  
457 agency to facilitate and attract major sports events and championships in the commonwealth.

458 Section 13K. (a) There shall be within the partnership a Massachusetts international trade office, which  
459 shall be under the supervision and control of an executive director. The executive director shall be  
460 appointed by the governor, and serve at the pleasure of the governor. The executive director shall devote  
461 his full time during business hours to the duties of the Massachusetts international trade office. The  
462 executive director of the international trade office shall be the executive and administrative head of the  
463 office and shall be responsible for administering and enforcing the laws relative to the office and to any  
464 administrative unit of the office. The executive director shall also serve as the Massachusetts  
465 international trade representative.

466 (b) The purpose of the Massachusetts international trade representative shall be to: (i) serve as the  
467 commonwealth's official point of contact with the federal government on matters related to international  
468 trade; (ii) work with the executive office of housing and economic development and other appropriate  
469 state agencies to analyze proposed and enacted international trade agreements and provide an assessment  
470 of the impact of those agreements on the commonwealth's economy; (iii) serve as the designated recipient  
471 of federal requests for the commonwealth to agree to be bound by investment, procurement, services or  
472 any other provisions of international trade agreements, including those which may infringe upon state law  
473 or regulatory authority reserved to the commonwealth; (iv) serve as a liaison to the general court on  
474 matters of international trade policy oversight including, but not limited to, reporting to members of the

475 general court on a regular basis on the status of ongoing international trade negotiations, international  
476 trade litigation, and dispute settlement proceedings with implications for existing state laws, state  
477 regulatory authority and international trade policy on the commonwealth's economy.

478 (c) The international trade representative shall, within 30 days of receipt, forward any requests or  
479 communications received from the United States Trade Representative relative to any issue of  
480 international trade, including requests seeking the commonwealth's consent to be bound by international  
481 trade agreements, to the clerk of the house of representatives and the clerk of the senate, who shall  
482 promptly refer the communications or requests to the joint committee on economic development and  
483 emerging technologies. The joint committee shall, within 30 days of receipt, conduct a public hearing on  
484 any request seeking the commonwealth's consent to be bound by an international trade agreement. The  
485 joint committee may issue a report within 120 days of the public hearing including a resolution to the  
486 general court relative to the recommendations of the committee on whether the commonwealth should  
487 consent to the international trade agreement in question and memorializing the commonwealth's  
488 international trade representative and the governor to take appropriate measures within their power to  
489 advise the United States Trade Representative of the recommendations of the general court.

490 Section 13L. (a) There shall be within the international trade office 1 or more foreign offices for  
491 international trade. The foreign offices may be located in any country that the executive director of the  
492 international trade office determines to be best suited as the location for the furthering of foreign trade  
493 opportunities for the businesses of the commonwealth. The foreign offices shall encourage and further  
494 trade between foreign businesses and businesses in the commonwealth. The foreign offices shall also  
495 promote investment opportunities in the commonwealth for foreign businesses in order to encourage the  
496 location and establishment of such businesses within the commonwealth. For the purposes of furthering  
497 foreign trade and investment, the foreign offices, subject to appropriation and approval by the executive  
498 director of the trade international office, may contract for such advertising and other communication  
499 services as may be necessary. The foreign offices shall maintain an updated list of businesses in the  
500 commonwealth and foreign businesses which are or might become active in the import or export of their  
501 products and services. The executive director shall consult with Massachusetts office of business  
502 development and the regional economic development designated pursuant to section 3J in order to ensure  
503 that the businesses and assets of all regions of the commonwealth are included in such lists. The foreign  
504 office may also provide additional information and assistance to businesses in the commonwealth that  
505 desire to export their goods and services. The foreign offices shall maintain and give suitable publicity to  
506 an updated list of available sites for the location of foreign based businesses in the commonwealth. The

507 foreign offices may make available technical assistance to foreign businesses interested in the  
508 establishment of plants or facilities in the commonwealth.

509 (b) The foreign offices shall, on a regular basis, make all foreign trade information available to the  
510 executive director of the international trade office, who shall publish and furnish such information to  
511 regional economic development organizations designated under section 3J and to businesses and  
512 corporations in the commonwealth which might be interested in, or benefit from the utilization of such  
513 information. The executive director of the international trade office may charge a fee not to exceed the  
514 actual printing costs for such information, except that no fee shall be charged to regional economic  
515 development organizations designated under section 3J.

516 Section 13M. There shall be a director of each foreign office appointed by the executive director of the  
517 international trade office, who shall be a person with at least 2 years of experience in international trade,  
518 having had administrative or business experience in the country where the office is located, who shall be  
519 fluent in at least 2 languages and who may be a foreign national. The director shall not be subject to  
520 chapter 31 or section 9A of chapter 30.

521 Section 13N. The executive director of the international trade office may, subject to appropriation, enter  
522 into leases for office space as may be necessary and to purchase or lease equipment as may be needed for  
523 the operation of foreign offices.

524 Section 13O. The executive director of the international trade office may accept funds in the name of the  
525 international trade office and the foreign offices from private and public groups, agencies and persons,  
526 which shall be held in trust for use by the treasurer of the partnership as custodian.

527 Section 13P. The executive director of the international trade office and the director of any foreign office  
528 shall annually file a financial report with the clerks of the house and senate and the joint legislative  
529 committee on economic development and emerging technologies on the operation and activities of the  
530 office. The report shall include a complete evaluation of the results of the activities of the foreign offices  
531 and its effects on the business economy of the commonwealth, especially in the areas of the export of  
532 goods and services and in the location of foreign businesses in the commonwealth.

533 Section 13Q. The international trade office shall contract with the Massachusetts export center to provide  
534 technical assistance to companies operating in the commonwealth that export products to other countries.

535 Section 13R. The director may establish an advisory council to assist and advise the director on matters  
536 related to the administration and evaluation of the international trade programs provided through the  
537 office.

538 **SECTION 19.** Section 14 of said chapter 23A, as so appearing, is hereby amended by striking out, in  
539 lines 17 and 18, the words ‘director of economic development’ and inserting in place thereof the  
540 following words:- executive director of tourism.

541 **SECTION 20.** Said section 14 of said chapter 23A, as so appearing, is hereby further amended by  
542 striking out, in lines 55 and 56, the words ‘, subject to approval by the director of economic development’  
543 and inserting in place thereof the following words:- of tourism.

544 **SECTION 21.** Sections 15 to 28, inclusive, of said chapter 23A are hereby repealed.

545 **SECTION 22.** Sections 39A to 39D, inclusive, of said chapter 23A are hereby repealed.

546 **SECTION 23.** Sections 46 to 55, inclusive, of said chapter 23A are hereby repealed.

547 **SECTION 24.** Said chapter 23A, as so appearing, is hereby amended by striking out section 56 and  
548 inserting in place thereof the following section:-

549 Section 56. (a) The secretary of housing and economic development shall coordinate the quasi-public  
550 entities and public purpose agencies of the commonwealth as to their economic development projects,  
551 programs and plans.

552 (b) The secretary shall aggregate the data submitted under section 3K of chapter 23A and shall, not later  
553 than December 31, submit an annual report to the secretary of administration and finance, the house and  
554 senate committees on ways and means, the joint committee on economic development and emerging  
555 technologies, the joint committee on labor and workforce development, the joint committee on small  
556 business and community development and the joint committee on higher education. The report shall  
557 include an analysis of all public lending activities to businesses with an assessment of the economic  
558 impact of those activities and an analysis evaluating public lending to small businesses as defined in  
559 section 57 of this chapter.

560 (c) In order to fully utilize all appropriate measures to provide risk capital to small businesses in the  
561 commonwealth the Massachusetts Growth Capital Corporation, the Massachusetts Development Finance  
562 Agency and the Massachusetts Technology Development Corporation may establish 1 or more small

563 business investment corporations or special small business investment corporations as provided by the  
564 federal Small Businesses Equity Enhancement Act of 1992.

565 (d) The books and records of the quasi-public entities and public purpose agencies of the commonwealth  
566 under this section shall be subject to an annual audit conducted by an independent auditor. The results of  
567 both audits shall be published in conjunction with the publication of audited financial statements.

568 (e) The secretary of housing and economic development shall from time to time convene the  
569 Massachusetts Life Sciences Center created under chapter 23I, the Massachusetts clean energy  
570 technology center created under chapter 23J, the Massachusetts Technology Development Corporation  
571 created under chapter 40G, the Massachusetts Technology Park Corporation created under chapter 40J,  
572 and the Massachusetts Technology Transfer Center created under chapter 75 , for the purpose of ensuring  
573 that: (1) the agencies' projects, programs and plans are coordinated and consistent with this section; (2)  
574 the agencies are sharing administrative functions for efficiencies and cost saving measures; (3) the  
575 agencies are sharing information that is beneficial to the growth and expansion of technology related  
576 companies in the commonwealth; and (4) the agencies are sharing best practices related to assisting  
577 technology related companies with debt and equity products and technical assistance.

578 **SECTION 25.** Subsection (a) of section 57 of said chapter 23A, as so appearing, is hereby further  
579 amended by striking out the definition of 'small business' and inserting in place thereof the following  
580 definition:-

581 'Small business', a business entity, including its affiliates, that (i) is independently owned and operated;  
582 (ii) has a principal place of business in the commonwealth; and (iii) would be defined as a small business  
583 under applicable federal law.

584 **SECTION 26.** Section 8 of chapter 23D, as most recently amended by chapter 27 of the acts of 2009, is  
585 hereby amended by striking out the first sentence and inserting in place thereof the following sentence:-

586 There shall be within the Massachusetts growth capital corporation established by chapter 40F an  
587 economic stabilization trust.

588 **SECTION 27.** Said chapter 23D is hereby further amended by striking out section 9 in its entirety and  
589 inserting in place thereof the following section:-

590 Section 9. The trust shall be governed by the directors of the Massachusetts growth capital corporation  
591 established by section 2 of chapter 40F.

592 **SECTION 28.** Section 10 of said chapter 23D, as most recently amended by chapter 27 of the acts of  
593 2009, is hereby amended by striking out the first sentence and inserting in place thereof the following:-

594 The board of the Massachusetts Growth Capital Corporation shall appoint a director of the trust.

595 **SECTION 29.** Sections 11 through 15, inclusive of said chapter 23D are hereby repealed.

596 **SECTION 30.** Chapter 23D of the General Laws, as appearing in the 2008 Official Edition, is hereby  
597 amended by striking out section 16 and inserting in place thereof the following section:-

598 Section 16. There shall be established within the Massachusetts growth capital corporation established by  
599 chapter 40F a separate fund to be known as the employee ownership revolving loan fund, the proceeds of  
600 which shall be used to provide low interest long term loans to individuals for the purchase of such  
601 individual's ownership interest in an employee owned business. The fund shall consist of all monies  
602 designated for that fund by the board of directors of the Massachusetts growth capital corporation in  
603 consultation with the director of the industrial services program. Said board shall administer the employee  
604 ownership revolving loan fund program. The application process, and the terms and conditions of  
605 approving such loans shall be determined by the board in consultation with the director. Said fund shall  
606 be subject to the reporting and auditing requirements of section 56 of chapter 23A.

607 **SECTION 31.** Section 20 of said chapter 23D, as so appearing, is hereby amended by striking out, in  
608 lines 10 and 11, the words 'trustees of the economic stabilization trust' and inserting in place thereof the  
609 following words:- directors of the Massachusetts Growth Capital Corporation.

610 **SECTION 32.** Chapter 23F of the General Laws is hereby repealed.

611 **SECTION 33.** Section 1 of chapter 23G of the General Laws, as so appearing, is hereby amended by  
612 inserting at the end of the definition of 'Costs of the project' the following phrase:-

613 ; provided that, notwithstanding anything in this chapter to the contrary, 'cost of the project' and  
614 'costs' may also include any capital or operating expenditure which may legally be made by any person to  
615 which the agency is authorized to provide financing, whether through the issuance of bonds by the agency  
616 or otherwise, or any other type of financial assistance, or with respect to any property, whether tangible or  
617 intangible, which may be developed or redeveloped by the agency, and may also include any capital or  
618 operating expenditure which may legally be made with respect to any property, whether tangible or  
619 intangible, for which the agency is authorized to provide financing, whether through the issuance of

620 bonds by the agency or otherwise, or any other type of financial assistance, or which may be developed or  
621 redeveloped by the agency.

622 **SECTION 34.** Said section 1 of said chapter 23G, as so appearing, is hereby further amended by  
623 inserting after the definition of ‘Governing body’ the following definitions:-

624 ‘Massachusetts Health and Educational Facilities Authority’, and ‘HEFA,’ an authority established  
625 pursuant to chapter 614 of the acts of 1968, as amended.

626 ‘Hospital’, a nonprofit hospital within the commonwealth licensed by the department of public health; or  
627 a nonprofit health maintenance organization within the commonwealth licensed by the commissioner of  
628 insurance; or an affiliated nonprofit person, which is organized and operated for the benefit of, to perform  
629 1 or more of the functions of, or to carry out 1 or more of the purposes of 1 or more licensed nonprofit  
630 hospitals or health maintenance organizations, including operation of a nursing home, comprehensive  
631 gerontology facility or congregate care facility; or any other nonprofit charitable person in the  
632 commonwealth not otherwise eligible to participate under this chapter; provided, however, that such other  
633 nonprofit charitable person may only undertake the financing and construction or acquisition of a project  
634 or undertake the financing and construction or acquisition of a project or undertake the refunding or  
635 refinancing of obligations or of a mortgage or of advances to the extent that such projects, obligations,  
636 mortgages, or advances consist of or result from the purchase of energy or from energy conservation or  
637 related projects of such other nonprofit charitable person; and provided further, that such other nonprofit  
638 charitable person participates in or is a member of a group power purchasing program organized and  
639 administered by or on behalf of the agency.

640 **SECTION 35.** Said section 1 of said chapter 23G, as so appearing, is hereby further amended by striking  
641 out the last four sentences in the definition of ‘Industrial enterprise’ and inserting in place thereof the  
642 following sentences:-

643 Industrial enterprise shall also include commercial enterprise, which shall mean the conduct of a trade or  
644 business. Facilities for the use of governmental and nonprofit entities shall be considered facilities to be  
645 used in a commercial enterprise, and bonds may be issued under this chapter to finance costs of such  
646 facilities, including such costs paid prior to the authorization of such bonds as the board shall approve in  
647 connection with the provision of such facilities; and for this purpose the term commercial enterprise shall  
648 be read to include the operating of such facilities, but the requirements of clause (e) of subsection (2) of  
649 section 12 of chapter 40D, and the requirement in clause (k) of subsection (2) of said section 12 that in the  
650 case of a project including a commercial enterprise or incidental thereto for use by a governmental or

651 nonprofit entity, the project is located in a predominantly commercial area for which a commercial area  
652 revitalization plan has been adopted by the governing body of the municipality and approved by the  
653 director of housing and community development and the project is consistent with the plan, shall not  
654 apply if the board determines that the issuance of the bonds will result in a public benefit. The words  
655 'industrial enterprise' shall also include an institution. For the purposes of this chapter and of  
656 chapter 40D, as applied to the Agency, an institution shall not be deemed to constitute a commercial  
657 enterprise. The board shall not be required with respect to an institution to make the findings set forth in  
658 clauses (e) and (k) of subsection (2) of section 12 of chapter 40D if the board finds that the issuance of the  
659 bonds will result in a public benefit.

660 **SECTION 36.** Said section 1 of said chapter 23G, as so appearing, is hereby further amended by striking  
661 out the definition of 'Institution' and inserting in place thereof the following definition:-

662 'Institution', a hospital or a nonprofit person organized to operate a facility or facilities that provide  
663 cultural or educational services; provided, however, that nothing in this definition shall be construed to  
664 limit the power or authority of the Agency to provide financing to a person, as defined in this section, to  
665 which the Agency is otherwise authorized to provide financing.

666 **SECTION 37.** Said section 1 of said chapter 23G, as so appearing, is hereby further amended by  
667 inserting at the end of the definition of 'Project' the following phrase:-

668 ; provided that, notwithstanding anything in this chapter 23G to the contrary, 'project' may also  
669 include any capital or operating expenditure which may legally be made by any person to which the  
670 agency is authorized to provide financing, whether through the issuance of bonds by the agency or  
671 otherwise, or any other type of financial assistance, or with respect to any property, whether tangible or  
672 intangible, which may be developed or redeveloped by the agency, and the property, whether tangible or  
673 intangible, produced or acquired by such expenditure, and may also include any property, whether  
674 tangible or intangible, which may legally be the subject of financing by the agency, whether through the  
675 issuance of bonds by the agency or otherwise, or of any other type of assistance provided by the Agency,  
676 or which may be developed or redeveloped by the agency.

677 **SECTION 38.** Subsection (b) of section 2 of said chapter 23G, as so appearing, is hereby amended by  
678 striking out the first sentence and inserting in place thereof the following sentences:-

679 The agency shall be governed and its corporate powers exercised by a board of directors consisting of the  
680 secretary of administration and finance and the secretary of housing and economic development, or their

681 respective designees, and 9 members to be appointed by the governor, one of whom shall be experienced  
682 in real estate development, one of whom shall be experienced in commercial or industrial credit, one of  
683 whom shall be experienced in mortgage lending, one of whom shall be experienced in banking or  
684 investment banking, one of whom shall be experienced in planning and the redevelopment of  
685 environmentally contaminated lands, one of whom shall be experienced in health care facility financing,  
686 and one of whom shall be a representative of organized labor. The secretary of housing and economic  
687 development shall serve as chairperson of the board.

688 **SECTION 39.** Subsection (k) of section 8 of said chapter 23G, as so appearing, is hereby amended by  
689 adding the following sentence:-

690 Notwithstanding any provision of this chapter to the contrary, any indebtedness of the Massachusetts  
691 Health and Educational Facilities Authority may be refunded under this subsection (k) if said  
692 indebtedness was subject to being refunded under chapter 614 of the acts of 1968, as amended.

693 **SECTION 40.** Said chapter 23G, as so appearing, is hereby further amended by striking out sections 27  
694 and 28, as so appearing, and inserting in place thereof the following sections:

695 Section 27. (a) There is hereby established and placed within the agency the Emerging Technology Fund,  
696 referred to in this section and section 28 as the fund, to which shall be credited appropriations, bond  
697 proceeds or other monies authorized by the general court and specifically designated to be credited to the  
698 fund, such additional funds as are subject to the direction and control of the agency, pension funds,  
699 federal grants or loans or private investment capital which may properly be applied in furtherance of the  
700 objectives of the fund, proceeds from the sale of qualified investments secured or held by the fund, fees  
701 and charges imposed relative to the making of qualified investments, as the same shall be defined and  
702 approved under rules approved by the advisory committee created under section 28 for the fund, secured  
703 or held by the fund, and other monies which may be available to the agency or the advisory committee for  
704 the purposes of the fund from another source or sources. The agency shall hold the fund in an account or  
705 accounts separate from other funds or accounts and shall manage the fund on behalf of the advisory  
706 committee, under rules and policies established by the advisory committee.

707 (b) The agency, on behalf of the advisory committee, shall invest and reinvest the fund and the income of  
708 the fund, except as provided in this section, as follows: (i) in the making of qualified investments, under  
709 rules approved by the advisory committee; (ii) in defraying the ordinary and necessary expenses of  
710 administration and operation associated with the fund; (iii) in the investment of funds not required for  
711 immediate disbursement in the purchase of such securities as may be lawful investments for fiduciaries in

712 the commonwealth;(iv) for the payment of binding obligations associated with such qualified investments  
713 which are secured by the fund as the obligations become payable; and (v) for the payment of principal or  
714 interest on qualified investments secured by the fund or the payment of a redemption premium required to  
715 be paid when such qualified investments are redeemed prior to maturity; provided, however, that monies  
716 in the fund shall not be withdrawn at any time in such an amount as would reduce the amount of the fund  
717 to less than the minimum requirement established jointly by the agency and advisory committee, except  
718 for the purpose of paying binding obligations associated with qualified investments which are secured by  
719 the fund as the obligations become payable.

720 (c) The fund shall be held and applied by the agency, on behalf of the advisory committee, to make  
721 qualified investments designed to advance the following public purposes: (i) to stimulate increased  
722 financing for new, renovated or improved manufacturing, research and development and related facilities  
723 and financing for the operations of emerging technology companies in the commonwealth by leveraging  
724 private financing for highly, productive state of the art facilities or for the operations of emerging  
725 technology companies, which will lead to increased and more rewarding employment opportunities in the  
726 commonwealth by providing financing related to such facilities including, without limitation, financing of  
727 the construction or expansion of such facilities, including specialized real estate improvements and  
728 specialized equipment for those facilities; and financing for the operations of emerging technology  
729 companies; (ii) to make matching grants to universities, colleges, public instrumentalities, companies and  
730 other entities to induce the federal government, industry and other grant funding sources to fund advanced  
731 research and development activities in new and emerging technologies and new application of existing  
732 technologies in the commonwealth, so as to serve to increase and strengthen the commercial and  
733 industrial base of the commonwealth and the economic development and employment opportunities  
734 related to the commercial and industrial base; (iii) to provide bridge financing to universities, colleges,  
735 public instrumentalities, companies and other entities in anticipation of the receipt of grants of the type  
736 described in clause (ii) awarded or to be awarded by the federal government, industry or other sources;  
737 (iv) to provide low or no interest equipment loans targeted to companies within the defense technology  
738 and homeland security sector particularly those that are seeking to become more competitive against out  
739 of state companies; (v) to make grants to the Massachusetts Technology Transfer Center, established by  
740 section 45 of chapter 75, to fund activities that facilitate the transfer of technology from the  
741 commonwealth's research institutions to the commonwealth's emerging technology industries, for  
742 productive use by such industries and to make targeted investments in proof of concept funding for  
743 emerging technologies; and(vi) to provide matching grants in the field of marine science technology for

744 companies in the commonwealth that receive small business innovation research or small business  
745 technology transfer grants from the small business administration.

746 The matching award amount shall be the lesser of \$20,000 or 15 per cent of the small business innovation  
747 research or small business technology transfer grant. There shall be a maximum of \$60,000 available per  
748 company, including affiliates, per calendar year allocated on a competitive basis, contingent upon the  
749 availability of funds. The matching funds shall be used for product development and commercialization.  
750 The agency shall make no such qualified investment under clause (i) of subsection (b) unless the advisory  
751 committee finds that, to the extent possible, said qualified investment is such that a definite benefit to the  
752 economy of the commonwealth may reasonably be expected as a result. In addition, the agency shall  
753 make no such qualified investment under said clause (i) of said subsection (b) unless such qualified  
754 investment is in conformity with rules approved by the advisory committee. Said rules shall define which  
755 industries within the commonwealth shall be considered emerging technology industries for purposes of  
756 this section, provided that 'emerging technology industries' shall include industries employing new or  
757 state of the art technology in biotechnology, marine science technology, pharmaceuticals, defense and  
758 homeland security related technologies, advanced materials, electronics, nanotechnology, environmental,  
759 medical device, information technology, plastics and polymers, telecommunications industries involved  
760 in the research and development of state of the art medication delivery devices or any other technological  
761 field or industry which the advisory committee has classified or shall classify as an emerging technology.  
762 Said rules shall also set the terms and conditions for investments which are to constitute qualified  
763 investments, which may include, without limitation, loans, working capital and contract based loans,  
764 guarantees, loan insurance or reinsurance, equity investments, grants made only under clauses (ii) and (v)  
765 of subsection (c), or other financing or credit enhancing devices, as made by the agency directly or on its  
766 own behalf or in conjunction with other public instrumentalities, or private institutions, or the federal  
767 government; provided, however, that said rules shall provide that each such qualified investment made  
768 under clause (i) of said subsection (c) shall involve a transaction with the participation of at least 2 at risk  
769 private parties. Said rules shall, in addition, set forth the terms, procedures, standards and conditions  
770 which the agency shall employ to identify qualified applications, process applications, make investment  
771 determinations, safeguard the fund, advance the objective of increasing employment opportunities,  
772 oversee the progress of qualified investments and secure the participation of other public  
773 instrumentalities, private institutions, or the federal government in such qualified investments; provided,  
774 however, that said rules shall provide that each recipient of a qualified investment shall be required to pay  
775 a fee as a condition of such receipt, which fee may take the form of points, an interest rate premium or a  
776 contribution of warrants or other form of equity or consideration to the fund as prescribed by the advisory

777 committee; and provided, further, that said rules shall provide for negotiated agreements between the  
778 agency and each recipient of a qualified investment regarding the terms and conditions by which the  
779 fund's support of a recipient could be reduced or withdrawn.

780 (d) The agency may solicit investments by private institutions or investors in the activities of the fund and  
781 may reach agreements with such private institutions or investors regarding the terms of such investments  
782 including, without limitation, the rights of such investors to participate in the income or appropriation of  
783 the fund. To help secure investments by private institutions or investors in the activities of the fund, the  
784 advisory committee may develop a proposal relative to the creation of a separate investment entity which  
785 would allow for the commingling of the resources of the fund with the maximum participation by such  
786 private institutions or investors in a manner which is consistent with the public purpose of the fund and  
787 under terms and conditions calculated to protect and preserve the assets of the fund; provided, however,  
788 that if the creation or operation of such a separate entity as proposed by the advisory committee would  
789 require additional or clarifying amendments to the enabling act of the agency, said proposal shall include  
790 proposed statutory language.

791 (e) Copies of the approved rules, and modifications to the rules, shall be submitted to the chairs of the  
792 house and senate committees on ways and means and the joint committee on economic development and  
793 emerging technologies and the clerks of the house of representatives and senate.

794 (f) Qualified investment transactions undertaken by the agency on behalf of the advisory committee under  
795 this section shall not, except as specified in this section, be subject to chapter 175, and shall be payable  
796 solely from the Emerging Technology Fund, established by this section and shall not constitute a debt or  
797 pledge of the faith and credit of the commonwealth, the agency or any subdivision of the commonwealth.

798 (g) The agency, on behalf of the advisory committee, shall not make an expenditure from or commitment  
799 of the assets of the fund, including, without limitation, the making of qualified investments secured by the  
800 fund, if making such a qualified investment would reduce the amount of the fund below the minimum  
801 requirement established by law, unless the agency, at the time of making of such qualified investment,  
802 deposits in the fund from the proceeds of that qualified investment or from any fees and charges imposed  
803 relative to the making of qualified investments, or otherwise, an amount which, together with the amount  
804 in the fund, shall not be less than the minimum requirement; provided, however, that at no time shall the  
805 minimum requirement of the fund be less than the maximum amount of principal and interest becoming  
806 due in the current and succeeding fiscal year of the agency on all outstanding bonds and other obligations  
807 which are secured by the fund or such greater amount as may be set forth in the rules governing the fund.

808 Section 28. (a) There is hereby established an advisory committee relative to the fund consisting of the  
809 director of the Massachusetts office of business development, the director of the John Adams Innovation  
810 Institute, the president of the Massachusetts Technology Development Corporation, and 6 other persons,  
811 3 of whom shall be appointed by the governor and 3 of whom shall be appointed by the board of the  
812 agency; provided, however, that the director of the John Adams Innovation Institute, and the president of  
813 the Massachusetts Technology Development Corporation may designate another person to act in such  
814 member's place for a particular purpose, including the right to attend and vote at a meeting of the  
815 advisory committee; provided, further, that at least 1 member appointed by the governor shall be a  
816 representative of an emerging technology industry, at least 1 member appointed by the governor shall  
817 have knowledge of financing of emerging technology companies, and at least 1 member shall have  
818 knowledge of technology transfer and commercialization activities at research institutions; and provided,  
819 further, that at least 1 member appointed by the board of the agency shall be a representative of an  
820 emerging technology industry, and at least 1 member appointed by the board of the agency shall have  
821 knowledge of financing of emerging technology companies and 1 member appointed by the board of the  
822 agency shall be a member of the agency's board of directors. The executive director of the Massachusetts  
823 Technology Transfer Center shall serve as an ex officio member of the advisory committee. Each  
824 appointed member of the advisory committee shall serve for a term of 3 years or until such member's  
825 successor is appointed; provided, however, that of those initially appointed, of each the governor's  
826 appointees and the board of the agency's appointees shall serve for a term of 1 year, 1 of each of the  
827 governor's appointees and the board of the agency's appointees shall serve for a term of 2 years, and 1 of  
828 each the governor's appointees and the board of the agency's appointees shall serve for a term of 3 years.  
829 A person appointed to fill a vacancy on the advisory committee shall be appointed in a like manner and  
830 shall be eligible for reappointment. A member of the advisory committee appointed by the governor may  
831 be removed by the governor for cause. A member of the advisory committee appointed by the board of  
832 the agency may be removed by the board of the agency for cause.

833 (b) The members shall annually elect a chairman and vice chairman and shall adopt bylaws governing the  
834 affairs of the advisory committee. Five members of the advisory committee shall constitute a quorum and  
835 the affirmative vote of a majority of the members present and eligible to vote at a meeting shall be  
836 necessary for an action to be taken by the advisory committee; provided, however, that no vacancy in the  
837 membership of the advisory committee shall impair the right of a quorum to exercise the powers of the  
838 advisory committee.

839 (c) The members shall serve without compensation, but each member shall be entitled to reimbursement  
840 for actual and necessary expenses incurred in the performance of official duties.

841 (d) The advisory committee may meet as often as the members shall decide; provided, however, that it  
842 shall meet at least once in each calendar quarter and its approval shall be necessary for an expenditure  
843 from or commitment of the assets of the fund or entry into contracts of the type specified in subsection  
844 (g).

845 (e) The advisory committee may, by majority vote, elect, in its discretion, to delegate some or all of the  
846 committee's approval rights to the board or the staff of the agency; provided, that, any such delegation  
847 may be revoked at any time by majority vote of the advisory committee.

848 (f) The agency shall manage the qualified investments made from the fund on behalf of the advisory  
849 committee including, without limitation, the closing, servicing, monitoring, underwriting, and where  
850 appropriate, the enforcement of rights with respect to such management and shall provide such staff and  
851 supporting assistance as deemed appropriate by the board of directors of the agency to enable the advisory  
852 committee to discharge its duties in a manner consistent with its public purpose. Subsection (d),  
853 subsections (f) to (i), inclusive, and subsection (l) of section 2 of this chapter shall also apply to the  
854 members and affairs of the advisory committee created under this section.

855 (g) The advisory committee and the agency are encouraged to award 1 or more contracts with regard to  
856 the management of the fund, which may provide performance based incentives, with regard to such  
857 management.

858 **SECTION 41.** Said chapter 23G, as so appearing, is hereby further amended by adding the following  
859 section:

860 Section 44. The agency shall be subject to sections 3K and 56 of chapter 23A.

861 **SECTION 42.** Clause (7) of subsection (a) of section 4 of chapter 23I of the General Laws, as so  
862 appearing, is hereby amended by inserting after the word 'document', in line 35, the following words:-

863 ; provided, however, that the center shall contract with another public authority for the performance by  
864 that authority of core administrative functions, as determined by the secretary of housing and economic  
865 development which may include but shall not be limited to, human resources, financial management,  
866 information technology, legal, procurement and asset management, to minimize the administrative costs  
867 and expenses of the center.

868 **SECTION 43.** Subsection (d) of section 6 of said chapter 23I, as so appearing, is hereby amended by  
869 inserting after the figure '75', in line 82, the following words:-

870 to fund activities that facilitate the transfer of technology from the commonwealth's research institutions  
871 to the commonwealth's life science industries, for productive use by such industries and to make targeted  
872 investments in proof of concept funding for emerging technologies.

873 **SECTION 44.** Said chapter 23I, as so appearing, is hereby further amended by inserting the following  
874 new section:-

875 Section 18. The center shall be subject to sections 3K and 56 of chapter 23A.

876 **SECTION 45.** Section 3 of said chapter 23J of the General Laws, as so appearing, is hereby amended in  
877 by inserting after the word 'chapter;', in line 30, the following words:-

878 provided, however, that the center shall contract with another public authority for the performance by that  
879 authority of core administrative functions, as determined by the secretary of housing and economic  
880 development which may include but shall not be limited to, human resources, financial management,  
881 information technology, legal, procurement and asset management, to minimize the administrative costs  
882 and expenses of the center.

883 **SECTION 46.** Said chapter 23J, as so appearing, is hereby amended by adding the following new  
884 section:-

885 Section 9. The center shall be subject to sections 3K and section 56 of chapter 23A.

886 **SECTION 47.** Section 1 of chapter 29 of the General Laws, as so appearing, is hereby amended by  
887 striking out the definition of 'State authority,' and inserting in place thereof the following definition:-

888 'State authority' a body politic and corporate constituted as a public instrumentality of the commonwealth  
889 and established by an act of the General Court to serve an essential governmental function; provided,  
890 however that 'state authority' shall not include: (1) a state agency; (2) a city or town; (3) a body  
891 controlled by a city or town; or (4) a separate body politic where the governing body is elected by the  
892 general public.

893 **SECTION 48.** Said chapter 29, as so appearing, is hereby further amended by inserting after section 30  
894 the following section:-

895 Section 30A. Notwithstanding section 50 of chapter 3, a state agency or state authority shall not use state  
896 funds to pay for an executive or legislative agent, as defined in section 39 of chapter 3, unless the  
897 executive or legislative agent is a fulltime employee of the state agency or state authority.

898 **SECTION 49.** Section 2 of chapter 30A of the General Laws, as so appearing, is hereby amended by  
899 inserting after the third paragraph the following paragraph:-

900 The notice shall also include an estimate of the proposed regulation's fiscal effect including that on the  
901 public and private sector, for its first and second year, and a projection over the first 5-year period, or a  
902 statement of no fiscal effect. Unless the proposed regulation has the purpose of setting rates within the  
903 commonwealth, the notice shall also include a statement considering the impact of the proposed  
904 regulation on small business. This statement of consideration shall include, but not be limited, to a  
905 description of the projected reporting, record keeping and other compliance requirements of the proposed  
906 regulations, the appropriateness of performance standards versus design standards and an identification of  
907 all relevant regulations of the adopting agency that may duplicate or conflict with the proposed regulation.  
908 The requirements of this paragraph to prepare or publish statements shall be enforceable by a civil action  
909 for mandamus relief, but the sufficiency of the statement shall not be grounds for invalidating or staying  
910 the regulation.

911 **SECTION 50.** Section 3 of said chapter 30A, as so appearing, is hereby amended by inserting after the  
912 third paragraph the following paragraph:-

913 The notice shall also include an estimate of the proposed regulation's fiscal effect including that on the  
914 public and private sector, for its first and second year, and a projection over the first 5-year period, or a  
915 statement of no fiscal effect. Unless the proposed regulation has the purpose of setting rates within the  
916 commonwealth, the notice shall also include a statement considering the impact of the proposed  
917 regulation on small business. This statement of consideration shall include, but not be limited, to a  
918 description of the projected reporting, record keeping and other compliance requirements of the proposed  
919 regulations, the appropriateness of performance standards versus design standards and an identification of  
920 all relevant regulations of the adopting agency that may duplicate or conflict with the proposed regulation.  
921 The requirements of this paragraph to prepare or publish statements shall be enforceable by a civil action  
922 for mandamus relief, but the sufficiency of the statement shall not be grounds for invalidating or staying  
923 the regulation.

924 **SECTION 51.** Section 5 of said chapter 30A, as so appearing, is hereby amended by striking out the  
925 second paragraph.

926 **SECTION 52.** Section 59 of chapter 40 of the General Laws, as so appearing, is hereby amended by  
927 striking out clause (iii) and inserting in place thereof the following clause:-

928 (iii) authorizes tax increment exemptions from property taxes, under clause Fifty-first of section 5 of  
929 chapter 59, for a specified term not to exceed 20 years, for any parcel of real property which is located in  
930 the TIF zone and for which an agreement has been executed with the owner of the real property under  
931 clause (v); provided, however, that the TIF plan shall specify the level of the exemptions expressed as  
932 exemption percentages, not to exceed 100 per cent to be used in calculating the exemptions for the parcel,  
933 and for personal property situated on that parcel, as provided under said clause Fifty-first of said section 5  
934 of said chapter 59; provided, further, that the exemption for each parcel of real property shall be  
935 calculated using an adjustment factor for each fiscal year of the specified term equal to the product of the  
936 inflation factors for each fiscal year since the parcel first became eligible for an exemption under this  
937 clause; provided, further that the inflation factor for each fiscal year shall be a ratio; (a) the numerator of  
938 which shall be the total assessed value of all parcels of commercial and industrial real estate that are  
939 assessed at full and fair cash value for the current fiscal year minus the new growth adjustment for the  
940 current fiscal year attributable to the commercial and industrial real estate as determined by the  
941 commissioner of revenue under subsection (f) of section 21C of chapter 59; and (b) the denominator of  
942 which shall be the total assessed value for the preceding fiscal year of all the parcels included in the  
943 numerator; provided, however, that the ratio shall not be less than 1;.

944 **SECTION 53.** Clause (iii) of subsection (a) of section 60 of said chapter 40, as so appearing, is hereby  
945 amended by striking out the first paragraph and inserting in place thereof the following paragraph:-

946 authorize tax increment exemptions from property taxes, under clause Fifty-first of section 5 of chapter  
947 59, for a specified term not to exceed 20 years, for any parcel of real property which is located in the  
948 UCHTIF zone and for which an agreement has been executed under clause (v); provided, however, that  
949 the UCHTIF plan shall specify the level of exemptions expressed as exemption percentages, not to exceed  
950 100 per cent to be used in calculating the exemptions for the parcel, and for personal property situated on  
951 that parcel, as provided under said clause Fifty-first of said section 5 of said chapter 59; provided, further,  
952 that the exemption for each parcel of real property shall be calculated using an adjustment factor for each  
953 fiscal year of the specified term equal to the product of the inflation factors for each fiscal year since the  
954 parcel first became eligible for such exemption under this clause; provided, further, that the inflation  
955 factor for each fiscal year shall be a ratio:—

956 **SECTION 54.** Clause (iii) of section 60A of said chapter 40, as so appearing, is hereby amended by  
957 striking out the first paragraph and inserting in place thereof the following paragraph:-

958 authorize tax increment exemptions from property taxes, under clause Fifty-first of section 5 of chapter  
959 59, for a specified term not to exceed 20 years, for any parcel of real property which is located in the

960 MWTTIF zone and for which an agreement has been executed with the owner of the parcel under clause  
961 (iv); provided, however, that the MWTTIF plan shall specify the level of exemptions expressed as  
962 exemption percentages, not to exceed 100 per cent, to be used in calculating the exemptions for the  
963 parcel, and for personal property situated on that parcel, as provided under said clause Fifty-first of said  
964 section 5 of said chapter 59; provided, further, that the exemption for each parcel of real property shall be  
965 calculated using an adjustment factor for each fiscal year of the specified term equal to the product of the  
966 inflation factors for each fiscal year since the parcel first became eligible for such exemption pursuant to  
967 this clause; provided, further, that the inflation factor for each fiscal year shall be a ratio:

968 **SECTION 55.** Section 3 of said chapter 40A, as so appearing, is hereby amended by inserting after the  
969 word ‘more’, in line 25, the following words:-

970 or to parcels 1 acre or more if the sale of products produced from the agriculture, aquaculture, silviculture,  
971 horticulture, floriculture or viticulture use on the parcel annually generates at least \$1,000 per acre based  
972 on gross sales dollars.

973 **SECTION 56.** Section 24 of chapter 40B of the General Laws, as so appearing, is hereby amended by  
974 striking out, in line 17, the words ‘director of economic development’ and inserting in place thereof the  
975 following words:- secretary of housing and economic development.

976 **SECTION 57.** Chapter 40E of the General Laws is hereby repealed.

977 **SECTION 58.** The General Laws are hereby amended by striking out chapter 40F and inserting in place  
978 thereof the following chapter:

979 **Chapter 40F.**

980 **Massachusetts Growth Capital Corporation**

981 Section 1. For the purposes of this chapter the following words and terms shall, except where the context  
982 clearly indicates otherwise, have the following meanings:

983 ‘Capital participation instruments’, purchase of stock, both common and preferred, convertible securities,  
984 warrants, subscriptions, options to acquire, capital loans, and working capital or inventory loans,  
985 royalties, and other lawful derivations of the foregoing.

986 ‘Community Development Corporation’ or ‘CDC’, a nonprofit corporation organized under chapter 180,  
987 and exempt from taxation under section 501(c) of the Internal Revenue Code and which: (i) focuses a  
988 substantial majority of the corporation’s efforts on serving 1 or more specific neighborhoods or

989 municipalities, a region of the commonwealth, or a constituency that is economically disadvantaged; (ii)  
990 has as the corporation's purpose to engage local residents and businesses to work together to undertake  
991 community development programs, projects and activities which develop and improve urban, rural and  
992 suburban communities in sustainable ways that create and expand economic opportunities for low and  
993 moderate income people; (iii) demonstrates to the department of housing and community development  
994 that the corporation's constituency, including low and moderate income people, is meaningfully  
995 represented on the board of directors of the corporation; provided, however, that in making this  
996 determination, the department shall consider the following criteria (1) the percentage, if any, of the board  
997 that is elected by the general membership; (2) the percentage of the board members that are residents of  
998 the service area; (3) the percentage of board members that are people of low or moderate income; (4) the  
999 racial and ethnic composition of the board in comparison to the racial and ethnic composition of the  
1000 community being served; (5) other mechanisms, including committees, membership meetings, that the  
1001 organization uses to ensure that their constituency has a meaningful role in the governance and direction  
1002 of the organization; and (6) other criteria as determined by the department.

1003 'Corporation' or 'GCC', the Massachusetts Growth Capital Corporation created by section 2.

1004 'Equity investment', any of the following types of investment activity: (a) a purchase of stock; (b) a  
1005 purchase of a partnership interest; (c) a purchase of a limited liability company membership interest; or  
1006 (d) a loan made on such terms that it has sufficient characteristics of equity.

1007 'Financial products', loans, equity investments and other similar financing activities including, but not  
1008 limited to, the purchase of loans originated by a certified community development financial institution,  
1009 the provision of loan guarantees, or the provision of surety bond guarantees.

1010 'Project', (a) the act of making available financial products to small businesses and nonprofit  
1011 corporations; (b) manufacturing, wholesale, retail, service, or other business activity; (c) economic  
1012 development activity involving the financing of commercial, industrial or other real estate activity; or (d)  
1013 other activity from which a community will derive economic benefit.

1014 'Small business', a business entity, including its affiliates, that (a) is independently owned and operated;  
1015 (b) has a principal place of business in the commonwealth; and (c) would be defined as a 'small business'  
1016 under applicable federal law.

1017 Section 2. (a) There is hereby created a body politic and corporate to be known as the Massachusetts  
1018 Growth Capital Corporation. The GCC is hereby constituted a public instrumentality and the exercise by

1019 the GCC of the powers conferred by this chapter shall be deemed to be the performance of an essential  
1020 governmental function.

1021 The GCC shall be placed within the executive office of housing and economic development but shall not  
1022 be subject to the supervision and control of an executive office, department, division, commission, board,  
1023 bureau or agency except to the extent and in the manner provided by law.

1024 (b) The corporation shall consist of 13 directors; 1 of whom shall be the secretary of housing and  
1025 economic development, who shall serve as chair; 1 of whom shall be the undersecretary of housing and  
1026 community development; 1 of whom shall be the secretary of administration and finance, or the  
1027 secretary's designee; and 10 of whom shall be appointed by the governor. Of the 10 directors appointed  
1028 by the governor; 3 shall be persons who together shall be experienced in small business financing, other  
1029 financial instruments, turnarounds of troubled businesses, and the organization and operation of employee  
1030 owned businesses; provided, however, that each such director shall be experienced and knowledgeable in  
1031 at least 1 such area; 1 shall be a representative of an organization of small businesses or manufacturing  
1032 companies in the commonwealth; 1 shall be a representative of a community bank in the commonwealth  
1033 and nominated by the Massachusetts Bankers Association; 1 shall be experienced in community  
1034 economic development and employed by a CDC or a representative of the Massachusetts Association of  
1035 Community Development Corporations; 1 shall be a current or retired certified public accountant or chief  
1036 financial officer; 1 shall be a practicing or retired attorney with a business financing experience; 1 shall be  
1037 a small business owner; and 1 shall be a representative of organized labor. Each member appointed by the  
1038 governor shall serve a term of 5 years, except that in making the governor's initial appointments the  
1039 governor shall appoint 2 members to serve for a term of 1 year, 2 members to serve for a term of 2 years,  
1040 2 members to serve for a term of 3 years, 2 members to serve for a term of 4 years, and 2 members to  
1041 serve for a term of 5 years.

1042 (c) A person appointed to fill a vacancy in the office of a director shall be appointed in a like manner and  
1043 shall serve for only the unexpired term. A director shall be eligible for reappointment. A director may  
1044 only be removed from the director's appointment by the governor for good cause. The directors shall  
1045 annually elect 1 director as vicechair and designate a secretary treasurer who need not be a director. The  
1046 secretary treasurer shall keep a record of the proceedings of the corporation and shall be the custodian of  
1047 all books, documents, and papers filed with the corporation, the minute books of the corporation and of its  
1048 official seal.

1049 (d) Seven of the directors of the corporation shall constitute a quorum and 7 affirmative votes shall be  
1050 necessary for the transaction of business or the exercise of a power or function of the corporation. Each

1051 director shall be entitled to reimbursement for the director's actual and necessary expenses incurred in the  
1052 performance of the director's official duties.

1053 (e) The corporation, its directors, officers and employees shall be subject to sections 1 to 4, inclusive, of  
1054 chapter 268A except that the corporation may purchase from, sell to, borrow from, loan to, contract with  
1055 or otherwise deal with a person in which a director of the corporation is interested or involved; provided,  
1056 however, that such interest or involvement is disclosed in advance to the directors and recorded in the  
1057 minutes of the corporation; provided, further, that no director having such an interest or involvement may  
1058 participate in a decision of the directors relating to such person. Employment by the commonwealth or  
1059 service in an agency of the commonwealth shall not be deemed to be such an interest or involvement.

1060 (f) The president of the corporation shall be appointed and the president's salary established by the  
1061 directors. The president shall be the chief administrative and operational officer of the corporation and  
1062 shall direct and supervise administrative affairs and the general management of the corporation. The  
1063 president may employ such other employees as shall be designated by the directors, shall attend meetings  
1064 of the directors, shall cause copies to be made of all minutes and other records and documents of the  
1065 corporation and shall certify that such copies are true copies and all persons dealing with the corporation  
1066 may rely upon such certification.

1067 (g) All officers and employees of the corporation having access to its cash and negotiable securities shall  
1068 give bond to the corporation at its expense in such amounts and with such surety as the directors may  
1069 prescribe. The persons required to give bond may be included in 1 or more blanket or scheduled bonds.

1070 (h) Directors shall not be liable to the commonwealth, to the agency or to any other person as a result of  
1071 the director's activities, whether ministerial or discretionary, as such directors, except for willful  
1072 dishonesty or intentional violations of the law. The corporation may purchase liability insurance for  
1073 directors, officers, and employees and may indemnify said persons against claims of others.

1074 (i) Documentary materials, data or conversations made or received by a director or employee of the  
1075 corporation and consisting of, or to the extent that such materials, data or conversations consist of, trade  
1076 secrets or commercial or financial information regarding the operation of a business conducted by an  
1077 applicant for assistance which the corporation is empowered to render or regarding the competitive  
1078 position of such applicant in a particular field of endeavor, shall not be public records of the corporation  
1079 and shall not be subject to section 10 of chapter 66. A discussion or consideration of such trade secrets or  
1080 commercial or financial information may be held by the directors in executive session closed to the public  
1081 notwithstanding chapter 30A, but the purpose of such an executive session shall be set forth in the official

1082 minutes of the corporation and no business which is directly related to such purpose shall be transacted  
1083 nor shall a vote be taken in such an executive session.

1084 Section 3. The GCC shall have the power to:

1085 (1) adopt bylaws for the regulation of its affairs and the conduct of its business;

1086 (2) adopt an official seal;

1087 (3) sue and be sued in its own name;

1088 (4) make and execute contracts and all other instruments necessary or convenient for the exercise  
1089 of its power and functions;

1090 (5) acquire, hold and dispose of personal property for its corporate purposes;

1091 (6) enter into agreements or other transactions with federal and state agencies;

1092 (7) acquire real property, or an interest in real property, by purchase or foreclosure, if such  
1093 acquisition is necessary or appropriate to protect or secure an investment or loan in which the  
1094 agency has an interest; to sell, transfer and convey such property to a buyer and in the event such  
1095 sale, transfer or conveyance cannot be effected with reasonable promptness or at a reasonable  
1096 price, to lease such property to a tenant;

1097 (8) invest funds held in reserves or sinking funds, or funds not required for immediate  
1098 disbursement, in such investments as may be lawful for fiduciaries in the commonwealth;

1099 (9) borrow money by the issuance of debt obligations whether tax exempt or taxable and secure  
1100 such obligations by the pledge of its revenues or of the revenues, mortgages and notes of others;  
1101 provided, however, that the corporation shall not issue debt obligations if the principal amount of  
1102 those debt obligations, when added to the principal amount of existing debt obligations issued by  
1103 the corporation, excluding debt obligations previously refunded or to be refunded by the  
1104 corporation, would exceed 30 million dollars;

1105 (10) employ and fix the compensation of a president, who shall be the chief executive officer of  
1106 the corporation and such other agents, employees, professional and business advisers as may be  
1107 necessary in the judgment of the directors; provided, however, that the president, professional  
1108 advisers and business advisers shall not be subject to chapter 31 or section 9A of chapter 30.

- 1109 (11) appear in its own behalf before boards, commissions, departments or other agencies of  
1110 municipal, state or federal government;
- 1111 (12) procure insurance against any loss in connection with its property in such amounts, and from  
1112 such insurers, as may be necessary or desirable;
- 1113 (13) consent, subject to any contract with noteholders or bondholders, whenever it deems it  
1114 necessary or desirable in the fulfillment of the purposes of this chapter, to the modification, with  
1115 respect to rate of interest, time of payment of an installment of principal or interest, or other  
1116 terms, of a mortgage, mortgage loan, mortgage loan commitment, contract or other agreement to  
1117 which the GCC is a party;
- 1118 (14) do any and all things necessary or convenient to carry out its purposes and exercise the  
1119 powers expressly given and granted in this chapter;
- 1120 (15) receive and accept from federal and state agencies and public or private entities grants, loans  
1121 or advances for or in aid of the purposes of this chapter and to receive and accept contributions  
1122 from a source of either money, property, labor or other things of value, to be held, used and  
1123 applied for the purposes of this chapter;
- 1124 (16) create, issue, buy and sell stock and other capital participation instruments; to hold such  
1125 stock and capital participation instruments and to underwrite the creation of a capital market for  
1126 these securities;
- 1127 (17) provide advisory services, technical assistance and training programs to small businesses as  
1128 may be necessary or desirable to carry out the purposes of this chapter;
- 1129 (18) exercise other powers, rights or responsibilities of a corporation organized under chapter  
1130 156B.
- 1131 (19) create and issue shares which a person, firm or corporation may purchase; provided,  
1132 however, that each share issued shall be in the form of nonvoting common stock with each share  
1133 having a par value of \$10; provided, further, that the total value of the shares issued shall not  
1134 exceed \$25,000,000;
- 1135 (20) make loans or grants to, or otherwise finance or invest in, a business to further the purposes  
1136 of this chapter; provided, further, that such loans or grants may be made to certified community

1137 development corporations or other community based nonprofit entities for the purpose of such  
1138 corporations or entities providing financing to businesses;

1139 (21) provide loan guarantees to public or private entities for the purpose of causing such entities  
1140 to provide financing to a business;

1141 (22) establish and collect such fees, charges and interest rates as the corporation determines to be  
1142 reasonable; and

1143 (23) require, by contract in a financing agreement, or otherwise, specific operational activities,  
1144 financial actions or management changes, as conditions for the receipt of a loan, financing or  
1145 investment by the corporation.

1146 No debt obligation issued under paragraph (i), stock or capital participation instrument created under  
1147 paragraph (p) or share issued under paragraph (s) shall be or become an indebtedness or obligation of the  
1148 commonwealth, and it shall be plainly stated on the face of each bond, capital participation instrument,  
1149 share or other evidence of indebtedness that it does not constitute an indebtedness or obligation of the  
1150 commonwealth but is payable solely from the revenues or income of the Massachusetts Growth Capital  
1151 Corporation.

1152 Section 4. The corporation shall contract with another public authority for the performance by that  
1153 authority of core administrative functions, as determined by the secretary of housing and economic  
1154 development which may include but shall not be limited to, human resources, financial management,  
1155 information technology, legal, procurement and asset management, to minimize the administrative costs  
1156 and expenses of the corporation.

1157 Section 5. (a) The corporation may participate in a project; provided that, the corporation shall find and  
1158 incorporate in the official records of the corporation that the project will be of a public benefit such that  
1159 the project is reasonably expected to: (i) support or promote economic development, revitalization or  
1160 stability; (ii) promote employment opportunities for residents of the commonwealth; (iii) promote the  
1161 creation or retention of jobs; or, (iv) support the creation or expansion of a business sector whose success  
1162 would enhance the economic development of the commonwealth, enhance the quality of life of residents  
1163 of the commonwealth or enhance the employment opportunities for residents of the commonwealth.

1164 (b) The corporation shall not participate in a project unless it determines, in writing, that its participation  
1165 is necessary because funding for the project is not available in the traditional capital markets or that credit  
1166 has been offered on terms that would preclude the success of the project.

1167 (c) The corporation shall endeavor to participate in projects each year that provide financial products,  
1168 which in the aggregate total not less than 30 percent of the total capital committed by the corporation over  
1169 a 3 year period, to projects which enhance the economic development of a target area, as defined in  
1170 section 2 of chapter 40H, or enhance the quality of life and promote employment opportunities for low  
1171 and moderate income residents of the commonwealth. If a certified CDC requests that the corporation  
1172 participate in a project, the corporation shall make a determination of the likelihood that the project: (i)  
1173 will provide employment opportunities to low and moderate income residents of the commonwealth; (ii)  
1174 is likely to enhance the quality of life of low and moderate income residents of the commonwealth; or (iii)  
1175 supports the creation or expansion of the business sector in the region served by the CDC. If the  
1176 corporation enters into an agreement to participate in such a project, the terms of the financial products  
1177 made available shall favorably reflect the economic and social benefits which inures to the  
1178 commonwealth from the project.

1179 (d) Each contract shall include a requirement for adequate reporting of financial and other data to the  
1180 corporation. The contract shall require that a business receiving financial products shall participate in  
1181 financial and managerial consulting services and the contract shall include a requirement for an annual or  
1182 other periodic audit of the project books.

1183 Section 6. The corporation shall endeavor to participate in projects each year that provide financial  
1184 products, which in the aggregate total not less than 20 percent of the total capital committed by the  
1185 corporation in that year, to minority owned or women owned contractors notwithstanding the conditions  
1186 described in section 5, except that the corporation shall have determined, in writing: (i) that the project  
1187 plans conform to applicable environmental, zoning, building, planning and sanitation laws; (ii) that there  
1188 is a reasonable expectation that the project will be successful; and (iii) that the participation of the  
1189 corporation is necessary for the successful completion of the proposed project because funding for the  
1190 project is unavailable in the traditional capital markets, or that credit has been offered on terms that would  
1191 preclude the success of the project.

1192 Section 7. (a) The GCC may establish or invest in the capital stock of 1 or more corporations organized  
1193 for the purposes of increasing capital available to small businesses or to engage local residents and  
1194 businesses to work together to undertake programs, projects and activities which develop and improve  
1195 urban, rural and suburban communities by creating and expanding economic opportunities for low and  
1196 moderate income people. Without limitation, such a corporation may:

1197 (1) serve as a financial intermediary between entities undertaking projects and small businesses  
1198 and public or private sources of capital including, without limitation, direct lenders, guarantors or

1199 grant makers. Any corporation so organized may accomplish its purposes by means of (i)  
1200 investing in the equity capital of, (ii) making direct loans to, or (iii) issuing loan guarantees to  
1201 entities undertaking projects or to small businesses; and

1202 (2) provide financial and managerial consulting services to entities undertaking projects, small  
1203 businesses and minority owned or women owned contractors.

1204 (b) The GCC may have a controlling or a minority interest in such a corporation, as the directors of the  
1205 GCC shall determine in the board's discretion; provided, however, that at least 1 director of the GCC shall  
1206 sit on the board of directors of the corporation.

1207 (c) a corporation established under this section or in which the GCC has invested under this section shall,  
1208 prior to making an investment in the capital stock of, or loans or loan guarantees to entities undertaking  
1209 projects or to small businesses, make the following findings:

1210 (1) That such action is consistent with the objectives of this section and may reasonably be  
1211 expected to contribute to the redevelopment and economic wellbeing of the commonwealth, will  
1212 create or retain jobs or will assist minority or women owned businesses.

1213 (2) That the funds provided by the GCC will be used solely in connection with the costs of the  
1214 project or the operation of the small business.

1215 (3) That the contract for participation in a project requires adequate reporting of financial data  
1216 from the small business or project to such corporation. The contract shall require that a business  
1217 receiving financial products shall participate in financial and managerial consulting services and  
1218 the contract shall include a requirement for an annual or other periodic audit of the books of the  
1219 project or the small business.

1220 (4) That its participation is necessary to the successful completion of the proposed project or to  
1221 the success of the small business because funding for the project or small business is unavailable  
1222 in the traditional capital markets, or that credit has been offered on terms that would preclude the  
1223 success of the project or the small business.

1224 (5) That should the GCC desire to sell or otherwise dispose of stock received under such a  
1225 contract, the small business or entity undertaking a project, or the small business or entity's  
1226 nominee, shall within 120 days have the right of first refusal upon the sale and the right to meet a  
1227 subsequent bona fide offer by a third party.

1228 (d) The GCC shall not, nor shall the GCC in combination with such a corporation, own more than 49  
1229 percent of the voting stock in a small business.

1230 (e) Upon the request of the GCC, the commissioner of banks shall examine the books of a corporation  
1231 established or invested in by the GCC under this section if such examination is a condition of the  
1232 particular investment, lending, loan guaranty or grant program administered by such corporation.

1233 Section 8. (a) The corporation shall establish a program to support the provision of financial and  
1234 managerial consulting and technical assistance to eligible companies which receive financial assistance  
1235 from the commonwealth or any of the commonwealth's public authorities. Services supported may  
1236 include, but are not limited to, procurement of investment capital, management, administration,  
1237 production, product marketing, assisting business in securing federal contracts and business expansion,  
1238 renovation and diversification. The program shall include: (i) referrals to technical assistance provided  
1239 without charge to eligible companies by public and private small business support organizations; (ii)  
1240 financial support to engage private consultants; and (iii) a directory of organizations, experts and  
1241 consultants available to be engaged to offer financial or managerial consulting services.

1242 (b) The corporation shall coordinate the program with the United State Small Business Administration,  
1243 the Massachusetts Small Business Development Center Network and other private for profit and nonprofit  
1244 providers of consulting and technical assistance to small businesses. The corporation shall consult with  
1245 the commonwealth's public authorities, private business associations and regional economic development  
1246 organizations in administering the program.

1247 (c) The corporation may provide matching grants to fund consulting and technical assistance to small  
1248 businesses who receive financial assistance from the commonwealth or any of the commonwealth's  
1249 public authorities. The grants shall be used by the recipient businesses to pay for mandated small business  
1250 consulting and technical assistance services. Prior to awarding a grant, the corporation shall have  
1251 determined that the financial or managerial consulting services mandated as a condition of financial  
1252 support of the small business are not available without charge from an entity participating in the program  
1253 and that procuring such services creates a hardship and impedes the likelihood of success of a project.  
1254 Grants awarded shall require a 100 percent match by the recipient.

1255 Section 9. (a) The GCC may establish an economic stabilization program for the following purposes:

1256 (1) To provide flexible high risk financing necessary to implement a change of ownership, a  
1257 corporate restructuring or a turnaround plan for an economically viable, but troubled business  
1258 which faces the likelihood of a large employment loss, plant closure or failure without such a

1259 change of ownership, corporate restructuring or turnaround plan. The program shall provide  
1260 assistance to firms in specific mature industries for the purpose of technological investment or  
1261 upgrading of management operations in order for the business to maintain future economic  
1262 stability. The financial participation of the GCC shall aim to supplement private financial  
1263 institutions and public economic development agencies when such institutions are unable to  
1264 provide all the financing or bear all of the risk necessary to transfer ownership, restructure or  
1265 turnaround a business in a situation where the business might otherwise fail or greatly reduce its  
1266 employment.

1267 (2) To provide flexible high risk financing in connection with the startup of employee owned  
1268 businesses or the implementation of employee ownership projects. The financial participation of  
1269 the GCC shall aim to supplement private financial institutions and public economic development  
1270 agencies when such institutions are unable to provide all the financing or bear all of the risk  
1271 necessary to startup an employee owned business or implement an employee ownership project.

1272 (b) The GCC shall endeavor to direct at least 10 percent of the financing provided by the economic  
1273 stabilization program to businesses that are employee owned businesses in order to fulfill the purposes of  
1274 this section.

1275 (c) The GCC may participate in projects under this section, provided that, the corporation shall find and  
1276 incorporate in the official records of the corporation that the project will be of a public benefit and:

1277 (1) when providing assistance in connection with the purchase of a troubled business, the  
1278 directors shall determine and incorporate in the minutes of a meeting of the directors that:

1279 (i) the business is likely to experience a large loss of employment, plant closure, or failure  
1280 without the loan financing or investment by corporation;

1281 (ii) the business within a specific mature industry requires assistance for the purpose of  
1282 technological investment or upgrading of management operations in order for the business to  
1283 maintain future economic stability;

1284 (iii) the business or person seeking to purchase the business has taken or will take such actions as  
1285 the directors deem necessary to ensure the business has a reasonable chance to continue as a  
1286 successful business, including, but not limited to, changes in its operations, financing, or  
1287 management and that said actions are included as a condition for financing by the corporation in  
1288 the financing agreement; and

1289 (iv) the business or person seeking to purchase the business has made diligent efforts to obtain the  
1290 financing necessary to continue its operations or transfer ownership of the business from private  
1291 financial institutions and public economic development agencies and such financing is  
1292 unavailable or has been offered on terms that would prevent the successful continuation or change  
1293 in ownership of the business; or

1294 (2) when providing assistance in connection with an employee owned business or an employee  
1295 ownership project, the directors shall determine and incorporate in the minutes of a meeting of the  
1296 directors that:

1297 (i) the business or person seeking assistance has taken or will take such actions as the directors  
1298 deem necessary to ensure that the employee ownership project has a reasonable chance to  
1299 succeed; and

1300 (ii) except with respect to assistance for prefeasibility and feasibility studies, that such business or  
1301 person has made diligent efforts to obtain the financing necessary to institute or implement the  
1302 employee ownership project from private financial institutions and public economic development  
1303 agencies, and such financing is unavailable or has been offered on terms that would prevent the  
1304 successful institution or implementation of the project.

1305 Section 10. The GCC shall be subject to sections 3K and 56 of chapter 23A.

1306 **SECTION 59.** Section 2 of chapter 40G of the General Laws, as appearing in the 2008 Official Edition,  
1307 is hereby amended by striking out, in lines 19 and 20, the words ‘eleven directors: the director of  
1308 economic development, the secretary of administration, one’ and inserting in place thereof the following  
1309 words:- 11 directors: the secretary of housing and economic development, who shall serve as chair, the  
1310 secretary of administration and finance, 1.

1311 **SECTION 60.** The fifth paragraph of said section 2 of said chapter 40G, as so appearing, is hereby  
1312 amended by striking out the fourth sentence.

1313 **SECTION 61.** Subsection (d) of section 3 of said chapter 40G, as so appearing, is hereby amended in by  
1314 adding the following words:-

1315 provided, however, that the MTDC shall contract with another public authority for the performance by  
1316 that authority of core administrative functions, as determined by the secretary of housing and economic  
1317 development, which may include but shall not be limited to, human resources, financial management,

1318 information technology, legal, procurement and asset management, to minimize the administrative costs  
1319 and expenses of the MTDC.

1320 **SECTION 62.** Subsection (d) of section 3 of said chapter 40G, as so appearing, is hereby amended in by  
1321 adding the following words:-

1322 provided, however, that the MTDC shall contract with another public authority for the performance by  
1323 that authority of core administrative functions, as determined by the secretary of housing and economic  
1324 development, which may include but shall not be limited to, human resources, financial management,  
1325 information technology, legal, procurement and asset management, to minimize the administrative costs  
1326 and expenses of the MTDC.

1327 **SECTION 63.** Said chapter 40G, as so appearing, is hereby further amended by adding the following  
1328 section:-

1329 Section 11. The MTDC shall be subject to sections 3K and 56 of chapter 23A.

1330 **SECTION 64.** Section 2 of chapter 40H of the General Laws, as so appearing, is hereby amended by  
1331 striking out the second sentence in the definition of ‘eligible organization’.

1332 **SECTION 65.** Said section 2 of said chapter 40H, as so appearing, is hereby amended by striking out the  
1333 definition of ‘Target Area’ and inserting in place thereof the following definition:-

1334 ‘Target area’, a contiguous geographic area in which the project is located and is: (i) an economic target  
1335 area designated under section 3D of chapter 23A; (ii) the service area of community development  
1336 corporation; or (iii) a zip code whose current unemployment rate exceeds the state unemployment rate by  
1337 at least 25 per cent or whose mean household income is at or below 80 per cent of the state mean  
1338 household income as of the most recent decennial census.

1339 **SECTION 66.** Chapter 40H of the General Laws is hereby further amended by inserting after section 2  
1340 the following section:-

1341 Section2A. (a) The director of housing and community development shall establish and maintain a list of  
1342 organizations that have been certified as CDCs consistent with this chapter and develop a process for  
1343 certifying said organizations; provided, however, that the organizations must be recertified at least once  
1344 every 4 years. The process shall include an analysis of the organization’s governance and a determination  
1345 of whether the organization’s constituency, including low and moderate income persons, is meaningfully  
1346 represented on the board of directors of the organization. In making such determination, the director shall

1347 consider the following criteria: (a) the percentage, if any, of the board that is elected by the general  
1348 membership; (b) the percentage of the board members who are residents of the service area; (c) the  
1349 percentage of board members that are persons of low or moderate income; (d) the racial and ethnic  
1350 composition of the board in comparison to the racial and ethnic composition of the community that the  
1351 organization serves; (e) other mechanisms, including committees, membership meetings and others that  
1352 the organization uses to ensure that the organization's constituency has a meaningful role in the  
1353 governance and direction of the organization; and (f) other criteria as determined by the director of  
1354 housing and community development.

1355 (b) The director of housing and community development shall file an annual report on December 15 with  
1356 the speaker of the house of representatives, the president of the senate, the chairs of the house and senate  
1357 committees on ways and means, the chairs of the joint committee on housing, and the chairs of the joint  
1358 committee on community development and small business providing: (i) a list of certified CDCs in the  
1359 commonwealth and (ii) a summary of programs, initiatives or partnerships operated by the executive  
1360 office of housing and economic development, its agencies and quasi-public agencies organized under the  
1361 executive office, that are designed to build the capacity of CDCs, provide training or technical assistance  
1362 to CDC employees or board members, provide funding to support CDCs and their programs, projects and  
1363 initiatives and otherwise help CDCs to engage local residents and businesses to work together to  
1364 undertake programs, projects and activities which develop and improve urban, rural and suburban  
1365 communities by creating and expanding economic opportunities for low and moderate income persons  
1366 together with recommendations for action to enhance the ability of CDCs to advance those activities.

1367 **SECTION 67.** Section 3 of said chapter 40H, as so appearing, is hereby amended by striking out, in line  
1368 13, the words 'nine directors, four' and inserting in place thereof the following words:-

1369 9 directors, 1 of whom shall be the secretary of the housing and economic development, who shall serve  
1370 as chair, 3.

1371 **SECTION 68.** Subsection (b) of said section 3 of said chapter 40H, as so appearing, is hereby amended  
1372 by striking out the sixth sentence.

1373 **SECTION 69.** Chapter 40H of the General Laws is hereby amended by adding the following section:-

1374 Section 9. CEDAC shall be subject to sections 3K and 56 of chapter 23A.

1375 **SECTION 70.** The third paragraph of section 3 of chapter 40J of the General Laws, as so appearing, is  
1376 hereby amended by striking out the first sentence and inserting in place thereof the following sentences:-

1377 The secretary of housing and economic development or the secretary's designee shall serve as  
1378 chairperson. The board shall annually elect from among its members a vicechair and may designate a  
1379 treasurer and a secretary, who need not be members of the board.

1380 **SECTION 71.** Subsection (a) of section 6A of said chapter 40J, as so appearing, is hereby amended by  
1381 striking out, in line 16, the words 'undersecretary of business development' and inserting in place thereof  
1382 the following words:-

1383 Secretary of housing and economic development.

1384 **SECTION 72.** Subsection (c) of section 6B of said chapter 40J, as so appearing, is hereby amended by  
1385 striking out, in line 32, the words 'or his designee' and inserting in place thereof the following words:- ,  
1386 who shall serve as chair.

1387 **SECTION 73.** Said subsection (c) of said section 6B of said chapter 40J, as so appearing, is hereby  
1388 further amended by striking out the second sentence.

1389 **SECTION 74.** The first paragraph of subsection (b) of section 6D of said chapter 40J, as so appearing, is  
1390 hereby amended by striking out the third sentence and inserting in place thereof the following sentence:-

1391 The council shall consist of 9 members; 1 of whom shall be the secretary of health and human services,  
1392 who shall serve as the chair; 1 of whom shall be the secretary of administration and finance, or the  
1393 secretary's designee; 1 of whom shall be the executive director of the health care quality and cost council;  
1394 1 of whom shall be the director of the office of Medicaid; 1 of whom shall be the secretary of housing and  
1395 economic development or the secretary's designee; 4 of whom shall be appointed by the governor, of  
1396 whom at least 1 shall be an expert in health information technology, 1 shall be an expert in law and health  
1397 policy and 1 shall be an expert in health information privacy and security.

1398 **SECTION 75.** Chapter 40J of the General Laws is hereby amended by adding the following section:-

1399 Section 13. The corporation shall be subject to sections 3K and 56 of chapter 23A.

1400 **SECTION 76.** Section 1 of chapter 40Q of the General Laws, as so appearing, is hereby amended by  
1401 striking out the definition of 'Base date' and inserting in place thereof the following definitions:-

1402 'Adjustment factor', for each fiscal year of the term of a given development program, the product of the  
1403 inflation factors for each fiscal year subsequent to the first fiscal year immediately following the base  
1404 date.

1405 'Base date', the last assessment date of the real property tax immediately preceding the creation of the  
1406 district.

1407 **SECTION 77.** Section 1 of said chapter 40Q, as so appearing, is hereby amended, in lines 31 and 32, by  
1408 striking out clause (8) and inserting in place thereof the following clause:- (8) the duration of the program  
1409 which shall not exceed the longer of (i) 30 years from the date of designation of the district or (ii) 30  
1410 years from project stabilization, as defined in the development program.

1411 **SECTION 78.** Said section 1 of said chapter 40Q, as so appearing, is hereby further amended by striking  
1412 out the definition of 'Inflation factor' and inserting in place thereof the following definition:-

1413 'Inflation factor", a ratio: (1) the numerator of which shall be the total assessed value of all parcels of  
1414 residential, commercial and industrial real estate that are assessed at full and fair cash value for the  
1415 current fiscal year minus the new growth adjustment factor for the current fiscal year attributable to the  
1416 residential, commercial and industrial real estate as determined by the commissioner of revenue under  
1417 paragraph (f) of section 21C of chapter 59; and (2) the denominator of which shall be the total assessed  
1418 value for the preceding fiscal year of all the parcels included in the numerator; provided, however, the  
1419 ratio shall not be less than 1; provided, further, that if the proposed Invested Revenue District does not  
1420 include residential property, the assessed value attributable to residential property shall not be included in  
1421 either the numerator or the denominator in calculating the inflation factor.

1422 **SECTION 79.** Said section 1 of said chapter 40Q, as so appearing, is hereby further amended by striking  
1423 out, in line 59, the word 'and'.

1424 **SECTION 80.** Said section 1 of said chapter 40Q, as so appearing, is hereby further amended by  
1425 inserting at the end of the definition of 'invested revenue district development program' the following  
1426 clause:- and (8) if applicable, a statement of the city or town electing that the original assessed value not  
1427 be increased by the adjustment factor.

1428 **SECTION 81.** Said section 1 of said chapter 40Q, as so appearing, is hereby further amended by striking  
1429 out the definition of 'Original assessed value' and inserting in place thereof the following definition:-

1430 'Original assessed value", the aggregate assessed value of the invested revenue district as of the base date;  
1431 provided, however, that if the city or town has not included an election statement in its investment district  
1432 development program, the original assessed value in any year shall be equal to the original assessed value  
1433 as of the base date multiplied by the adjustment factor for that fiscal year.

1434 **SECTION 82.** The General Laws are hereby amended by inserting after chapter 40T the following  
1435 chapter:-

1436 **CHAPTER 40U.**

1437 **Housing Development Incentive Program.**

1438 Section 1. As used in this section, the following words shall, unless the context clearly requires otherwise,  
1439 have the following meanings:-

1440 ‘Certified housing development project’, a housing development project that has been approved by the  
1441 department for participation in the housing development incentive program.

1442 ‘Department’, the department of housing and community development as established by chapter 23B.

1443 ‘Gateway municipality’, shall have the same meaning as in section 3A of chapter 23A.

1444 ‘Housing development incentive program’ or ‘HDIP’, a program designed to promote increased  
1445 residential growth, expanded diversity of housing supply, neighborhood stabilization, and economic  
1446 development within housing development zones in gateway municipalities.

1447 ‘Housing development zone,’ or ‘HD zone’, a zone designated by a gateway municipality which shall be  
1448 characterized by a need for multi-unit market rate residential properties.

1449 ‘Housing development project,’ a multi-unit residential rehabilitation project that is located in a gateway  
1450 municipality and once rehabilitated, shall contain at least 20% market rate units.

1451 ‘Market rate residential unit’, a residential unit with no other subsidy, except credits granted under this  
1452 program, and priced for households above 110% of the municipality’s household median income.

1453 ‘Sponsors’, shall have the same definition as in section 25 of chapter 23B.

1454 ‘Qualified substantial rehabilitation expenditure,’ the cost of substantial rehabilitation meeting the  
1455 following criteria: (i) an initial certification by department that the structure meets the definition of  
1456 certified housing development project; (ii) a second certification by the department, to be issued prior to  
1457 construction, certifying that if completed as proposed, the rehabilitation work will meet the standards

1458 required for a certified rehabilitation; and (iii) a final certification by the department, issued when the  
1459 property is leased or sold by the taxpayer.

1460 ‘Substantial rehabilitation’ and ‘substantially rehabilitated’, the needed major redevelopment, repair and  
1461 renovation of a property, excluding the purchase of the property, as determined by the department of  
1462 housing and community development.

1463 Section 2. The department may from time to time designate one or more areas of a gateway municipality  
1464 as an HD Zone, and take any and all actions necessary or appropriate thereto, upon receipt of a municipal  
1465 application requesting such designation and representing therein that the municipality, based on its own  
1466 independent investigation, has determined that the area proposed for designation has a need for multi-unit  
1467 residential properties. The application shall include a plan which shall include a detailed description of the  
1468 construction, reconstruction, rehabilitation and related activities, public and private, contemplated for  
1469 such zone as of the date of the adoption of the zone plan; and

1470 Section 3. Pursuant to section 5M of chapter 59, the department may approve a municipality’s  
1471 application for a tax exemption for a housing development project located within an approved housing  
1472 development zone.

1473 Section 4. (a) A project may be eligible to be a certified housing development project under this program  
1474 provided the project proposed:

1475 (i) contains two or more residential units; provided, however, the project may be a mixed-use  
1476 development that includes commercial uses in addition to residential units;

1477 (ii) contains no more than 50 market rate residential units;

1478 (iii) is located in a designated or proposed HD zone;

1479 (iv) will contain at least 20% market rate units upon completion of the rehabilitation, to be sold or  
1480 leased;

1481 (v) has received from the municipality a property tax exemption pursuant to section 5M of chapter  
1482 59; and

1483 (vi) is a substantial rehabilitation of an existing property.

1484 (b) The department may from time to time approve one or more housing development projects, located in  
1485 HD zones designated under section 2 of this chapter, as certified projects, and take any and all actions  
1486 necessary or appropriate thereto, upon compliance with the following:

1487 (i) receipt of a project proposal therefor requesting such designation from the municipality,  
1488 submitted in a timely manner, in such form and with such information as is prescribed by the  
1489 department, supported by independently verifiable information and signed under the penalties of  
1490 perjury by a person authorized to bind the sponsors;

1491 (ii) receipt of an executed agreement by the municipality which contains a tax exemption pursuant to  
1492 section 5M of chapter 59 and section 4 of this chapter, said municipality having found, based on  
1493 the information submitted with said project proposal and such additional investigation as the  
1494 municipality shall make, and incorporate in a formal written determination, that the project as  
1495 described in the proposal and all documentation submitted therewith:

1496 (1) is consistent with and can reasonably be expected to benefit significantly from the gateway  
1497 municipality's plans relative to the project property tax exemption;

1498 (2) together with all other projects previously certified and located in the same project HDIP  
1499 zone, will not overburden the municipality's supporting resources; and

1500 (3) together with the municipal resources committed thereto, will, if certified, have a reasonable  
1501 chance of increasing residential growth, diversity of housing supply, and supporting  
1502 economic development, and promoting neighborhood stabilization in one of the  
1503 municipality's housing development zones of the municipality as advanced in said proposal;

1504 (iii) receipt with such written approval by the municipality of a request for a designation of the project  
1505 as a certified project for a specified number of years, which shall be not less than five years and  
1506 not more than twenty years.

1507 (c) The department shall evaluate and either grant or deny any project proposal within ninety days from  
1508 the date of its receipt of a complete project proposal and failure to do so by the department will result in  
1509 approval of such project for a term of twenty years. Approval of a project because of the department's  
1510 failure to act within ninety days shall not constitute approval by the department of any tax incentives  
1511 provided under chapter 62 or 63.

1512 (d) The department may impose a fee for the processing of applications for the certification of any project  
1513 under the provisions of this section.

1514 (e) A certified project shall retain its certification for the period specified by the department in its  
1515 certification decision unless such certification is revoked prior to the expiration of the specified period.  
1516 The certification of a project may be revoked only by the department and only upon: (i) the petition of the  
1517 municipality that approved the project proposal, if the petition satisfies the authorization requirements for  
1518 a municipal application, or the petition of the director of the department; and (ii) the independent  
1519 investigation and determination of the department that representations made by the sponsors in its project  
1520 proposal are materially at variance with the conduct of the sponsors subsequent to the certification and  
1521 such variance is found to frustrate the public purposes that such certification was intended to advance.  
1522 The department shall review such certified project at least once every 2 years. Upon such a revocation,  
1523 the commonwealth, and the municipality, shall have causes of action against the sponsors for the value of  
1524 any economic benefit received by the sponsors prior to or subsequent to such revocation.

1525 Under this section, revocation shall take effect on the first day of the tax year in which the department  
1526 determines that a material variance commenced. The commissioner of revenue may, as of the effective  
1527 date of the revocation, disallow any credits, exemptions or other tax benefits allowed by the original  
1528 certification under this section. The commissioner shall issue regulations to recapture the value of any  
1529 credits, exemptions or other tax benefits allowed by the certification under this section.

1530 Annually, on or before the first Wednesday in December, the department shall file a report detailing its  
1531 findings of the review of all certified projects that it evaluated in the prior fiscal year to the commissioner  
1532 of revenue and to the joint committee on taxation and the joint committee on housing and community  
1533 development.

1534 Section 5. (a) The department may award to a sponsor of a certified project tax credits available under  
1535 section 6(q) of chapter 62 and section 38BB of chapter 63 not to exceed ten per cent of the cost of  
1536 qualified substantial rehabilitation expenditures of the market rate units in the project. The amount and  
1537 duration of the credit awarded shall be based on the following factors:

1538 (i) the need for residential development and diversity of housing supply in the gateway municipality;

1539 (ii) the extent to which the project will encourage residential development, expansion of diversity of  
1540 housing supply, support neighborhood stabilization, and promote economic development in the  
1541 zone; and

1542 (iii) the percentage of market rate units contained in the project.

1543 (b) The department may, limit any incentive or credit available to a project pursuant to section 6(q) of  
1544 chapter 62 and section 38BB of chapter 63 to a dollar amount or in any other manner deemed appropriate  
1545 by the department.

1546 **SECTION 83.** Section 92 of chapter 41 of the General Laws, as appearing in the 2008 Official Edition, is  
1547 hereby amended by striking out, in line 13, the words ‘two thousand five hundred dollars’ and inserting  
1548 in place thereof the following figure:- \$7,000.

1549 **SECTION 84.** Said section 92 of said chapter 41, as so appearing, is hereby further amended by striking  
1550 out, in lines 14 and 15, the words ‘two thousand five hundred dollars’, and inserting in place thereof the  
1551 following figure:- \$7,000.

1552 **SECTION 85.** The General Laws are hereby amended by inserting after chapter 43D the following  
1553 chapter:-

1554 **CHAPTER 43E.**

1555 **EXPEDITED STATE PERMITTING**

1556 Section 1. As used in this chapter, the following words shall, unless the context clearly requires  
1557 otherwise, have the following meanings:—

1558 ‘Growth district’, a district designated from time to time by the secretary of housing and economic  
1559 development, with the approval of the secretary of energy and environmental affairs, to participate in the  
1560 growth district initiative.

1561 ‘Growth district initiative’, a program established by the executive office of housing and economic  
1562 development and section 2C of chapter 303 of the acts of 2008 to provide for commercial and residential  
1563 transportation and infrastructure development, improvements and various capital investment projects.

1564 ‘Issuing authority’, a state agency, commission, department or other state entity that is responsible for  
1565 issuing permits, granting approvals or otherwise involved in land use development including  
1566 redevelopment of existing buildings and structures.

1567 ‘Permit’, a permit, formal determination, order of conditions, license, certificate, authorization,  
1568 registration, or other approval or determination with respect to the use or development of land, buildings,

1569 or structures required by any issuing authority. ‘Permit’ shall not include the decision of an agency to  
1570 dispose of property under its management or control or permits granted by the Massachusetts Water  
1571 Resources Authority, or permits or approvals issued by the department of public utilities or the Energy  
1572 Facilities Siting Board pursuant to chapter 40A and chapter 164, or requests for variances or waivers from  
1573 state laws or regulations.

1574 ‘Priority development site’, shall have the same meaning as in chapter 43D.

1575 ‘Project’, shall have the same meaning as in section 62 of chapter 30.

1576 ‘Site’, a privately or publicly owned property that is commercially or industrially zoned.

1577 Section 2. (a) Issuing authorities shall complete permit reviews and final decisions within 180 days, or  
1578 210 days for permit processes requiring a public comment period, subject to the extension herein, for  
1579 projects that are in: (i) priority development sites designated pursuant to chapter 43D; (ii) located within  
1580 a growth district as defined in this chapter; (iii) provided the applicant has received a certificate indicating  
1581 the completion of the process under sections 61 to 62H, inclusive, of chapter 30; and (iv) provided the  
1582 project or any portion thereof is not in a wetland as defined by section 40 of chapter 131, tidelands as  
1583 defined by section 1 of chapter 91, priority habitat as delineated by the division of fisheries and wildlife  
1584 pursuant to chapter 131A, or an area of critical environmental concern as designated by the secretary of  
1585 energy and environmental affairs.

1586 (b) The time period to complete reviews and issue permit decisions shall begin the day after the issuance  
1587 of the notice that the application materials necessary for the permit are complete. The issuing authority  
1588 shall notify the applicant in writing within 20 business days from receipt of the completed form of  
1589 additional information needed or requirements that it may have. The issuing authority may provide for  
1590 pre-application conferences to facilitate this process.

1591 (c) The resubmission of the application or the submission of such additional information required by the  
1592 issuing authority shall commence a new 30-day period for review of the additional information.

1593 Section 3. Failure by any issuing authority to take final action on a permit or approval within the 180-day  
1594 or 210-day period or extended time, if applicable, shall be considered a grant of the permit requested of  
1595 that authority. In that event, within 3 days after the date of expiration of the time period, the applicant  
1596 shall file a notice with the issuing authority, attaching the application, setting forth the facts giving rise to

1597 the grant and stating that notice of the grant has been mailed, by certified mail, to all parties to the  
1598 proceedings and all persons entitled to notice of hearing in connection with the application.

1599 Section 4. The grant shall not occur where: (1) the issuing authority has made a timely determination that  
1600 the application is not complete in accordance with its requirements and notified the applicant as set forth  
1601 herein and the applicant has not made a timely response to complete the application; (2) the issuing  
1602 authority has determined that the final application contained false or misleading information; or (3) the  
1603 issuing authority has determined that substantial changes to the project affect the information required to  
1604 process the permit application have occurred since the filing of the application.

1605 Section 5. The 180 or 210 day time period may be waived or extended for good cause upon written  
1606 request of the applicant with the consent of the issuing authority or upon written request of the issuing  
1607 authority with the consent of the applicant. The 180 or 210 day time period shall be extended without  
1608 consent of the applicant when the issuing authority determines either: (1) that action by another federal,  
1609 state or municipal government agency is required before the issuing authority may act; (2) that judicial  
1610 proceedings affect the ability of the issuing authority or applicant to proceed with the application; or (3)  
1611 that enforcement proceedings that could result in revocation of an existing permit for that facility or  
1612 activity and denial of the application have been commenced. In those circumstances, the issuing authority  
1613 shall provide written notification to the applicant and send a copy to the secretary. When the reason for  
1614 the extension is no longer applicable, the issuing authority shall immediately notify the applicant, and  
1615 shall complete its decision within the time period specified in this section, beginning the day after the  
1616 notice is issued. An issuing authority may not use lack of time for review as a basis for denial of a permit  
1617 if the applicant has provided a complete application and met all other obligations in accordance with this  
1618 chapter.

1619 Section 6. In instances where there is grant pursuant to section 3 and an administrative or judicial appeal  
1620 of such grant, the commencement of the time period for such appeal shall be the date in which the  
1621 applicant files notice of the grant in accordance with section 3. The 180 or 210 day timeline does not  
1622 apply to an administrative appeal following the issuance of a permit.

1623 Section 7. Nothing in this chapter shall be construed to alter the substantive jurisdictional authority of  
1624 issuing authorities. Nothing in this chapter shall be construed to in any way modify any requirement of  
1625 the State Implementation Plan or other requirement of law that is necessary to retain federal delegation to,  
1626 or assumption by, the commonwealth of the authority to implement a federal law or program.

1627 Section 8. The secretary of housing and economic development shall promulgate rules and regulations to  
1628 implement this chapter with the approval of the secretary of energy and environmental affairs. Any  
1629 agency issuing permits under this chapter is also authorized to issue rules and regulations to tailor this  
1630 chapter to the specific permits issued by such agency.

1631 **SECTION 86.** Clause sixteenth of section 5 of chapter 59 of the General Laws, as appearing in the 2008  
1632 Official Edition, is hereby amended by striking out paragraph (3) and inserting in place thereof the  
1633 following paragraph:-

1634 (3) In the case of (i) a manufacturing corporation or a research and development corporation, as defined in  
1635 section 42B of chapter 63, or (ii) a limited liability company that; (a) has its usual place of business in the  
1636 commonwealth; (b) is engaged in manufacturing in the commonwealth and whose sole member is a  
1637 manufacturing corporation as defined in section 42B of chapter 63 or is engaged in research and  
1638 development in the commonwealth and whose sole member is a research and development corporation as  
1639 defined in said section 42B; and (c) is a disregarded entity, as defined in paragraph 2 of section 30 of  
1640 chapter 63, all property owned by the corporation or the limited liability company other than real estate,  
1641 poles and underground conduits, wires and pipes; provided, however, that no property, except property  
1642 entitled to a pollution control abatement under clause forty-fourth or a cogeneration facility, shall be  
1643 exempt from taxation if it is used in the manufacture or generation of electricity and it has not received a  
1644 manufacturing classification effective on or before January 1, 1996. For the purposes of this section, a  
1645 cogeneration facility shall be an electrical generating unit having power production capacity which,  
1646 together with any other power generation facilities located at the same site, is not greater than 30  
1647 megawatts and which produces electric energy and steam or other form of useful energy utilized for  
1648 industrial, commercial, heating or cooling purposes. For purposes of this paragraph, in determining  
1649 whether the sole member of a limited liability company treated as a disregarded entity is a manufacturing  
1650 corporation or a research and development corporation, the attributes and activities of the limited liability  
1651 company shall be taken into account by the member along with the member's other attributes and  
1652 activities. This clause as it applies to a research and development corporation, as defined in section 42B  
1653 of said chapter 63, and as it applies to a limited liability company that is a disregarded entity and whose  
1654 sole member is a manufacturing corporation or a research and development corporation shall take effect  
1655 only upon its acceptance by the city or town in which the real estate, poles and underground conduits,  
1656 wires and pipes are located.

1657 **SECTION 87.** Said section 5 of said chapter 59, as so appearing, is hereby amended by striking out  
1658 clause Fifty-first and inserting in place thereof the following clause:

1659 Fifty-first, the value of a parcel of real property which is included within an executed agreement under  
1660 clause (v) of section 59, clause (v) of subsection (a) of section 60 or clause (iv) of subsection (a) of  
1661 section 60A of chapter 40, and the value of 2981 personal property situated on that parcel, but taxes on  
1662 real and personal property eligible for exemption under this clause shall be assessed only on that portion  
1663 of the value of the property that is not exempt under section 59, section 60 or section 60A of chapter 40,  
1664 and this exemption shall be for a term not longer than the period specified for the exemption in the  
1665 agreement. The amount of the exemption under this clause for a parcel of real property shall be the  
1666 exemption percentage adopted under clause (iii) of section 59, subsection (a) of section 60 or of section  
1667 60A of said chapter 40 multiplied by the amount by which the parcel's value exceeds the product of its  
1668 assessed value for the last fiscal year before it became eligible for exemption under this clause multiplied  
1669 by the adjustment factor determined under said section 59, section 60 or section 60A of said chapter 40.  
1670 The amount of the exemption under this clause for personal property shall be the exemption percentage  
1671 adopted under clause (iii) of section 59, subsection (a) of section 60 or of section 60A of said chapter 40  
1672 multiplied by the fair cash valuation of the personal property. Taxes on property eligible for exemption  
1673 under this clause shall be assessed only on that portion of the value of the property that is not exempt  
1674 under this clause.

1675 **SECTION 88.** Chapter 59 of the General Laws is hereby amended by inserting after section 5L the  
1676 following section:-

1677 Section 5M. A gateway municipality, as defined in section 1 of chapter 40U, may, by vote of its  
1678 legislative body, subject to the charter of the municipality, establish an exemption in an amount not less  
1679 than between 50 and not more than 100 percent of the incremental value of the market rate units  
1680 contained in a certified housing development project within a housing development zone pursuant to  
1681 chapter 40U, for a period of not less than 5 years and not more than 20 years. For the purposes of this  
1682 section, market rate is defined as in section 1 of chapter 40U. Such exemption shall be approved by the  
1683 department of housing and community development, established in chapter 23B. The department shall  
1684 promulgate applicable rules and regulations to carry out the provisions of this section.

1685 **SECTION 89.** Subsection (c) of section 4 of chapter 62 of the General Laws, as so appearing, is hereby  
1686 amended by inserting after '(b)' the following language:-

1687 '-; excepting Part C taxable income derived from the sale of investments which (1) are in a corporation  
1688 which is domiciled in the commonwealth with a date of incorporation on or after January 1, 2011 which  
1689 has less than \$50 million in assets at the time of investment and (2) are held for 3 years or more, which

1690 shall be taxed at a rate of 3 per cent. In order to qualify for the 3 per cent rate, such investments shall be  
1691 made within 5 years of the date of incorporation.

1692 The provisions of this section shall not be deemed severable. If any of its provisions shall be held to be  
1693 invalid or unconstitutional by any court of competent jurisdiction, the remaining provisions shall be held  
1694 to be invalid or unconstitutional.

1695 **SECTION 90.** Subsection (g) of section 6 of chapter 62 , as most recently amended by section 21 of  
1696 chapter 166 of the Acts of 2009, is hereby amended by striking out the third sentence of paragraph (1) and  
1697 inserting in place thereof the following sentences:-

1698 If such property is disposed of or ceases to be in qualified use within the meaning of section 31A or  
1699 ceases to be used exclusively in a certified project before the end of the certified project's certification  
1700 period, or if a certified project's certification is revoked, the recapture provisions of subsection (e) of  
1701 section 31A shall apply. If such property is disposed of after the certified project's certification period  
1702 but before the end of such property's useful life, the recapture provisions of subsection (e) of section 31A  
1703 shall apply. The expiration of a certified project's certification shall not require the application of the  
1704 recapture provisions of subsection (e) of section 31A.

1705 **SECTION 91.** Said subsection (g) of said section 6 of said chapter 62 is hereby further amended by  
1706 striking out in the second paragraph the phrase 'and not more than \$5,000,000 for certified manufacturing  
1707 retention projects' and inserting in place thereof the following:- and not more than \$10,000,000 for  
1708 certified manufacturing retention and job growth projects.

1709 **SECTION 92.** Said subsection (g) of said section 6 of said chapter 62, inserted by section 21 of chapter  
1710 166 of the acts of 2009, is hereby amended by striking out the figure '\$25,000,000' wherever it appears  
1711 and replacing it with the figure '\$20,000,000'.

1712 **SECTION 93.** Section 6 of chapter 62 of the General Laws, as appearing in the 2008 Official Edition, is  
1713 hereby amended by inserting after subsection (p) the following section: -

1714 (q) (1) A credit shall be allowed against the tax liability imposed by this chapter, to the extent awarded by  
1715 the department of housing and community development (DHCD) established in chapter 23B, for a  
1716 certified housing development project, as defined in chapter 40U, in an amount up to 25 per cent of the  
1717 cost of qualified substantial rehabilitation expenditures of the market rate units within the projects, as  
1718 defined in section 1 of chapter 40U. The credit under this subsection shall be allowed for the taxable year

1719 in which DHCD gives the commissioner written notification of completion of the certified housing  
1720 development project.

1721 (2) Taxpayers eligible for the this credit may, with prior notice to and in accordance with regulations  
1722 adopted by the commissioner of revenue, transfer the credits, in whole or in part, to any individual or  
1723 entity, and the transferee shall be entitled to apply the credits against the tax with the same effect as if the  
1724 transferee had incurred the qualified rehabilitation expenditures itself. If the sponsor of the certified  
1725 housing development project is a partnership or a limited liability company taxed as a partnership, the  
1726 credit, if transferred must be transferred by the partnership or the limited liability company. If the credits  
1727 allowed to a partnership, a limited liability company taxed as a partnership or multiple owners of property  
1728 are not transferred they shall be passed through to the persons designated as partners, members or owners,  
1729 respectively, pro rata or pursuant to an executed agreement among the persons designated as partners,  
1730 members or owners documenting an alternative distribution method without regard to their sharing of  
1731 other tax or economic attributes of the entity. Credits passed through to individual partners and members  
1732 are not transferable.

1733 (3) If the credit allowable for any taxable year exceeds the taxpayer's tax liability for that tax year , the  
1734 taxpayer may carry forward and apply in any subsequent taxable year, the portion, as reduced from year  
1735 to year , of those credits which exceed the tax for the taxable year; provided, however, that in no event  
1736 shall the taxpayer apply the credit to the tax for any taxable year beginning more than five years after the  
1737 taxable year in which DHCD gives the Commissioner written notification of completion of the certified  
1738 housing development project If the credit is transferred by the taxpayer, the carry over provisions  
1739 applicable to the transferee apply.

1740 A transferee shall use the credit in the year it is transferred. If the credit allowable for any taxable year  
1741 exceeds the transferee's tax liability for that tax year, the transferee may carry forward and apply in any  
1742 subsequent taxable year, the portion, as reduced from year to year, of those credits which exceed the tax  
1743 for the taxable year; provided, however, that in no event shall the transferee apply the credit to the tax for  
1744 any taxable year beginning more than five years after the taxable year in which DHCD gives the  
1745 commissioner written notification of completion of the certified housing development project.

1746 (4) For any certified housing development project, qualified rehabilitation expenditures applicable to this  
1747 credit shall be treated for purposes of this subsection as made on the date that DHCD gives the  
1748 Commissioner written notification of completion of the certified housing development project.

1749 (5) The total amount of credits that may be authorized by DHCD in a calendar year pursuant to this  
1750 subsection and section 38BB of chapter 63 shall not exceed \$5,000,000 and shall include: (1) credits  
1751 granted during the year pursuant to this subsection or said section 38BB of said chapter 63; (2) carry  
1752 forwards of credits from prior years pursuant to this subsection or said section 38BB of said chapter 63, to  
1753 the extent that such credit carry forwards are estimated by the commissioner to offset tax liabilities during  
1754 the year. Any portion of the \$5,000,000 annual cap not awarded by the DHCD in a calendar year shall not  
1755 be applied to awards in a subsequent year. The DHDC shall provide the commissioner of revenue with  
1756 any documentation that the commissioner deems necessary to confirm compliance with the annual cap  
1757 and the commissioner shall provide a report confirming compliance with the annual cap to the secretary  
1758 of administration and finance and the secretary of housing and economic development.(6) The  
1759 commissioner, in consultation with the DHDC, shall prescribe regulations necessary to carry out this  
1760 subsection.

1761 **SECTION 94.** Subsection (b) of section 6J of said chapter 62, as so appearing, is hereby amended by  
1762 striking out, in lines 36 and 37, the words ‘for the 6 year period beginning January 1, 2006, and ending  
1763 December 31, 2011’ and inserting in place thereof the following words:- ‘through December 31, 2015.

1764 **SECTION 95.** Section 30 of chapter 63 of the General Laws, as so appearing, is hereby amended by  
1765 striking out, in lines 97 and 98, the sentence ‘Losses sustained in any taxable year may be carried forward  
1766 for not more than five years and may not be carried back.’ and inserting in place thereof the following  
1767 sentence:-

1768 Losses sustained in any taxable year prior to January 1, 2008, may be carried forward for not more than 5  
1769 years and may not be carried back. Losses sustained in any taxable year beginning on January 1, 2008  
1770 may be carried forward for not more than 20 years and may not be carried back. Said net operating loss  
1771 carry-forward shall be applicable to any company subject to Massachusetts corporate excise taxation,  
1772 excepting losses sustained prior to January 1, 2012, by utility corporations subject to tax under section  
1773 52A of chapter 63, and financial institutions subject to tax under sections 1, 2, and 2a of chapter 63.

1774 **SECTION 96.** Subsection (a) of section 38N of chapter 63 of the General Laws, inserted by section 23 of  
1775 chapter 166 of the acts of 2009, is hereby amended by striking out the figure ‘\$25,000,000’ wherever it  
1776 appears and replacing it with the figure ‘\$20,000,000’.

1777 **SECTION 97.** Said subsection (a) of said section 38N of said chapter 63 is hereby further amended by  
1778 striking out the last sentence of third paragraph and inserting in place thereof the following sentences:-

1779 If such property is disposed of or ceases to be in qualified use within the meaning of section 31A or  
1780 ceases to be used exclusively in a certified project before the end of the certified project's certification  
1781 period, or if a certified project's certification is revoked, the recapture provisions of subsection (e) of  
1782 section 31A shall apply. If such property is disposed of after the certified project's certification period  
1783 but before the end of such property's useful life, the recapture provisions of subsection (e) of section 31A  
1784 shall apply. The expiration of a certified project's certification shall not require the application of the  
1785 recapture provisions of subsection (e) of section 31A.

1786 **SECTION 98.** Said section 38N of said chapter 63 is hereby further amended by striking out in the  
1787 second paragraph the phrase 'and not more than \$5,000,000 for certified manufacturing retention  
1788 projects' and inserting in place thereof the following:- and not more than \$10,000,000 for certified  
1789 manufacturing retention and job growth projects.

1790 **SECTION 99.** Subsection (b) of section 38R of chapter 63 of the General Laws, as appearing in the 2008  
1791 Official Edition, is hereby amended by striking out, in lines 35 and 36, the words 'for the 6 year period  
1792 beginning January 1, 2006, and ending December 31, 2011' and inserting in its place thereof the  
1793 following words:- 'through December 31, 2015,'.

1794 **SECTION 100.** Said chapter 63 is hereby amended by inserting after section 38AA the following  
1795 section: -

1796 Section 38BB. (1) A credit shall be allowed against the tax liability imposed by this chapter, to the extent  
1797 awarded by the department of housing and community development (DHCD) established in chapter 23B,  
1798 for a certified housing development project, as defined in chapter 40U, in an amount up to 25 per cent of  
1799 the cost of qualified substantial rehabilitation expenditures of the market rate units within the project, as  
1800 defined in section (1) of chapter 40U. The credit under this section shall be allowed for the taxable year  
1801 in which DHCD gives the commissioner written notification of completion of the certified housing  
1802 development project.

1803 (2) Taxpayers eligible for the this credit may, with prior notice to and in accordance with regulations  
1804 adopted by the commissioner transfer the credits, in whole or in part, to any individual or entity, and the  
1805 transferee shall be entitled to apply the credits against the tax with the same effect as if the transferee had  
1806 incurred the qualified rehabilitation expenditures itself.

1807 (3) If the credit allowable for any taxable year exceeds the taxpayer's tax liability for that tax year, the  
1808 taxpayer may carry forward and apply in any subsequent taxable year, the portion of the, as reduced from

1809 year to year , of those credits which exceed the tax for the taxable year; provided, however, that in no  
1810 event shall the taxpayer apply the credit to the tax for any taxable year beginning more than five years  
1811 after the taxable year in which DHCD gives the commissioner written notification of completion of the  
1812 certified housing development project. If the credit is transferred by the taxpayer, the carry over  
1813 provisions applicable to the transferee apply.

1814 A transferee shall use the credit in the year it is transferred. If the credit allowable for any taxable year  
1815 exceeds the transferee's tax liability for that tax year, the transferee may carry forward and apply in any  
1816 subsequent taxable year, the portion, as reduced from year to year, of those credits which exceed the tax  
1817 for the taxable year; provided, however, that in no event shall the transferee apply the credit to the tax for  
1818 any taxable year beginning more than five years after the taxable year in which DHCD gives the  
1819 commissioner written notification of completion of the certified housing development project.

1820 (4) For any certified housing development project, qualified rehabilitation expenditures applicable to this  
1821 credit shall be treated for purposes of this section as made on the date that DHCD gives the Commissioner  
1822 written notification of completion of the certified housing development project.

1823 (5) The total amount of credits that may be authorized by the DHCD in a calendar year pursuant to this  
1824 section and subsection (q) of section (6) of chapter 62 shall not exceed \$5,000,000 and shall include: (1)  
1825 credits granted during the year pursuant to this section or said subsection (q) of section (6) of chapter 62;  
1826 (2) carry forwards of credits from prior years pursuant to this section or said subsection (q) of section (6)  
1827 of chapter 62, to the extent that such credit carry forwards are estimated by the commissioner to offset tax  
1828 liabilities during the year. Any portion of the \$5,000,000 annual cap not awarded by the DHCD in a  
1829 calendar year shall not be applied to awards in a subsequent year. The DHCD shall provide the  
1830 commissioner of revenue with any documentation that the commissioner deems necessary to confirm  
1831 compliance with the annual cap and the commissioner shall provide a report confirming compliance with  
1832 the annual cap to the secretary of administration and finance and the secretary of housing and economic  
1833 development.

1834 (6) The commissioner, in consultation with the DHCD, shall prescribe regulations necessary to carry out  
1835 this section.

1836 **SECTION 101.** Subsection (c) of section 45 of chapter 75 of the General Laws, as so appearing, is  
1837 hereby amended by striking out, in line 15, the words, 'director of business and technology' and inserting  
1838 in place thereof the following words:- secretary of housing and economic development.

1839 **SECTION 102.** Said subsection (c) of said section 45 of said chapter 75, as so appearing, is hereby  
1840 further amended by striking out, in line 19, the words, ‘department of business technology’ and inserting  
1841 in place thereof the following words:- Massachusetts office of business development.

1842 **SECTION 103.** Subsection (d) of said section 45 of said chapter 75, as so appearing, is hereby amended  
1843 by striking out, in lines 25 to 27, inclusive, the words ‘director of business and technology, or his  
1844 designee, the director of science and technology within the department of business and technology and 7’  
1845 and inserting in place thereof the following words:- secretary of housing and economic development,  
1846 who shall serve as chair, the executive director of the Massachusetts development finance agency, the  
1847 president of the Massachusetts life sciences center, the executive director of the Massachusetts clean  
1848 energy center, the director of the John Adams Innovation Institute, the president of the Massachusetts  
1849 Technology development corporation and 8.

1850 **SECTION 104.** Chapter 75 of the General Laws is hereby amended by inserting after section 45 the  
1851 following section:-

1852 Section 45A. The center shall be subject to sections 3K and 56 of chapter 23A.

1853 **SECTION 105.** Chapter 111N of the General Laws is hereby repealed.

1854 **SECTION 106.** The second paragraph of section 14 of chapter 167 of the General Laws, as so appearing,  
1855 is hereby amended by striking out, in line 22, the words ‘8, 29 and 30’ and inserting in place thereof the  
1856 following words:- 8, 29, 30 and 30A.

1857 **SECTION 107.** Section 2 of chapter 167F of the General Laws, as so appearing, is hereby amended by  
1858 inserting after paragraph 30 the following paragraph:

1859 30A. To participate in the activities of the Massachusetts Growth Capital Corporation created under  
1860 chapter 40F by making capital available to the corporation by making an investment or deposit in or grant  
1861 to said corporation, an affiliate or subsidiary of said corporation or any fund managed by said corporation.

1862 **SECTION 108.** Paragraph 13 of said section 2 of said chapter 167F, as so appearing, is hereby amended  
1863 by striking out the first sentence and inserting in place thereof the following sentence:

1864 To act as trustee for the holders of a bond issued by the Massachusetts Industrial Finance Agency, under  
1865 chapter 23A or by any industrial development authority of a city or town under chapter 40D or by the  
1866 Massachusetts Health and Educational 3050 Facilities Authority, under chapter 23K.

1867 **SECTION 109.** The first paragraph of section 168 of chapter 175 of the General Laws, as so appearing,  
1868 is hereby amended by inserting after the sixth sentence the following sentence:-

1869 Any insurance policy procured under this section shall contain the following disclosure notice to the  
1870 policyholder: This policy is insured by a company which is not admitted to transact insurance in the  
1871 commonwealth, is not supervised by the commissioner of insurance and, in the event of an insolvency of  
1872 such company, a loss shall not be paid by the Massachusetts Insurers Insolvency Fund under chapter  
1873 175D. The commissioner may by regulation amend the foregoing disclosure notice.

1874 **SECTION 110.** Said section 168 of said chapter 175, as so appearing, is hereby further amended by  
1875 striking out, in line 61, the word ‘or’.

1876 **SECTION 111.** Said section 168 of said chapter 175, as so appearing, is hereby further amended by  
1877 inserting after the figure ‘20A’ the following words:- or (c) such company is an eligible alien  
1878 unauthorized insurer as defined in section 168A.

1879 **SECTION 112.** Said chapter 175 of the General Laws is hereby further amended by inserting after  
1880 section 168 the following section:

1881 Section 168A. (a) As used in this section ‘eligible alien unauthorized insurer’ shall mean a company  
1882 formed under the laws of any government or state other than the United States or 1 of its states or its  
1883 territories that has filed an application with the commissioner pursuant to subsection (c)(4) of this section,  
1884 which application has been approved by the commissioner.

1885 (b) Notwithstanding any general or specific law to the contrary, a special broker licensed by the  
1886 commissioner pursuant to section 168 of this chapter may procure insurance from any company formed  
1887 under the laws of any government or state other than the United States or one of its states or its territories  
1888 that is not authorized to transact business in the commonwealth if: (1) such company has been  
1889 determined by the commissioner to be an eligible alien unauthorized insurer pursuant to clause (4) of  
1890 subsection (c); (2) the special broker has executed and filed an affidavit with the commissioner within 20  
1891 days after procuring such insurance stating that the full amount or type of insurance cannot be obtained  
1892 from among companies admitted to transact insurance in the commonwealth after a diligent effort has  
1893 been made to do so and that the amount of insurance procured in such company is only the excess over  
1894 the amount so procurable from admitted companies; (3) the procured policy contains the disclosure notice  
1895 required by section 168; and (4) all other requirements of this section and section 168 that are not  
1896 inconsistent with this subsection have been met. Insurance procured under this section shall be valid and

1897 enforceable as to all parties. Nothing in this section shall be deemed to amend or modify any of the  
1898 provisions of, or any of the exemptions specified in, section 168 that are inconsistent with this section.

1899 (c) No company shall be determined to be an eligible alien unauthorized insurer unless it: (1) has  
1900 provided satisfactory evidence to the commissioner of its good reputation and financial integrity; (2) has  
1901 capital and surplus or its equivalent under the laws of its domiciliary jurisdiction in an amount not less  
1902 than \$20,000,000; (3) has in force a United States trust fund of not less than the greater of: (i) \$5,400,000;  
1903 or (ii) a percentage of its United States surplus lines gross liabilities arising from business written on or  
1904 after January 1, 1998, excluding aviation, wet marine, transportation insurance and direct procurement  
1905 placements, such percentage to equal to the percentage and subject to any cap employed by the  
1906 International Insurers Department of the National Association of Insurance Commissioners, as of  
1907 December 31 next preceding the date of determination, where: (A) the liabilities are maintained in an  
1908 irrevocable trust account in the United States in a qualified financial institution, on behalf of United States  
1909 policyholders consisting of cash, securities, letters of credit or other investments of substantially the same  
1910 character and quality as those which are eligible investments pursuant to this chapter for the capital and  
1911 statutory reserves of admitted insurers to write like kinds of insurance in the commonwealth; provided,  
1912 however, that the trust fund, which shall be included in any calculation of capital and surplus or its  
1913 equivalent, shall satisfy the requirements of the Standard Form Trust Agreement required for listing with  
1914 the International Insurers Department of the National Association of Insurance Commissioners; (B) the  
1915 company may request approval from the commissioner to use the trust fund to pay valid surplus lines  
1916 claims; provided, however, that the balance of the trust fund shall never be less than the minimum amount  
1917 required by this subsection; and (C) in calculating the trust fund amount required by this subsection,  
1918 credit shall be given for surplus lines deposits separately required and maintained for a particular state or  
1919 territory of the United States, not to exceed the amount of the company's loss and loss adjustment reserves  
1920 in that particular state or territory; and (4) has submitted to the commissioner an application evidencing  
1921 the company's compliance with the requirements of this section that has been approved by the  
1922 commissioner.

1923 (d) The application required by clause (4) subsection (c) shall be on forms issued or approved by the  
1924 commissioner and shall include the following information regarding the alien unauthorized insurer  
1925 applicant: (1) evidence that the unauthorized alien insurer has been listed by the International Insurers  
1926 Department of the National Association of Insurance Commissioners; (2) a certified audited financial  
1927 statement of the eligible a lien unauthorized insurer reflecting information as of a date not more than 12  
1928 months prior to the submission of the application evidencing compliance with the capital and surplus  
1929 requirements of clause (2) of subsection (c) and an actuarial opinion as to the adequacy of and

1930 methodology used to determine the insurer's loss reserves; (3) a copy, certified by the trustee, of the  
1931 United States trust agreement required by clause (3) of subsection (c) prepared in accordance with the  
1932 National Association of Insurance Commissioner's Standard Form Trust Agreement for Alien Excess or  
1933 Surplus Lines Insurers; (4) a copy, certified by the trustee, of the most recent quarterly statement of  
1934 account or list of assets in the trust account required by clause (3) of subsection (c) evidencing that the  
1935 alien unauthorized insurer has in force, as of the end of the most recent quarter, assets in the amounts  
1936 required by said (clause (3) of said subsection (c)); (5) a certified copy of the eligible alien unauthorized  
1937 insurer's current license or certificate of authority issued by its domiciliary jurisdiction indicating that the  
1938 company is authorized to insure the types of risks in its domiciliary jurisdiction that it proposes to insure  
1939 in the commonwealth; (6) a Certificate of Good Standing or substantially similar documentation issued by  
1940 the eligible alien unauthorized insurer's domiciliary jurisdiction; (7) biographical affidavits, on forms  
1941 promulgated by the National Association of Insurance Commissioners or approved by the commissioner  
1942 for all executive officers, directors and senior management personnel of the eligible alien unauthorized  
1943 insurer, prepared not more than 12 months prior to the submission date of the application required by  
1944 clause (4) of subsection (c); and (8) such additional information as the commissioner may require in order  
1945 to determine that the eligible alien unauthorized insurer complies with the requirements of this section.

1946 (e) The commissioner may refuse to approve an application pursuant to this section if the commissioner  
1947 is of the opinion that such refusal will be in the public interest. In reviewing an application, the  
1948 commissioner may consider such factors as: (1) the length of time the insurer has been authorized in its  
1949 domiciliary jurisdiction and elsewhere; (2) the unavailability of the particular coverages from authorized  
1950 insurers or unauthorized insurers meeting the requirements of this section and section; (3) the size of the  
1951 company as measured by its assets, capital and surplus, reserves, premium writings, insurance in force or  
1952 other appropriate criteria; (4) the kinds of business the company writes, its net exposure and the extent to  
1953 which the company's business is diversified among several lines of insurance and geographic locations;  
1954 and (5) the past and projected trend in the size of the company's capital and surplus considering such  
1955 factors as premium growth, operating history, loss and expense ratios or other appropriate criteria.

1956 (f) The commissioner may revoke a company's status as an eligible alien unauthorized insurer in  
1957 accordance with the terms and conditions of section 5 the commissioner has determined that the  
1958 insurer:(1) is in unsound financial condition or has acted in an untrustworthy manner; (2) no longer meets  
1959 the standards set forth in subsection (c); (3) has willfully violated the laws of the commonwealth; or (4)  
1960 does not conduct a proper claims practice.

1961 **SECTION 113.** Section 21 of chapter 218 of the General Laws, as so appearing, is hereby amended by  
1962 striking out, in lines 6 and 35, the words ‘two thousand dollars’ and inserting in place thereof the  
1963 following figure:- \$7,000.

1964 **SECTION 114.** Section 22 of said chapter 218, as so appearing, is hereby amended by adding the  
1965 following paragraph:-

1966 The entry fee shall be \$75 for a party that has filed 5 statements of claim in a small claims session of the  
1967 court during the calendar year, \$150 for a party that has previously filed 10 statements of claim in a small  
1968 claims session of the court during the calendar year and \$240 for a party that has previously filed 100  
1969 statements of claim in a small claims session of the court during the calendar year.

1970 **SECTION 115.** Chapter 465 of the acts of 1956 is hereby amended by inserting after section 21 the  
1971 following section:

1972 Section21A. The authority shall be subject to sections 3K and 56 of chapter 23A of the General Laws.

1973 **SECTION 116.** Section 3 of Chapter 614 of the acts of 1968, as amended, is hereby further amended by  
1974 adding before the definition of ‘Authority’, the following definition:-

1975 ‘Agency’, the Massachusetts Development Finance Agency created by chapter 23G, as amended.

1976 **SECTION 117.** Subsection (a) of section 4 of chapter 614 of the acts of 1968, as amended, is hereby  
1977 further amended by striking out every sentence after the second sentence and inserting in place thereof the  
1978 following sentences:-

1979 Said authority shall be governed by the board of the Massachusetts Development Finance Agency as  
1980 established by section 2 of chapter 23G, as amended, and the board members of the Agency shall serve as  
1981 trustees for any existing Authority trust.

1982 **SECTION 118XRR.** Section 4 of chapter 614 of the acts of 1968 is hereby repealed.

1983 **SECTION 119.** Subsection (b) of section 4 of chapter of chapter 614 of the acts of 1968, as amended is  
1984 hereby further amended by inserting after the last sentence the following sentence:

1985 The executive director, assistant executive director, and any other employees of the Authority who act as  
1986 trustees for any trust established under the authority granted by this chapter shall not approve matters in  
1987 their capacity as trustees without first receiving approval from the board.

1988 **SECTION 120.** Chapter 614 of the acts of 1968, as amended, is hereby further amended by striking the  
1989 word ‘authority’ wherever it appears and inserting in place thereof the word ‘Agency’.

1990 **SECTION 121.** Section 33 of chapter 190 of the acts of 1982 is hereby amended by striking out the  
1991 second paragraph, as appearing in chapter 23 of the acts of 1998, and inserting in place thereof the  
1992 following paragraph:

1993 The authority shall consist of 13 members, 9 of whom shall be appointed by the governor, 1 of whom  
1994 shall be the secretary of housing and economic development or the secretary’s designee, who shall serve  
1995 as chair, 1 of whom shall be appointed from a list of 3 nominees recommended by the Massachusetts  
1996 Visitors Industry Council, 1 of whom shall be appointed from a list of 3 nominees recommended by the  
1997 Massachusetts Lodging Association, 1 of whom shall be a resident of the city of Cambridge and 1 of  
1998 whom shall be a resident of Hampden county. Two persons shall be appointed by the mayor of the city of  
1999 Boston, 1 of whom shall be a resident of South Boston. The remaining 2 persons shall be the secretary of  
2000 administration and finance or the secretary’s designee and the collector treasurer of the city of Boston or  
2001 the collector treasurer’s designee, both of whom shall serve ex officio and shall have the right to exercise  
2002 or vote on matters before the authority. Three of the members of the authority first appointed by the  
2003 governor shall continue in office for a term expiring December 31, 2000 and 3 members of the authority  
2004 first appointed by the governor shall continue in office for a term expiring December 31, 2001 and 3  
2005 members of the authority first appointed by the governor shall continue in office for a term expiring  
2006 December 31, 2003. The term of each such member shall be designated by the governor and shall  
2007 continue until the member’s successor is duly appointed and qualified. The members appointed by the  
2008 mayor shall continue in office for a term expiring December 31, 1999, and shall continue until their  
2009 successors are duly appointed and qualified. The successor of each such member shall be appointed for a  
2010 term of 6 years and until his successor is duly appointed and qualified, except that a person appointed to  
2011 fill a vacancy shall serve only for the unexpired term and until the appointee’s successor is duly appointed  
2012 and qualified. Each member of the authority shall be eligible for reappointment. Each member of the  
2013 authority shall serve at the pleasure of the governor, if appointed by the governor, and each member of the  
2014 authority may be removed by the governor, if appointed by the governor, or by the mayor, if appointed by  
2015 the mayor. Each member of the authority before entering upon such member’s duties shall take an oath  
2016 before the governor to administer the duties of the member’s office faithfully and impartially, and a  
2017 record of such oaths shall be filed in the office of the secretary of the commonwealth. Members of the  
2018 authority shall serve without compensation, but service as a member of the authority shall be credited to  
2019 such member's years in service for pension and retirement purposes.

2020 **SECTION 122.** Section 6 of chapter 528 of the acts of 1990, as amended by section 302 of chapter 159  
2021 of the acts of 2000, is hereby further amended by striking out ‘July 1, 2010’ and inserting in place thereof  
2022 the following words:- July 1, 2020.

2023 **SECTION 123.** Sections 3A, 20A and 25 of chapter 175 of the acts of 1998 are hereby repealed.

2024 **SECTION 124.** Notwithstanding any general or special law to the contrary, the term the ‘Massachusetts  
2025 Health and Educational Facilities Authority’ or ‘HEFA’, wherever either appears in a general or special  
2026 law, except as they appear in this act, shall mean the ‘Massachusetts Development Finance Agency’;  
2027 provided, however, that such change of reference shall not restrict or limit in any manner the exercise by  
2028 the Massachusetts Development Finance Agency of its rights, powers, duties or purposes, or to its  
2029 ownership and holding of properties and assets under chapter 23G or any other provision of law  
2030 applicable to the Massachusetts Development Finance Agency, including without limitation the power of  
2031 the Massachusetts Development Finance Agency to issue bonds under said chapter 23G or under any such  
2032 other provision.

2033 **SECTION 125.** (a) On October 1, 2010, the Massachusetts Health and Educational Facilities Authority,  
2034 as established by section 4 of chapter 614 of the acts of 1956, shall be dissolved, without any further  
2035 action, and the rights, powers and duties, and properties of the Authority shall on and after such date be  
2036 exercised, performed, owned and held by the Massachusetts Development Finance Agency as established  
2037 by chapter 23G, as amended. All real estate, property rights, personal property, funds, moneys, revenues,  
2038 receipts, contract rights, trust agreements, any rights or interests of the Authority in any trusts or trust  
2039 property, or other intangible assets, equipment or other ownership, possessory, or security interests or  
2040 mortgages of any kind whatsoever, or any portion thereof held by the Authority, including, without  
2041 limitation, funds previously appropriated by the commonwealth for the Authority, shall be deemed for  
2042 record notice and otherwise, as applicable, to belong to the Agency on the same basis and with the same  
2043 interest as previously held by the Authority, as applicable. Any and all obligations and liabilities of said  
2044 Authority shall become obligations and liabilities of the Agency. Any resolution taken by or commitment  
2045 made by the Authority with respect to any financing, including loans, bond issuances, guarantees and  
2046 insurance and any other action made by the Authority shall become resolutions of the Agency.

2047 (b) All duly existing contracts, leases, trusts, or obligations of the Authority that are in force  
2048 immediately before the effective date of the dissolution of the Authority shall be deemed to be the  
2049 obligations of the Agency. No existing right or remedy under this section shall be lost, impaired or  
2050 affected by this act. The Agency shall have authority to exercise all rights and enjoy all interests conferred

2051 upon the Authority by the contracts, leases or obligations. In the case of collective bargaining agreements,  
2052 any obligations under the agreements shall expire on the stated date of expiration of such agreements.

2053 (c) The transfer of the assets, liabilities, obligations and debt of the Authority to the Agency under this  
2054 act shall be effective upon dissolution of the Authority and shall bind all persons with or without notice  
2055 and without any further action or documentation. Without derogating from the foregoing, the Agency  
2056 may, from time to time, execute and record and file for registration with any registry of deeds or the land  
2057 court or with the secretary of the commonwealth, as appropriate, a certificate confirming the Agency's  
2058 ownership of any interest in real or personal property formerly held by the Authority and transferred  
2059 pursuant to the provisions of this act and establishing and confirming the limits of property so transferred.

2060 (d) This act shall not limit or impair the rights, remedies, or defenses of the commonwealth, the  
2061 Agency, or the Authority in or to any action or proceeding, including, without limitation, any brought  
2062 under chapter 258 of the General Laws. Actions and proceedings against or on behalf of the Authority  
2063 shall continue unabated and, from and after the date of dissolution of the Authority, may be completed  
2064 against or by the Agency.

2065 (e) Notwithstanding the foregoing, no existing rights of the holders of the bonds issued by the  
2066 Authority shall be impaired, and the Agency as successor in interest to the Authority shall maintain the  
2067 covenants of the trust indentures pertaining to such bonds so long as such bonds shall remain outstanding.

2068 (f) All orders, rules and regulations duly made and all approvals duly granted by the Authority, which  
2069 are in force immediately before the effective date of this act, shall continue in force and the provisions  
2070 thereof shall thereafter be enforced, until superseded, revised, rescinded or canceled, in accordance with  
2071 law, by the Agency.

2072 (g) All books, papers, records, documents, equipment, buildings, facilities, cash and other property and  
2073 assets, both personal and real, including all such property and assets held in trust, which on October first,  
2074 two thousand and ten are in the custody of the Authority shall be transferred to the Agency.

2075 **SECTION 126.** Notwithstanding any general or special law to the contrary, as of the effective date of this  
2076 act, the Massachusetts Development Finance Agency shall develop and implement a transfer plan, subject  
2077 to the approval of the secretary of administration and finance, providing for the orderly transfer of  
2078 personnel, all assets, liabilities, obligations, debts listed, including but not limited to those listed in section  
2079 125 of this act, from the Authority to the Agency, consistent with the provisions contained in section 125  
2080 of this act. The transfer shall be complete by October 1, 2010.

2081 **SECTION 127.** (a) For the purposes of this section, the following words shall, unless the context clearly  
2082 requires otherwise, have the following meanings:

2083 ‘Approval’, any permit, certificate, order excluding an enforcement order, license, certification,  
2084 determination, exemption, variance, waiver, building permit, or other approval or determination of rights  
2085 from any municipal, regional or state governmental entity, including any agency, department, commission  
2086 or other instrumentality thereof, concerning the use or development of real property, including, but not  
2087 limited to, certificates, licenses, certifications, determinations, exemptions, variances, waivers, building  
2088 permits, or other approvals or determination of rights issued or made pursuant to chapter 21, chapter 21A  
2089 excepting section 16, chapter 21D, sections 61 to 62H, inclusive, of chapter 30, chapters 30A, 40, 40A to  
2090 40C, inclusive, 40R, 41, 43D, section 21 of chapter 81, chapter 91, 131, 131A or 143, section 4 or 5 of  
2091 chapter 249, or chapter 258 of the General Laws, or chapter 665 of the acts of 1956; or any local bylaw or  
2092 ordinance.

2093 ‘Development’, the division of a parcel of land into two or more parcels, the construction, reconstruction,  
2094 conversion, structural alteration, relocation or enlargement of any building or other structure or facility, or  
2095 of any grading, soil removal or relocation, excavation or landfill or any use or change in the use of any  
2096 building or other structure or land or extension of the use of land.

2097 ‘Tolling Period’, means the period beginning January 1, 2008 and continuing through January 1, 2011.

2098 (b) Notwithstanding any general or special law to the contrary, for any approval in effect or in existence  
2099 during the tolling period, in addition to the lawful term of the approval, the approval shall be extended for  
2100 a period of 3 years; provided, however, that nothing in this section shall be deemed to extend: (i) any  
2101 permit or approval issued by the government of the United States or any agency or instrumentality  
2102 thereof, or to any permit or approval by whatever authority issued of which the duration of effect or the  
2103 date or terms of its expiration are specified or determined by or pursuant to law or regulation of the  
2104 federal government or any of its agencies or instrumentalities; (ii) any permit, license, privilege or  
2105 approval issued by the division of fisheries and wildlife pursuant to chapter 131 for hunting, fishing or  
2106 aquaculture; (iii) or any permit or approval granted to a project receiving funds from the commonwealth’s  
2107 infrastructure investment incentive program.

2108 (c) Nothing in this section shall affect the ability of any municipal, regional or state governmental entity,  
2109 including any agency, department, commission, or other instrumentality thereof to revoke or modify a  
2110 specific permit or approval, or extension thereof pursuant to this section, when that specific permit or

2111 approval or the law or regulation under which the permit or approval was issued contains language  
2112 authorizing the modification or revocation of the permit or approval.

2113 (d) If any approval tolled pursuant to this section is based upon the connection to a sanitary sewer system,  
2114 the approval's extension shall be contingent upon the availability of sufficient capacity, on the part of the  
2115 treatment facility, to accommodate the development whose approval has been extended. If sufficient  
2116 capacity is not available, those permit holders whose approvals have been extended shall have priority  
2117 with regard to the further allocation of gallonage over those approval holders who have not received  
2118 approval of a hookup before the effective date of this section. Priority regarding the distribution of further  
2119 gallonage to any permit holder who has received the extension of an approval pursuant to this Act shall be  
2120 allocated in order of the granting of the original approval of the connection.

2121 (e) In the case when an owner or petitioner sells or otherwise transfers a property or project, in order for  
2122 the permit to receive an extension, all commitments made by the original owner or petitioner, under the  
2123 terms of the permit, must be upheld by the new owner or petitioner. If the new owner or petitioner does  
2124 not meet or abide by those commitments then the permit extension shall not apply.

2125 (f) Nothing in this section shall be construed or implemented in such a way as to modify any requirement  
2126 of law that is necessary to retain federal delegation to, or assumption by, the commonwealth of the  
2127 authority to implement a federal law or program.

2128 **SECTION 128.** Notwithstanding any general or special law to the contrary, the executive office of  
2129 energy and environmental affairs, in consultation with the executive office of housing and economic  
2130 development, shall conduct a study on the costs and benefits of recent electricity market reforms. The  
2131 study shall include, but not be limited to: (i) an analysis of the economic and reliability implications of  
2132 administrative, regulatory and legislative mandates as they pertain to electricity; (ii) the extent to which  
2133 these mandates impact the rates paid by residential, commercial and industrial customers in the  
2134 commonwealth and contribute to the bill savings realized by these customers; (iii) the extent to which  
2135 these mandates contribute to economic development in the state.

2136 The study shall be completed with stakeholder input, including representatives from the energy and  
2137 economic sectors in the commonwealth.

2138 The study shall be completed and submitted to the joint committee on telecommunications, utilities and  
2139 energy and the joint committee on economic development and emerging technologies no later than  
2140 December 31, 2010.

2141 Notwithstanding any general or special law to the contrary, the comptroller shall promptly transfer  
2142 \$15,000,000 of the Emerging Technology Fund, established pursuant to chapter 141 of the acts of 2003,  
2143 to the Growth Capital Corporation, established pursuant to chapter 40F of the General Laws.

2144 **SECTION 129.** Sections 1 to 32, 38 to 75, 82, 85, 87 to 88, 90 to 99, 101 to 112, 115 to 117, and 119 to  
2145 128 shall take effect upon passage

2146 **SECTION 130.** Sections 33 to 37 and section 118 shall take effect October 1, 2010.

2147 **SECTION 131.** Sections 76 to 81 shall apply only to districts created on or after the effective date of this  
2148 act.

2149 **SECTION 132.** Sections 83, 84, 113 and 114 of this act shall take effect not later than December 31,  
2150 2010; provided, however, that said sections shall take effect earlier upon certification and 30 day notice  
2151 from the chief justice for administration and management that the trial courts have the capacity to track  
2152 the number of statements of claim filed by any party during a calendar year in a small claims session of  
2153 the court, in either the district court or the Boston municipal court; and provided further that if the  
2154 capacity does not exist as of October 31, 2010, the chief justice for administration and management shall  
2155 file a report with the president of the senate and the speaker of the house of representative detailing the  
2156 status of such efforts and estimating when such capacity will exist.

2157 **SECTION 133.** Section 86 and section 89 shall be effective for tax years beginning on or after January 1,  
2158 2011.

2159 **SECTION 134.** Section 100 shall take effect upon enactment and shall apply to qualified substantial  
2160 rehabilitation expenditures incurred on or after its effective date, provided however, that sections 3 and 5  
2161 of the Act shall take effect on January 1, 2011.”; and by striking out the title and inserting in place thereof  
2162 the following title: “An Act relative to business and job growth in the Commonwealth.”.