

SENATE No. 2422

The Commonwealth of Massachusetts

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In the Year Two Thousand Fourteen
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SENATE, July 11, 2016

The committee on Senate Committee on Bonding, Capital Expenditures and State Assets, to whom was referred the House Bill relative to job creation, workforce development and infrastructure investment (House, No. 4883); reports, recommending that the same ought to pass with an amendment striking out all after the enacting clause and inserting in place thereof the text of Senate document numbered 2422.

For the committee,
John F. Keenan

17 7002-8007 For matching grants to enable institutions of higher education, including
18 state and municipal colleges and universities, located in the commonwealth to participate in and
19 receive federal funding from the National Network for Manufacturing Innovation
20 \$71,000,000

21 7002-8008 For a program administered by the Massachusetts Development Finance
22 Agency for site assembly, site assessment, pre-development permitting and other pre-
23 development and marketing activities that enhance a site’s readiness for commercial, industrial
24 or mixed-use development; provided that a portion of such funds shall be used to facilitate the
25 expansion or replication of successful industrial parks; and provided further that a portion of
26 such funds shall be used to support the revitalization of downtown.....\$15,000,000

27 7002-8009 For a program to be administered by the Massachusetts Development
28 Finance Agency to make grants to private property owners, non-profit entrepreneur support
29 organizations and business operators, and grants and loans to municipalities, for design,
30 construction and, improvement of buildings and for equipment to spur innovation and
31 entrepreneurship across the state, including but not limited to co-working spaces, innovation
32 centers, maker spaces and artist spaces \$15,000,000

33 7002-8011 For the Transformative Development Fund established by section 46 of
34 chapter 23G of the General Laws\$45,000,000

35 7002-8012 For the Scientific and Technology Research and Development Matching
36 Grant Fund established by section 4G of chapter 40J of the General Laws\$15,000,000

37 7002-8013 For the Advanced Manufacturing, Technology and Hospitality Training
38 Trust Fund established in section 20000 of chapter 29 of the General Laws.....\$30,000,000

39 7002-8014 For the Massachusetts Food Trust Program established by section 65 of
40 chapter 23A of the General Laws \$6,000,000

41 7002-8017 For the Massachusetts Technology Park Corporation, established in
42 section 3 of chapter 40J of the General Laws and doing business as the Massachusetts
43 Technology Collaborative, to create a cybersecurity and data analytics technology development
44 and training center of excellence pursuant to section 104 \$4,500,000

45 7002-8021 For the Brownfields Redevelopment Fund established by section 29A of chapter
46 23G of the General Laws \$45,000,000

47 SECTION 2B.

48 EXECUTIVE OFFICE OF HOUSING AND ECONOMIC DEVELOPMENT

49 *Department of Housing and Community Development*

50 7004-8016 For the Smart Growth Housing Trust Fund established by section 35AA of
51 chapter 10 of the General Laws \$7,500,000

52 SECTION 2C.

53 EXECUTIVE OFFICE OF EDUCATION

54 *Office of the Secretary*

55 7009-2005 For a competitive grant program to be administered by the executive
56 office of education, in consultation with the executive office of housing and economic
57 development and the executive office of labor and workforce development, to provide funding
58 for the purchase and installation of equipment, and any related improvements and renovations to

59 facilities necessary for the installation and use of such equipment, for the purpose of establishing,
60 upgrading and expanding career technical education and training programs that are aligned to
61 regional economic and workforce development priorities; provided further, that grant
62 applications may facilitate collaboration to provide students enrolled in eligible vocational-
63 technical schools with post-secondary opportunities, consistent with clause (o) the first paragraph
64 of section 22 of chapter 15A and section 37A of chapter 74 of the General Laws; provided
65 further, that innovation centers that receive funds from the Massachusetts Life Sciences Center
66 shall also be eligible for funds from this program; and provided further, that the executive office
67 of education, in consultation with the executive office of housing and economic development and
68 the executive office of labor and workforce development, shall adopt additional guidelines as
69 necessary for the administration of the program..... \$45,000,000

70 7009-2006 For competitive grants to cities, towns, regional school districts and
71 institutions of public higher education, including state and municipal colleges and universities,
72 for capital investments to support the establishment and implementation of early college high
73 school programs, which may include but need not be limited to design, engineering and
74 construction costs to create or improve facilities, equipment costs, or information technology
75 costs associated with said programs; provided, that the programs shall support students who
76 work simultaneously on the completion of a high school diploma from the partnering school
77 district while also earning free college credits towards an associate degree or certificate at the
78 partnering institution of higher education; provided further, that the programs shall provide full
79 access to college support services, student activities and tutoring and shall ensure holistic wrap-
80 around support which meets the academic, social and emotional needs of the student and shall
81 ensure full access to the same for students with physical or learning disabilities; provided further,

82 that in awarding these grants, preference shall be given to innovative joint proposals, developed
83 by partnering school districts, colleges and local and regional nonprofits where appropriate; and
84 provided further, that the grants shall be awarded, to the extent feasible, in a manner that reflects
85 geographic and demographic diversity.....\$2,400,000

86 MASSACHUSETTS DEPARTMENT OF TRANSPORTATION

87 *Office of the Secretary*

88 6720-1340 To mitigate or contribute toward any costs associated with or arising out of
89 improvements to the Conley Terminal in South Boston for the purposes of accommodating mega
90 ships for the continued competitiveness of the Terminal, including, but not limited to, berth
91 construction and crane procurement; provided, that the secretary, in coordination with the chief
92 executive officer of the Massachusetts Port Authority, shall seek to maximize federal funds and
93 reimbursement to offset, to the extent feasible, costs incurred under this item\$107,500,000

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

97 SECTION 4. Section 2 of chapter 21E of the General Laws, as so appearing, is hereby
98 amended by striking out, in line 80, the figure “3D” and inserting in place thereof the following
99 figure:- 3G.

100 SECTION 5. Chapter 23A of the General Laws, as so appearing, is hereby amended by
101 striking out sections 3A to 3G inclusive and inserting in place thereof the following 9 sections:-

102 Section 3A. (a) The Economic Development Incentive Program shall be
103 administered by the EACC, under the oversight of the secretary of housing and economic
104 development, to provide incentives that stimulate job creation and investment of private capital
105 and to promote economic growth and expand economic opportunity to all areas of the
106 commonwealth. EDIP tax credits and other incentives shall be administered to stimulate job
107 creation, attract new business activity and promote investment that would not otherwise occur in
108 the commonwealth.

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

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

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

118 “Certified project”, a proposed project that is certified by the EACC pursuant to section
119 3C.

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

123 “EACC”, the economic assistance coordinating council established pursuant to section
124 3B.

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

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

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

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

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

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

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

150 “Municipal project endorsement”, an endorsement, by vote of the city council with the
151 approval of the mayor, in a city, and by vote of the board of selectmen, in a town, of a proposed
152 project by the municipality in which a proposed project will be located, which must include: (i) a
153 finding by the municipality that the proposed project is consistent with the municipality’s
154 economic development objectives; (ii) a finding by the municipality that the proponent of the
155 proposed project has the means to undertake and complete the proposed project; (iii) a finding by
156 the municipality that the proposed project will have a reasonable chance of increasing or
157 retaining employment opportunities as advanced in the proposal; (iv) a determination by the
158 municipality that the proposed project will not overburden the municipality’s infrastructure and
159 other supporting resources; and (v) a description of the local tax incentive, if any, offered by the
160 municipality in support of the proposed project, together with a copy of the fully executed tax
161 increment financing agreement or the fully executed agreement setting forth the terms of the
162 special tax assessment, as applicable.

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

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

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

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

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

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

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

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

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

196 “TIF”, tax increment financing.

197 Section 3B. (a) There shall be an economic assistance coordinating council
198 established within MOBD consisting of: the secretary of housing and economic development or
199 the secretary’s designee, who shall serve as co-chairperson; the director of housing and
200 community development or a designee, who shall serve as co-chairperson; a second person
201 designated by the secretary of housing and economic development; the director of career services
202 or a designee; the secretary of labor and workforce development or a designee; the director of the
203 office of business development or a designee; the president of the Commonwealth Corporation
204 or a designee; and 7 persons to be appointed by the governor, 1 of whom shall be from the
205 western region of the commonwealth, 1 of whom shall be from the central region of the
206 commonwealth, 1 of whom shall be from the eastern region of the commonwealth, 1 of whom
207 shall be from the southeastern region of the commonwealth, 1 of whom shall be from Cape Cod
208 or the Islands, 1 of whom shall be a representative of a higher educational institution within the

209 commonwealth and 1 of whom shall be from the Merrimack Valley. Persons appointed by the
210 governor shall have expertise in issues pertaining to training, business relocation or inner-city
211 and rural development, and shall be knowledgeable in public policy or international and state
212 economic and industrial trends. Each member appointed by the governor shall serve at the
213 pleasure of the governor. The council shall adopt by-laws to govern its affairs.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

300 (5) The extent to which the certified project is expected to contribute to the economic
301 revitalization of a gateway municipality or increase employment opportunities to residents of a
302 gateway municipality;

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

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

308 The EACC shall have discretion as to how to weigh and apply these criteria. When
309 making an award of tax credits pursuant to subsection (g) of section 6 of chapter 62 and section
310 38N of chapter 63, the EACC may at its sole discretion limit the award to a specific dollar
311 amount, may specify the schedule on which such credits may be claimed, and may limit or
312 restrict the right of the controlling business to carry unused credits forward to future tax years.

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

317 (b) The EACC may grant refundable credits to a certified project; provided that the
318 EACC shall not authorize more than \$5,000,000 in refundable credits for any single calendar
319 year.

320 (c) The total amount of credits that may be authorized by the EACC under this
321 section for any single calendar year shall not exceed \$30,000,000, to be calculated in accordance
322 with the relevant provisions of subsection (g) of section 6 of chapter 62 and section 38N of
323 chapter 63. The EACC may authorize an award of credits to a controlling business that spans
324 multiple years so long as the total amount of credits due to be taken in any single calendar year
325 does not exceed the applicable cap.

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

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

335 Section 3E. (a) A municipality may offer a local tax incentive to the owner or
336 controlling business of a certified project, or to the owner of a real estate project, if the
337 municipality determines such project is consistent with the municipality's economic

338 development objectives and is likely to increase or retain employment opportunities for residents
339 of the municipality.

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

350 If a municipality offers tax increment financing to the owner of a certified project, the
351 municipal project endorsement for said certified project shall include a fully executed copy of the
352 tax increment financing agreement adopted in accordance with section 59 of chapter 40. Any tax
353 increment financing agreement shall be approved by the EACC before it shall be valid and
354 enforceable. The EACC may approve such tax increment financing agreement pursuant to
355 regulations adopted by the EACC. Any such approval shall include a finding, reflected in the
356 EACC's minutes, that the tax increment financing agreement complies with said section 59 of
357 said chapter 40 and will further the public purpose of encouraging increased industrial and
358 commercial activity in the commonwealth.

359 (c) A municipality may offer a special tax assessment to the controlling business of a
360 certified project, or to a person or entity undertaking a real estate project, or to a person or entity
361 proposing to retain permanent full-time jobs at a facility that otherwise would be at risk of
362 relocating outside of the commonwealth. Any special tax assessment shall be set forth in a
363 written agreement between the municipality and the property owner. Such agreement shall set
364 forth the amount of the tax reduction and the period of time over which such reduction shall be in
365 effect, which shall be not fewer than 5 years or more than 20 years. Every special tax assessment
366 approved by the EACC shall provide for a reduction of the real property tax that otherwise would
367 be due based on a percentage reduction in the tax that otherwise would be due based on the full
368 assessed value of the affected property. The special tax assessment shall provide for tax
369 reduction at least equal to the following:

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

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

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

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

378 The written agreement required by the first paragraph of this subsection shall be
379 approved by the EACC before it shall be valid and enforceable. The EACC may approve such
380 special tax assessments pursuant to rules or regulations adopted by the EACC if the EACC

381 determines that: (i) the municipality has made a formal determination that the property owner is
382 either undertaking a project or making other investment that will contribute to economic
383 revitalization of the municipality and will significantly increase employment opportunities for
384 residents of the municipality, or is retaining permanent full-time employees that otherwise would
385 be relocated to a facility outside the commonwealth; (ii) the special tax assessment is reasonably
386 necessary to enable the owner's investment in the project or to retain the jobs that otherwise
387 would be relocated; and (iii) the total amount of local tax foregone is reasonably proportionate to
388 the public benefits resulting from the special tax assessment. Any such approval shall include a
389 finding, reflected in the EACC's minutes, that the special tax assessment complies with the
390 requirements of this section.

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

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

399 (b) In the event that MOBD shall find that a controlling business or an affiliate is in
400 material non-compliance with a representation made to the EACC in its application for project
401 certification or the obligations set forth in an EDIP contract, MOBD may recommend to the
402 EACC that it revoke the project certification. Prior to making such recommendation, MOBD

403 shall provide written notice to the controlling business stating the basis for the recommended
404 revocation and offering the controlling business an opportunity for a hearing at which the
405 controlling business may contest the basis for the recommendation or establish mitigating
406 circumstances which may be relevant to the recommendation.

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

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

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

415 (3) the potential impact on the municipality in which the certified project is located;

416 and

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

418 Where the EACC determines that material non-compliance is due to factors outside the
419 control of the controlling business, the EACC may elect to provide the controlling business with
420 reasonable opportunity to cure the material non-compliance. If the EACC revokes a project's
421 certification, it shall determine the proportion of compliance with job creation requirements
422 applicable to the certified project, and shall report the proportion of compliance to the controlling
423 business and to the department of revenue.

424 (d) Revocation of a project certification shall take effect on the first day of the tax
425 year in which the material non-compliance occurred, as determined by the EACC. If the EACC
426 revokes a project certification, then: (i) all EDIP tax credits available to the controlling business
427 shall be recaptured in accordance with subsection (g) of section 6 of chapter 62 and subsection
428 (i) of section 38N of chapter 63; and (ii) the local tax incentive, if any, shall terminate unless the
429 written agreements between the municipality and the controlling business provide otherwise. In
430 the event of such termination, the municipality may, at its discretion, preserve the local tax
431 incentive by amending the written agreement with the controlling business in the same manner as
432 the municipality approved it, and submitting such amendment to the EACC for approval in
433 accordance with this section.

434 (e) If a controlling business has claimed tax credits awarded under this chapter prior
435 to the date on which the EACC makes a determination to revoke project certification, then the
436 recapture provisions of subsection (g) of section 6 of chapter 62 and subsection (i) of section
437 38N of chapter 63 shall apply. If a controlling business has benefited from a local tax incentive
438 under this chapter prior to the revocation of a project certification, then notwithstanding any
439 provision of the general laws to the contrary, the municipality that offered the local tax incentive
440 may recapture the value of the tax not paid by making a special assessment on the controlling
441 business in the tax year that follows the EACC's decision to revoke project certification. The
442 assessment, payment and collection of the special assessment shall be governed by procedures
443 provided for the taxation of omitted property under section 75 of chapter 59 notwithstanding the
444 time period set forth in said chapter 59 for which omitted property assessments may be imposed
445 for each of the fiscal years included in the special assessment.

446 Section 3G. (a) The EACC may designate 1 or more areas of the commonwealth as
447 an economic target area or economic opportunity area in connection with an application from a
448 municipality seeking such designation under the federal empowerment zones and enterprise
449 communities program, so called, or other local, state or federal programs that contemplate such
450 designations. Designations of new economic target areas, if any, shall be made in accordance
451 with the criteria set forth in subsection (b). Designations of new economic opportunity areas, if
452 any, shall be made at the discretion of the EACC in accordance with regulations to be
453 promulgated by the EACC, or rules or policies adopted by the EACC.

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

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

459 (2) if the proposed economic target area is located in a metropolitan area, then at least
460 51 per cent of the households in the proposed economic target area have incomes that are below
461 80 per cent of the median income for households in the metropolitan area;

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

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

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

470 (6) the area proposed for designation has exceptional potential for economic
471 development as a result of: (i) the proposed redevelopment of blighted real estate or abandoned
472 buildings totaling at least 1,000,000 square feet; (ii) the proposed establishment of a regional
473 technology center of 3,000,000 or more square feet; or (iii) the proposed development of a Class
474 I renewable energy generating facility.

475 (c) Any municipality which contains an economic opportunity may make application
476 to the foreign trade zone board in accordance with 19 U.S.C. sections 81(a) to 81(u), inclusive,
477 for a grant to said city or town for the privilege of establishing, operating and maintaining a
478 foreign trade zone within its economic opportunity area. Upon petition from a city or town, the
479 EACC may authorize any other city or town to make application to said foreign trade zone board
480 for a grant to said city or town for the privilege of establishing, operating and maintaining a
481 foreign trade zone.

482 SECTION 6. Subsection (a) of section 3J of said chapter 23A, as so appearing, is hereby
483 amended by striking out the first paragraph and inserting in place thereof the following
484 paragraph:-

485 The Massachusetts office of business development shall establish a plan to support
486 regionally-based efforts to grow and retain existing businesses and attract new business to the
487 commonwealth. To implement the regional plan and to provide efficient and consistent response
488 to businesses seeking assistance from the commonwealth, the office shall contract with regional

489 economic development organizations, as defined in section 3K. The contracts and
490 reimbursements shall be designed to support regionally-based efforts to stimulate, encourage,
491 facilitate and nurture economic growth and prosperity in the commonwealth, including, but not
492 limited to, the identification of regional competitive strengths, challenges and opportunities,
493 regional cluster development strategies, long-range regional skills pipeline, transportation and
494 land use planning, and other systems-based activities related to the growth and retention of
495 existing businesses and the attraction of new businesses into the commonwealth. The contracts
496 shall support a network of partnerships between regional economic development organizations
497 and the Massachusetts office of business development.

498 SECTION 7. Chapter 7 of the General Laws, as appearing in the 2014 Official Edition, is
499 hereby amended by inserting after Section 23B the following new section:-

500 Section 23B ½. For the purposes of this chapter, it shall be the official goal of the
501 Commonwealth to achieve minority business enterprise and women business enterprise
502 contracting goals within state procurement that are reflective of the diverse racial, ethnic, and
503 gender make-up of the Commonwealth's population.

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

506 (c) Contracts for services entered into under this section shall include, but not be limited
507 to, the following services to be performed by the organization on behalf of the commonwealth:

508 (i) assess regional competitive strengths, weaknesses and opportunities; (ii) represent the
509 regional business community in long-range skills pipeline planning efforts to ensure robust skills
510 and talent pipelines that meet regional needs; (iii) represent the regional business community in

511 collaborative, long-range skills, transportation and land use planning; (iv) promote regionally
512 significant industry clusters; (v) promote connections across sectors of the regional economy;
513 (vi) maintain an inventory of key development parcels; (vii) market the region in coordination
514 with the Massachusetts marketing partnership established under section 13A; and (viii) furnish
515 advice and assistance to businesses and industrial prospects which may locate in the region.

516 SECTION 9. Section 63 of chapter 23A, of the General Laws, as appearing in the 2014
517 Official Edition, is hereby amended by inserting at the end of subsection (b) the following:-

518 Any project that receives EDIP tax credits as defined by Section 3A shall be ineligible to
519 receive funding under this section, for the length of the project's EDIP tax credit certification.

520 SECTION 10. Said Section 63 of Chapter 23A of the General Laws, so appearing, is
521 further amended by inserting, in line 40, after the figure "(e)", the words:- ; provided however
522 that not less than 10 days prior to making such grants the secretary shall notify the clerks of the
523 house of representatives and the senate, who shall forward such notice to the chairs of the senate
524 and house committees on ways and means, of the intent to make a grant outside of the open
525 solicitation period

526 SECTION 11. Said Section 63 of Chapter 23A, as so appearing, is further amended by
527 inserting, in line 79, after the word "all", the following words :- "applications, a list and
528 description of all".

529 SECTION 12. Section 65 of chapter 23A of the General Laws, added by section 12 of
530 chapter 286 of the acts of 2014, is hereby amended by striking subsection (j) and inserting in
531 place thereof the following subsection:-

532 (j) The department shall consult with the Massachusetts department of agricultural
533 resources in the development and implementation of the Massachusetts food trust program. To
534 the maximum extent feasible, a community development financial institution and the department
535 shall seek to align efforts with the recommendations of the Massachusetts local food action plan
536 accepted by the Massachusetts food policy council in 2015, or subsequent plans accepted by said
537 council.

538 SECTION 13. Subsection (c) of section 5 of chapter 23G of the General Laws, as
539 appearing in the 2014 Official Edition, is hereby amended by striking out paragraph (1) and
540 inserting in place thereof the following paragraph:-

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

543 SECTION 14. Said subsection (c) of said section 5 of said chapter 23G, as so appearing,
544 is further amended by striking out paragraph (8) and inserting in place thereof the following
545 paragraph:-

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

550 SECTION 15. Section 7 of chapter 23G of the General Laws, as so appearing, is hereby
551 amended by striking out, in line 31, the figure “\$500,000” and inserting in place thereof the
552 following figure:- \$1,000,000.

553 SECTION 16. Section 8 of chapter 23H of the General Laws, as so appearing, is hereby
554 amended by striking out, in lines 7 to 8, the words “persons residing in economic opportunity
555 areas,”.

556 SECTION 17. Section 5 of chapter 23I of the General Laws, as so appearing, is hereby
557 amended by striking out, in line 69, the words “in an economic opportunity area pursuant to
558 section 3F” and inserting in place thereof the following words:- as defined in section 3A.

559 SECTION 18. Section 49 of chapter 23K of the General Laws, as so appearing, is hereby
560 amended by striking out in line 3, the figure “3F” and inserting in place thereof the following
561 figure:- 3C.

562 SECTION 19. Said section 49 of said chapter 23K, as so appearing, is hereby further
563 amended by striking out, in line 5, the figure “3E” and inserting in place thereof the following
564 figure:- 3G.

565 SECTION 20. Said section 49 of said chapter 23K, as so appearing, is hereby further
566 amended by striking out, in lines 25 to 26, the words, “the economic opportunity area” and
567 inserting in place thereof the following words:- EDIP tax credit

568 SECTION 21. Section 59 of chapter 40 of the General Laws, as so appearing, is hereby
569 amended by striking out, in lines 11 to 15, the words “an economic target area or an area
570 presenting exceptional opportunities for increased economic development, as defined by section
571 3D of chapter 23A and as may be defined further by regulations adopted by the economic
572 assistance coordinating council” and inserting in place thereof the following words:- an
573 economic target area as defined in section 3G of chapter 23A, or an area designated by the

574 economic assistance coordinating council as a TIF-eligible area pursuant to subsection (b) of
575 section 3E of said chapter 23A.

576 SECTION 22. Said section 59 of said chapter 40, as so appearing, is hereby further
577 amended by striking out, in lines 84 and 88, the figure “3F” and inserting in place thereof, in
578 each instance, the figure:- 3E.

579 SECTION 23. Section 60 of said chapter 40, as so appearing, is hereby amended by
580 striking out, in lines 5 to 7, the words “the director of housing and community development, in
581 consultation with the department of economic development and” and inserting in place thereof
582 the following words:- the department of housing and community development, in consultation
583 with.

584 SECTION 24. Said section 60 of chapter 40, as so appearing, is hereby further amended
585 by striking out, in lines 15 to 18, the words “characterized by a predominance of commercial
586 land uses, a high daytime or business population, a high concentration of daytime traffic and
587 parking” and inserting in place thereof the following words:- located within an area of
588 concentrated development characterized by a predominance of commercial land uses.

589 SECTION 25. Subsection (a) of said section 60 of said chapter 40, as so appearing, is
590 hereby further amended by striking out clause (ii) and inserting in place thereof the following
591 clause:-

592 (ii) describe the construction, reconstruction, rehabilitation and related activities, public
593 and private, contemplated for such UCH-TIF zone as of the date of the adoption of the UCH-TIF
594 plan; provided, however, that in the case of public construction as aforesaid, the UCH-TIF plan
595 shall include a detailed projection of the costs and a betterment schedule for the defrayal of such

596 costs; provided further, that the UCH-TIF plan shall provide that no costs of such public
597 construction shall be recovered through betterments or special assessments imposed on a party
598 which has not executed an UCH-TIF agreement in accordance with clause (v); and provided,
599 further, that in the case of private construction as aforesaid, the UCH-TIF plan shall include the
600 types of affordable housing and residential and commercial growth which are projected to occur
601 within such UCH-TIF zone together with such documentary evidence of the projected public
602 benefits as are required by the regulations;

603 SECTION 26. Clause (iii) of subsection (a) of said section 60 of said chapter 40, as so
604 appearing, is hereby further amended by striking out subclause (1)-(3), inclusive, and inserting
605 in place thereof the following subclause:-

606 (1) the numerator of which shall be:

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

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

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

621 SECTION 27. Subsection (a) of said section 60 of said chapter 40, as so appearing, is
622 hereby further amended by striking out clause (v) and inserting in place thereof the following
623 clause:-

624 (v) state that each owner of property located in an UCH-TIF zone seeking to establish
625 eligibility for tax increment exemptions from annual property taxes pursuant to clause (iii) shall
626 execute an agreement, hereinafter referred to as an UCH-TIF agreement, with the city or town,
627 the form of which shall be included as an attachment to the UCH-TIF plan. The UCH-TIF
628 agreement shall include, but not be limited to, the following: (1) all material representations of
629 the parties which served as a basis for the granting of a UCH-TIF exemption; (2) any terms
630 deemed appropriate by the city or town relative to compliance with the UCH-TIF agreement
631 including, but not limited to, what shall constitute a default by the property owner and what
632 remedies shall be allowed between the parties for any such defaults, including an early
633 termination of the agreement; (3) provisions requiring that one of the affordability thresholds
634 described in subsection (b) is met; (4) provisions stating that housing units that meet the
635 affordability requirements of subsection (b) shall be subject to use restrictions as defined in this
636 section; (5) a detailed recitation of the tax increment exemptions and the maximum percentage of
637 the cost of public improvements that can be recovered through betterments or special
638 assessments regarding a parcel of real property pursuant to clauses (iii) and (iv); (6) a detailed
639 recitation of all other benefits and responsibilities inuring to and assumed by the parties to an

640 agreement; and (7) a provision that the agreement shall be binding upon subsequent owners of
641 the parcel of real property; and

642 SECTION 28. Said section 60 of said chapter 40, as so appearing, is hereby further
643 amended by striking out subsections (b) to (e), inclusive, and inserting in place thereof the
644 following 5 subsections:-

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

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

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

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

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

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

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

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

666 (c) The department of housing and community development shall review each UCH-
667 TIF plan to determine whether it complies with the terms of this section and any regulations
668 adopted by the department; provided further, that the department shall certify, based upon the
669 information submitted in support of the UCH-TIF plan by the city or town and through such
670 additional investigation as the department may make, that the plan is consistent with the
671 requirements of this section and will further the public purpose of encouraging increased
672 residential growth, affordable housing and commercial growth in the commonwealth; provided
673 further, that a city or town may, at any time, revoke its designation of a UCH-TIF zone and, as a
674 consequence of such revocation, shall immediately cease the execution of any additional
675 agreements pursuant to clause (v) of subsection (a); provided, further, that a revocation shall not
676 affect agreements relative to property tax exemptions and limitations on betterments and special
677 assessments pursuant to said clause (v) of said subsection (a), use restrictions or options to
678 purchase and rights of first refusal required by this section which were executed before the
679 revocation.

680 (d) The board, agency, or officer of the city or town authorized pursuant to clause (vi)
681 of said subsection (a) to execute UCH-TIF agreements shall submit each executed UCH-TIF
682 agreement to the department of housing and community development for approval. The
683 department shall, as a condition of such approval, certify that the UCH-TIF agreement complies
684 with the terms of this section and furthers the public purpose of encouraging increased residential
685 growth, affordable housing and commercial growth in the commonwealth. Upon receipt of the
686 department's certification, the board, agency or officer of the city or town authorized pursuant to
687 said clause (vi) of said subsection (a) to execute UCH-TIF agreements shall forward to the board
688 of assessors a copy of the approved UCH-TIF agreement, together with a list of the parcels
689 included therein. An executed and approved UCH-TIF shall be recorded in the registry of deeds
690 or the registry district of the land court wherein the land lies.

691 (e) Notwithstanding any other general or special law to the contrary, an affordable
692 housing development that benefits from a real estate tax exemption pursuant to this section that
693 meets the affordability requirements of subsection (b) and subclause (3) of clause (v) of
694 subsection (a) shall continue to meet those requirements for 30 years or for the term of any
695 municipal bonds issued to finance the construction, reconstruction or rehabilitation of such
696 development, whichever is shorter as may be specified in the recorded restriction. Such
697 restriction shall be approved by the department of housing and community development in
698 accordance with section 32 of chapter 184 and shall be recorded in the registry of deeds or the
699 registry district of the land court wherein the land lies.

700 (f) The owner of property subject to an UCH-TIF agreement shall certify to the city
701 or town the incomes of the families or occupants, upon initial occupancy, of the affordable
702 housing units designated in the UCH-TIF agreement and such certification shall be provided to

703 the department of housing and community development on an annual basis. If the owner fails to
704 provide certification or otherwise fails to comply with the UCH-TIF agreement, including failing
705 to maintain the affordability of housing units assisted pursuant to this section, the city or town
706 may place a lien on the property in the amount of the real estate tax exemptions granted pursuant
707 to the UCH-TIF agreement for any year in which the owner is not in compliance with this
708 subsection. If the city or town determines, with the approval of the department of housing and
709 community development, that the owner is unlikely to come into compliance with the
710 affordability requirements of said subsection (b) and said subclause (3) of said clause (v) of said
711 subsection (a), the city or town may place a lien on the property in the amount of the total real
712 estate tax exemption granted pursuant to the UCH-TIF agreement. Any such lien shall be
713 recorded in the registry of deeds or the registry district of the land court wherein the land lies.

714 (g) For the purposes of this section an “area of concentrated development” shall be a
715 center of commercial activity within a municipality, including town and city centers, other
716 existing commercial districts in towns and cities and existing rural village districts.

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

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

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

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

729 (g) The institute shall, in consultation with the secretary of housing and economic
730 development and informal advisers from the public and private sectors, develop strategies and
731 action plans to facilitate the continued development and accelerating growth of the e-health
732 cluster in the commonwealth involving a range of products, services and systems at the
733 intersection of medicine, healthcare and information technology, including without limitation:
734 (1) electronic health records, (2) consumer wearable devices, (3) care systems, (4) payment
735 management systems, (5) healthcare robotics, (6) telemedicine and (7) big data analytics, for the
736 purpose of improving health care quality, reducing costs and supporting the expansion of
737 economic opportunities for the citizens of the commonwealth. Without limiting the generality of
738 the foregoing, the institute is authorized to: (i) develop a market access program connecting
739 provider and payer needs with ideas and products through pilot programs, (ii) undertake a
740 healthcare big data initiative designed to improve healthcare data transparency and availability,
741 (iii) create opportunities for e-health cluster stakeholders, including investors, entrepreneurs and
742 healthcare providers, to convene to exchange ideas and make connections, and (iv) encourage the
743 adoption of open-source software principles, which may include recommendations toward the
744 establishment of procurement rules such that major technology systems, platforms and products
745 purchased by the state remain open for the development of third party end-user software and
746 application designs that improve ease of access and utilization of said major technology systems.

747 In furtherance of the purposes of this subsection, the institute shall coordinate and collaborate
748 with such other commonwealth agencies, authorities and public instrumentalities as the secretary
749 of housing and economic development may suggest and shall endeavor to identify moneys and
750 resources that could be made available for such purposes. The corporation is authorized to
751 expend moneys credited to the e-Health Institute Fund established in section 6E for the purposes
752 of this subsection, without compliance with any further restrictions contained in section 6E, and
753 to expend for such purposes any other moneys available to the corporation that are not otherwise
754 expressly restricted by law.

755 SECTION 33. Section 1 of chapter 40V of the General Laws, as so appearing, is hereby
756 amended by striking out the definition of “Certified housing development project”, and inserting
757 in place thereof the following definition:-

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

761 SECTION 34. Said section 1 of said chapter 40V, as so appearing, is hereby further
762 amended by striking out the definitions of “Market rate residential unit” and “Qualified
763 substantial rehabilitation expenditure” and inserting in place thereof following 2 definitions:-

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

766 “Qualified project expenditure”, an expenditure directly related to the construction or
767 substantial rehabilitation of a certified housing development project, including the cost of site
768 assessment and remediation of hazardous materials, but excluding the purchase of the property,

769 provided, that: (i) the department has certified that the proposed project meets the definition of
770 certified housing development project; (ii) prior to construction, the department has certified that
771 all or a portion of the project costs are for new construction or substantial rehabilitation; and (iii)
772 after the construction of the project has been completed, the department has certified that the
773 project has been completed in compliance with this chapter and the requirements and conditions
774 of any prior certifications.

775 SECTION 35. Said section 1 of said chapter 40V, as so appearing, is hereby further
776 amended by inserting after the words “property,” in line 34, the following words:- including site
777 assessment and remediation of hazardous materials, but.

778 SECTION 36. Section 4 of said chapter 40V, as so appearing, is hereby amended by
779 striking out, in line 12, the words “is a” and inserting in place thereof the following words:-
780 involves either new construction or.

781 SECTION 37. Said section 4 of said chapter 40V, as so appearing, is hereby further
782 amended by striking out, in line 13, the word “approve” and inserting in place thereof the
783 following word:- certify.

784 SECTION 38. Said section 4 of said chapter 40V, as so appearing, is hereby further
785 amended by striking out, in line 35, the words “HDIP zone” and inserting in place thereof the
786 following words:- HD zone.

787 SECTION 39. Said section 4 of said chapter 40V, as so appearing, is hereby further
788 amended by inserting after the word “certified” in lines 44, 56, 57 and 83, in each instance, the
789 following words:- housing development.

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

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

796 SECTION 41. Said section 5 of said chapter 40V, as so appearing, is hereby further
797 amended by striking out the word “project” in lines 9, 13 and 15, each time it appears, and
798 inserting in place thereof, in each instance, the following words:- certified housing development
799 project.

800 SECTION 42. The General Laws are hereby amended by inserting after Chapter 40W,
801 the following Chapter:-

802 CHAPTER 40X

803 COMMUNITY BENEFIT DISTRICTS

804 Section 1. Definitions

805 For the purposes of this chapter, the following words shall have the following meanings:

806 “CBD”, a Community Benefit District formed pursuant to this chapter, which is one or
807 more geographic areas with clearly defined boundaries.

808 “CBD Corporation,” the non-profit corporation designated to receive funds and otherwise
809 implement the purposes of the CBD. References herein to the CBD Corporation shall include its
810 Board of Directors, officers and any employees.

811 “CBD Fee”, a payment for services or improvements specified by the Initial Management
812 Plan and any Management Plan.

813 “Initial Management Plan”, the strategic and operating plan for the CBD as approved by
814 the local municipal governing body as part of the creation of the CBD. A “Management Plan” is
815 any subsequent, updated version of the Initial Management Plan and is a document that is
816 approved by the Board of Directors.

817 “Memorandum of Understanding with the Municipality”, The MOU describes the
818 standard government services and supplemental services to be provided within the CBD, and
819 how the municipality will participate in the CBD as a property owner and member.

820 “Local municipal governing body”, the city council or board of aldermen in a city or the
821 board of selectmen or town council in a town.

822 “Petition-signer”, a property owner, or their designee, within the CBD who affirmatively
823 signs the petition to establish such CBD.

824 “Property”, any real property located within the CBD, whether commercial, tax-exempt
825 or residential;

826 “Property owner”, the owner of record of property. When a property is owned by other
827 than a natural person, a petition-signer for that property must include his or her title and aver

828 authority to sign as owner. When a property is owned by multiple persons, the signature of one
829 owner is sufficient if that owner avers authority to sign on behalf of the other owners.

830 “Standard government services”, governmental functions, programs, activities, facilities,
831 improvements and other services which a municipality is authorized to perform or provide and
832 paid for out of the local municipal government budget.

833 “Supplemental services”, the provision of programs, public rights of way services,
834 activities, amenities, or information in addition to the standard governmental services provided to
835 the CBD.

836 Section 2. Rights and Powers

837 The rights and powers of a CBD Corporation in a CBD approved by the municipal
838 governing body shall include: retaining or recruiting business; administering and managing
839 central and neighborhood business districts; promoting economic development; managing
840 parking; designing, engineering, constructing, maintaining, or operating buildings, facilities,
841 urban streetscapes or infrastructures to further economic development and public purposes;
842 conducting historic preservation activities; leasing, owning, acquiring, or optioning real property;
843 owning and managing parks, public spaces and community facilities; supplementing
844 maintenance, security, or sanitation; planning and designing services; formulating a fee structure;
845 accumulating interest; incurring costs or indebtedness; entering into contracts; suing and being
846 sued; employing legal and accounting services; undertaking planning, feasibility and market
847 analyses; developing common marketing and promotional activities; engaging in placemaking,
848 programming, and event management within the district; soliciting donations, sponsorships, and
849 grants; operating transit services; and supporting public art and human and environmental

850 services as related to the enhancement of the district or other supplemental services or programs
851 that would further the purposes of this chapter.

852 Section 3. Initiation of Organization; Contents of Petition

853 The organization of a CBD shall be initiated by a petition of the property owners within
854 the proposed CBD which shall be filed in the office of the clerk of the municipality. Such
855 petition shall contain:

856 (1) the signatures of the property owners (petition signers) in the proposed district who
857 support the establishment of the district and who will pay more than fifty percent of the
858 assessments proposed to be levied;

859 (2) a description of and a site map delineating the boundaries of the proposed CBD;

860 (3) the identity and address of the CBD Corporation, including its initial set of directors
861 and officers and a copy of its bylaws;

862 (4) Initial Management Plan which shall set forth the supplemental services and
863 programs, vision and strategy, and budget and fee structures proposed for the CBD;

864 (5) the criteria for waiving the fee for any property owner within the CBD who can
865 provide evidence that the imposition of such fee would create a significant financial hardship;
866 and

867 (6) a staffing plan, which may include private nonprofit, for-profit, or public agency
868 contractors or subcontractors.

869 Such petition may include a mechanism for reimbursing the municipality for the costs
870 incurred in establishing the CBD, and for costs incurred in collecting the district fees.

871 A copy of said petition shall be filed with the Director/Undersecretary of Housing and
872 Community Development and the Secretary of Housing and Economic Development within
873 thirty days of receipt of such petition by the clerk of the municipality

874 Section 4. Hearing on petition; declaration of organization; notice

875 The local municipal governing body shall hold a public hearing within sixty days of the
876 receipt of a petition. Written notification of such hearing shall be sent to each property owner
877 within the boundary of the proposed CBD at least thirty days prior to such hearing, by mailing
878 notice to the address listed in the property tax records. Notification of the hearing shall also be
879 published for two consecutive weeks in a newspaper of general circulation in the area at least
880 fourteen days prior to such hearing and listed on the municipality's website. Such public notice
881 shall contain the proposed boundaries of the CBD, the proposed fee level, summary of
882 supplemental programs and services and where the property owner may obtain a full copy of the
883 Initial Management Plan.

884 Prior to the public hearing, the local municipal governing body shall direct the town clerk
885 or city clerk or his or her designee to determine that the establishment criteria has been met as set
886 forth in section Three. In determining whether a signature is authentic, the clerk shall apply the
887 same standard used when certifying signatures for a petition to place a referendum on a local or
888 state ballot.

889 Within forty-five days after the public hearing, a local municipal governing body, in its
890 sole discretion, may by a vote declare the district organized and describe the boundaries and

891 service area of the district. Such declaration shall include authorization to municipal staff to enter
892 into an agreement with the CBD Corporation with respect to operations and funding consistent
893 with the Initial Management Plan approved. Upon such declaration, the CBD may commence
894 operations.

895 Notice of the declaration of the organization of the CBD shall be mailed or delivered to
896 each property owner within the proposed CBD. The notice shall explain that membership in the
897 CBD is irrevocable until the dissolution under section 10, and shall include a description of the
898 basis for determining the district fee, the projected fee level and the services to be provided
899 within the CBD. Such notice shall be published for 2 consecutive weeks in a newspaper of
900 general circulation in the area, the last publication being not more than 30 days after the vote to
901 declare the district organized.

902 Participation in the CBD shall be permanent until the dissolution of the CBD under
903 section 10. All property owners, including public, private and nonprofit entities, shall participate,
904 although each shall contribute based upon specified fee structures based upon the benefits
905 anticipated to be received, as outlined in the Initial Management Plan.

906 Section 5. Board of Directors of the CBD Corporation

907 Each CBD Corporation shall have a non-profit Board of Directors that shall oversee its
908 operations to insure the implementation of the Initial Management Plan and any Management
909 Plan. At least 51% of the Board shall be composed of property owners or their designees, and the
910 remaining members may be a balanced set of stakeholders representing the community,
911 including residents, municipal government, business tenants , and nonprofits.

912 The Initial Management Plan shall be updated at least once every three years by the CBD
913 Board of Directors, and a copy thereof shall be mailed, emailed, or delivered to each CBD
914 member and filed with the local governing body.

915 The CBD Corporation shall conform with the Mass General Law Chapter 12 Section 8F
916 in regards to nonprofit reporting requirements.

917 Section 6. Property included in the fee formula; waivers

918 All real property located within the proposed CBD shall be considered in the fee formula
919 for the supplemental services and programs as outlined in the Initial Management Plan. The
920 CBD Corporation, at its sole discretion, may grant a financial hardship waiver to any property
921 owner, pursuant to the waiver criteria previously established within the CBD. Such waiver is not
922 intended to be permanent and must be requested and granted on an annual basis and shall be
923 based upon temporary, extraordinary circumstances. The CBD Corporation may also, at its
924 discretion, approve in-kind contributions or services in addition to, or in lieu of, fees upon
925 execution of a memorandum of agreement with a property owner.

926 Section 7. District fee structure

927 Upon formal approval of a CBD, the local municipal governing body shall adopt the
928 district fee structure for the financing of items submitted in the Initial Management Plan for the
929 CBD; provided, however, that the total fees assessed in any one year may not exceed one-half of
930 one percent of the sum of the assessed valuation of the real property owned by participating
931 members in the CBD district.

932 The basis of such district fee may be determined by a formula utilizing any one or a
933 combination of the following:

934 (1) different levels for varying classifications of real property;

935 (2) benefit zones;

936 (3) assessed valuation;

937 (4) building or parcel square footage;

938 (5) street frontage; or

939 (6) any other formula which meets the objectives of the CBD.

940 The CBD, through its Management Plan, shall have the option to limit or cap the
941 maximum annual fee derived from individual properties or the total annual revenue generated by
942 the CBD.

943 The Initial Management Plan may also propose a “phase-in” period of up to three years,
944 with assessments increasing over the stated period. The formula for determining the district fee
945 structure shall be set forth in the original petition as required by section three.

946 The CBD may change the formula and/or the assessment level set forth in its Initial
947 Management Plan (or updated Management Plan(s)) by two-thirds vote of its board of directors,
948 ratified by vote of property owners who are required to pay more than fifty percent of the
949 assessments. Within 30 days after amendment of the formula and/or assessment level, the CBD
950 shall file notice of the changes with the local municipal governing body, the

951 Director/Undersecretary of Housing and Community Development and the Secretary of Housing
952 and Economic Development.

953 In addition to receiving funds from the district fee, the CBD Corporation shall be
954 authorized to receive grants, donations, revenues generated from parking fees, CBD activities, or
955 gifts on behalf of the CBD.

956 Section 8. Collection of fees and disbursement of funds

957 The collector-treasurer of the municipality is hereby authorized to collect such district
958 fees in designated CBDs and to disburse the funds to the CBD Corporation. In addition to the
959 items identified in Chapter 60, Section 3A, the collector-treasurer may include notices for district
960 fees in the envelope or electronic message in which a property bill is sent.

961 The district fees collected shall be used solely to fund items to further the goals identified
962 and approved in the Initial Management Plan for the CBD.

963 The collector-treasurer shall disburse revenues to the CBD Corporation no later than
964 thirty days of the collection of such fees, together with the interest earned on the holding of such
965 fees.

966 Following establishment of the CBD, all fees billed by or on behalf of the CBD and
967 unpaid after thirty days from the date of billing shall become a lien on the property, which shall
968 have priority over all other liens except municipal liens and mortgages of record prior to the
969 recording of a notice of lien, if notice of the lien is duly recorded by the CBD Corporation in the
970 appropriate registry of deeds or land court registry district.

971 Section 9. Amendment of district boundaries

972 At any time after the establishment of a CBD pursuant to the provisions of this chapter,
973 the district boundaries upon which the establishment was based may, upon the recommendation
974 of the CBD Corporation, be amended by the local municipal governing body after compliance
975 with the procedures set forth in this section.

976 The CBD Corporation shall prepare a petition, consistent with the criteria described in
977 Section 3 in all ways except for the signatures.

978 Instead, if the petition concerns an amendment to expand the district, the petition must be
979 accompanied by signatures of the property owners who are required to pay more than fifty
980 percent of the assessments in the expanded area only. If the petition concerns an amendment to
981 reduce the size of the district, it must be accompanied by signatures of the property owners who
982 are required to pay more than fifty percent of the assessments levied in the existing district.

983 The local municipal governing body shall hold a public hearing within sixty days of the
984 receipt of a petition to amend the district boundaries. In the case of an expansion petition, written
985 notification of such hearing shall be sent to each property owner within the proposed expansion
986 area of the CBD at least thirty days prior to such hearing, by mailing notice to the address listed
987 in the property tax records. In the case of a reduction petition, such public notice must be sent to
988 each property owner in the existing district. For either an expansion or reduction petition,
989 notification of the hearing shall also be published for two consecutive weeks in a newspaper of
990 general circulation in the area at least fourteen days prior to such hearing and listed on the
991 municipality's website. For an expansion petition, such public notice shall contain the proposed
992 expanded boundaries of the CBD, the fee level, summary of supplemental programs and
993 services, and where the property owner may obtain a full copy of the Management Plan. For a

994 reduction petition, such public notice shall contain the proposed reduced boundaries of the CBD
995 and any changes in the fee level, supplemental programs and services or other material aspects of
996 the Management Plan that will occur as a result of the boundary change. Within 30 days of the
997 hearing, and upon determination by the city or town clerk, or designee, that the petition has met
998 the necessary criteria, the local governing body, in its sole discretion, may by a vote declare the
999 district boundaries amended.

1000 Upon the adoption of any amendment to the district boundaries which increases the size
1001 of the district, any owner of property to be added to the district shall be notified of the new
1002 boundaries of the district in accordance with section four.

1003 Section 10. Dissolution

1004 A CBD may be dissolved by petition to the local municipal governing body and a
1005 subsequent decision by such governing body to authorize dissolution.

1006 In order to be considered by the local municipal governing body, a petition to dissolve a
1007 CBD shall contain the signatures of the property owners who are required to pay more than fifty
1008 percent of the assessments levied in the district.

1009 The local municipal governing body shall hold a public hearing within thirty days of
1010 receipt of a completed petition on the issue of dissolution.

1011 Following the public hearing, the local municipal governing body may declare the CBD
1012 dissolved; provided, however, that no CBD shall be dissolved until it has satisfied or paid in full
1013 all of its outstanding indebtedness, obligations, and liabilities; or until funds are on deposit and
1014 available therefore; or until a repayment schedule has been formulated and municipally approved

1015 therefor. In addition, the CBD shall be prohibited from incurring any new or increased financial
1016 obligations.

1017 Any liabilities, either current or future, incurred as a result of action to accomplish the
1018 purposes of the Management Plan shall not be an obligation of the municipality but said
1019 liabilities shall be paid for entirely from revenue gained from the project or facilities authorized,
1020 or from the fees on the properties in the CBD.

1021 Upon the dissolution of a CBD, any remaining revenues derived from the sale of assets
1022 acquired with fees collected shall be refunded to the property owners in the CBD in which fees
1023 were charged by applying the same formula used to calculate the fee in the fiscal year in which
1024 the CBD is dissolved.

1025 Nothing in this section shall prevent the filing of a subsequent petition for a similar
1026 district.

1027 Section 11. Districts with Non-Contiguous Geographic Areas Within a Municipality

1028 A CBD may include non-contiguous geographic areas within the municipality. If the
1029 petition proposes such a district, each non-contiguous area must separately qualify by meeting
1030 the signature threshold in Section Three. Once the clerk has determined that the establishment
1031 criteria have been met, the municipality shall consider whether the CBD as a whole should be
1032 approved. A petition to reduce or dissolve a CBD with non-contiguous areas must be signed by
1033 property owners representing at least fifty percent of the assessed value in the CBD as a whole.
1034 A petition to expand such a CBD must be signed by property owners representing fifty percent of
1035 the assessed value in the expanded area only. A CBD that includes non-contiguous areas may set
1036 services, programs and fees to take into account the differing circumstances of each area.

1037 Section 12. CBD located in more than one Municipality

1038 A CBD may be located in more than one municipality if the petition in each municipality
1039 separately complies with the process set forth in this Chapter for the establishment of a CBD.
1040 Petitioners must state in each petition whether they will proceed with establishment if the other
1041 municipality or municipalities involved do not approve the proposed CBD. A petition to reduce a
1042 CBD located in more than one municipality must be signed by property owners with fifty percent
1043 of the assessed valuation in that municipality's portion of the district. A petition to expand such a
1044 CBD must be signed by property owners representing fifty percent of the assessed value in the
1045 expanded area only. A petition to dissolve the entire CBD located in more than one municipality
1046 must be signed by property with fifty percent of the assessed valuation in each municipality. A
1047 CBD is located in more than one municipality may set services, programs and fees to take into
1048 account the differing circumstances of each area.

1049 SECTION 43. Section 3 of chapter 62 of the General Laws, as so appearing, is hereby
1050 amended by striking out, in lines 114 to 115, the words "established by section three B of chapter
1051 twenty-three A" and inserting in place thereof the following words:- pursuant to section 3G of
1052 chapter 23A.

1053 SECTION 44. Paragraph (11) of subsection (a) of part B of section 3 of chapter 62 of the
1054 General Laws, as appearing in the 2014 Official Edition, is hereby amended by inserting at the
1055 end thereof the following sentence:-

1056 An individual who is a nonresident for all or part of the taxable year shall not be eligible
1057 to claim this deduction.

1058 SECTION 45. Subsection (a) of part B of section 3 of chapter 62 of the General Laws, as
1059 appearing in the 2014 Official Edition, is hereby amended by inserting at the end thereof the
1060 following new clause:-

1061 (19) An amount equal to the amount expended in the taxable year for the purchase of an
1062 interest in, or the amount contributed in the taxable year to an account in, a prepaid tuition
1063 program or college savings program established by the commonwealth or any instrumentality or
1064 authority thereof. In the case of a single person or a married person filing a separate return or a
1065 head of household, the total amount deducted in the taxable year shall not exceed \$1,000. In the
1066 case of a married couple filing a joint return, the total amount deducted in the taxable year shall
1067 not exceed \$2,000.

1068 Notwithstanding any statute of limitations on the assessment of an income tax under this
1069 chapter, any deduction taken under this subparagraph shall be subject to recapture in the taxable
1070 year or years in which distributions or refunds are made for any reason other than (i) to pay
1071 qualified higher education expenses, as defined by 26 U.S.C. section 529(e)(3), or (ii) the
1072 beneficiary's death, disability, or receipt of a scholarship. For the purposes of this subparagraph,
1073 the term "purchaser" or "contributor" means the person shown as such on the records of the
1074 qualifying prepaid tuition or college savings program as of December 31 of the taxable year. In
1075 the case of a transfer of ownership of a prepaid tuition contract or savings trust account, the
1076 transferee shall succeed to the transferor's tax attributes associated with the prepaid tuition
1077 contract or savings trust account, including, but not limited to, carryover and recapture of
1078 deductions.

1079 On or before October 15, annually of each year beginning on or after January 1, 2018, the
1080 commissioner shall submit a report to the secretary of administration and finance, the house and
1081 senate committees on ways and means, and the joint committee on revenue. The report shall
1082 provide the following information: the number of prepaid tuition contracts or savings trust
1083 accounts entered into or opened by residents of the commonwealth during the prior year; the
1084 amount of the allowable deductions claimed under this subparagraph during the prior year; and
1085 the adjusted gross income of each taxpayer qualifying for the deduction allowed under this
1086 subparagraph.

1087 SECTION 46. Section 6 of said chapter 62, as so appearing, is hereby amended by
1088 striking out subsection (g) and inserting in place thereof the following subsection:-

1089 (g)(1) As used in this subsection, the following words shall have the same meaning as
1090 ascribed to them in section 3A of chapter 23A: “Certified project”, “Controlling business”,
1091 “EACC”, “EDIP contract”, and “Proposed project”.

1092 (2) A credit shall be allowed against the tax liability imposed by this chapter on the
1093 owner or lessee of a certified project, to the extent such credit is authorized by the EACC, up to
1094 an amount equal to 50 per cent of such liability in any taxable year; provided, however, that the
1095 50 per cent limitation shall not apply where the credit is refundable under paragraph (7). The
1096 amount of the credit shall be determined by the EACC in accordance with criteria set forth in
1097 section 3D of chapter 23A and such other criteria or guidelines as the council shall from time to
1098 time adopt; provided, that a credit awarded in connection with a certified project that will retain
1099 permanent full-time employees in a gateway municipality without creating a net increase in
1100 permanent full-time employees shall not exceed \$5,000 per retained employee. A credit allowed

1101 under this section shall be taken only after the taxpayer executes an EDIP contract as set forth in
1102 said section 3D of said chapter 23A.

1103 (3) The total amount of credits that may be authorized by the EACC in a calendar
1104 year pursuant to this section and section 38N of chapter 63 shall not exceed \$30,000,000
1105 annually; provided, that this total amount shall not include credits granted pursuant to subsection
1106 (q) of section of 6 of this chapter and section 38BB of said chapter 63; and provided further, that
1107 this total amount shall include: (i) refundable credits granted during the year pursuant to this
1108 section or said section 38N of said chapter 63; (ii) nonrefundable credits granted during the year
1109 pursuant to this section or said section 38N of said chapter 63, to the extent that such
1110 nonrefundable credits are estimated by the commissioner to offset tax liabilities during the year;
1111 and (iii) carryforwards of credits from prior years under this section or said section 38N of said
1112 chapter 63, to the extent that such credit carryforwards, if any, are estimated by the
1113 commissioner to offset tax liabilities during the year. Any portion of the annual cap not awarded
1114 by the EACC in a calendar year shall not be applied to awards in a subsequent year.

1115 The EACC shall provide the commissioner with any documentation that the
1116 commissioner deems necessary to confirm compliance with the annual cap and the commissioner
1117 shall provide a report confirming such compliance to the secretary of administration and finance
1118 and the secretary of housing and economic development.

1119 (4) Any taxpayer entitled to a credit under this subsection for any taxable year may,
1120 to the extent authorized by the EACC, carry over and apply to the tax liability imposed by this
1121 chapter for any 1 or more of the next succeeding 10 taxable years, the portion, as reduced from
1122 year to year, of those credits which exceed the tax liability imposed by this chapter for the

1123 taxable year; provided, however, that in no event shall the taxpayer apply the credit to the tax
1124 liability imposed by this chapter for any taxable year beginning more than 5 years after the
1125 certified project ceases to qualify as such under chapter 23A. Notwithstanding the foregoing, the
1126 EACC may limit or restrict carryover of credits as set forth section 3D of said chapter 23A.

1127 (5) For purposes of this subsection, the commissioner may aggregate the activities of
1128 all entities, whether or not incorporated, under common control as defined in 26 U.S.C. section
1129 41(f).

1130 (6) The commissioner shall promulgate rules and regulations necessary to implement
1131 this subsection including, but not limited to, provisions to prevent the generation of multiple
1132 credits with respect to the same property.

1133 (7) If a credit allowed under paragraph (2) is designated by the EACC as a refundable
1134 credit, the credit shall first be applied against the tax liability of the taxpayer imposed by this
1135 chapter, and 100 per cent of the balance of such credit may, at the option of the taxpayer and to
1136 the extent authorized by the EACC, be refundable to the taxpayer. The EACC shall in each case
1137 specify the timing of such refund, which may be for the taxable year in which all or a portion of
1138 the certified project is placed in service, or the taxable year subsequent to the year in which the
1139 required jobs are created. If such credit balance is refunded to the taxpayer, the credit carryover
1140 provisions of paragraph (4) shall not apply.

1141 (8) If the EACC revokes the certification of a project as provided in section 3F of
1142 chapter 23A, then a portion of the tax credits otherwise allowed by this section and claimed by
1143 the taxpayer prior to the date on which EACC makes the determination to revoke project
1144 certification must be added back as additional tax due and shall be reported as such on the return

1145 of the taxpayer for the taxable period in which the EACC makes the determination to revoke
1146 project certification. The amount of credits subject to recapture shall be proportionate to the
1147 taxpayer's compliance with the job creation requirements applicable to the certified project. The
1148 taxpayer's proportion of compliance shall be determined by the EACC as part of its revocation
1149 process and shall be reported to the taxpayer and the department of revenue at the time
1150 certification is revoked.

1151 (9) If a certified project is sold or otherwise disposed of, tax credits allowed under
1152 this subsection may be transferred to the purchaser of the certified project; provided, that the
1153 EDIP contract is assigned to and assumed by the purchaser of the certified project, and such
1154 assignment and assumption is approved in writing by the EACC.

1155 (10) Nothing in this subsection shall limit the authority of the commissioner to make
1156 adjustments to a taxpayer's liability upon audit.

1157 SECTION 47. Said section 6 of said chapter 62, as so appearing, is hereby further
1158 amended by striking out the word "ten" in line 893, and inserting in place thereof the following
1159 figure:- 25.

1160 SECTION 48. Said section 6 of said chapter 62, as so appearing, is hereby further
1161 amended by striking out, in line 894, the words "substantial rehabilitation" and inserting in place
1162 thereof the following word:- project.

1163 SECTION 49. Said section 6 of said chapter 62, as so appearing, is hereby further
1164 amended by striking out, in lines 905 and 939 to 940, the word "rehabilitation" and inserting in
1165 place thereof, in each instance, the following word:- project.

1166 SECTION 50. Said section 6 of said chapter 62, as so appearing, is hereby further
1167 amended by striking out, in lines 923 and 935, the figure “5” and inserting in place thereof, in
1168 each instance, the figure:- 10.

1169 SECTION 51. Said section 6 of said chapter 62, as so appearing, is hereby further
1170 amended by adding the following subsection:-

1171 (t)(1) As used in this subsection, the following words shall have the following meanings
1172 unless the context clearly requires otherwise:-

1173 “Business”, a profession, sole proprietorship, trade partnership, corporation, general
1174 partnership, limited liability company, limited partnership, joint venture, business trust, public
1175 benefit corporation, non-profit entity or other business entity.

1176 “Gateway municipality”, a gateway municipality as defined in section 3A of chapter 23A.

1177 “Qualifying business”, a business which: (i) has its principal place of business in the
1178 commonwealth; (ii) has at least 50 per cent of its employees located in the business’s principal
1179 place of business; (iii) has a fully developed business plan that includes all appropriate long-term
1180 and short-term forecasts and contingencies of business operations, including research and
1181 development, profit, loss and cash flow projections and details of angel investor funding; (iv)
1182 employs 20 or fewer full-time employees at the time of the taxpayer investor’s initial qualifying
1183 investment as provided for in paragraph (2); (v) has a federal tax identification number; and (vi)
1184 has gross revenues equal to or less than \$500,000 in the fiscal year prior to eligibility.

1185 “Qualifying investment”, a monetary investment that is at risk and is not secured or
1186 guaranteed; provided, however, that a qualifying investment shall not include venture capital

1187 funds, hedge funds or commodity funds with institutional investors or investments in a business
1188 involved in retail, real estate, professional services, gaming or financial services.

1189 “Taxpayer investor”, an accredited investor, as defined by the United States Securities
1190 and Exchange Commission pursuant to 15 U.S.C. section 77b(15)(ii) who is not the principal
1191 owner of the qualifying business and who is involved in the qualifying business as a full-time
1192 professional activity.

1193 (2) A taxpayer investor who makes a qualifying investment in a qualifying business shall
1194 be allowed a credit against the taxes imposed by this chapter in an amount equal to 20 per cent of
1195 the amount of the taxpayer’s qualifying investment. A taxpayer investor who makes a qualifying
1196 investment in a qualifying business with its principal place of business located in a gateway
1197 municipality shall be allowed a credit against the taxes imposed by this chapter in an amount
1198 equal to 30 per cent of the amount of the taxpayer’s qualifying investment. Taxpayer investors
1199 may invest up to \$125,000 per qualifying business per year with a \$250,000 maximum for each
1200 qualifying business. The total of all tax credits available to a taxpayer investor under this
1201 subsection shall not exceed \$50,000 in any single calendar year.

1202 (3) Qualifying investments may be used by a qualifying business for the following
1203 purposes: (i) capital improvements; (ii) plant equipment; (iii) research and development; and (iv)
1204 working capital. Qualifying investments shall not be used to pay dividends, fund or repay
1205 shareholders’ loans, redeem shares, repay debt or pay wages or other benefits of the taxpayer
1206 investor.

1207 (4) The credits allowed under paragraph (2) may be taken against income tax due in
1208 either the tax year of the initial investment or in any of the 3 subsequent taxable years. Any

1209 amount of the tax credit that exceeds the tax due for a taxable year may be carried forward by the
1210 taxpayer investor to any of the 3 subsequent taxable years. If the qualifying business ceases to
1211 have its principal place of business in the commonwealth within such 3 year period, the taxpayer
1212 investor shall not claim any further credits and shall repay the total amount of credits claimed to
1213 the commonwealth.

1214 (5) The Massachusetts Life Sciences Center, in consultation with the executive office of
1215 housing and economic development and the commissioner, shall authorize, administer and
1216 determine eligibility for this tax credit and allocate the credit in accordance with the standards
1217 and requirements as set forth in regulations promulgated pursuant to this subsection, and with the
1218 goal of creating and maintaining jobs including, but not limited to, jobs in the following sectors:
1219 digital e-health, information technology, and healthcare. Any tax credits authorized pursuant to
1220 this subsection shall be subject to the annual cumulative cap pursuant to subsection (d) of section
1221 5 of chapter 23I.

1222 (6) The commissioner, the Massachusetts Life Sciences Center, and the executive office
1223 of housing and economic development shall promulgate regulations necessary to carry out this
1224 subsection.

1225 SECTION 52. Section 6M of said chapter 62, as so appearing, is hereby amended by
1226 striking out, in line 89, the words “as defined in section 3A” and inserting in place thereof the
1227 following words:- designated under section 3G.

1228 SECTION 53. Chapter 63 of the General Laws, as so appearing, is hereby amended by
1229 striking out section 38N and inserting in place thereof the following section:

1230 Section 38N. (a) (l) As used in this section, the following terms shall have the same
1231 meanings as ascribed to them in section 3A of chapter 23A: “Certified project”, “Certified
1232 project proposal”, “Economic assistance coordinating council”, “EDIP contract”, and “Gateway
1233 municipality”.

1234 (b) A corporation subject to tax under this chapter that is the controlling business of a
1235 certified project, as defined in section 3A of chapter 23A, or an affiliate of a controlling business,
1236 may take a credit against the excise imposed by this chapter to the extent such credit is
1237 authorized by the economic assistance coordinating council, up to an amount equal to 50 per cent
1238 of such liability in any taxable year; provided, however, that the 50 per cent limitation shall not
1239 apply where the credit is refundable under subsection (e). The amount of the credit shall be
1240 determined by the economic assistance coordinating council based on the criteria set forth in
1241 section 3D of said chapter 23A and such other criteria or guidelines as the council shall from
1242 time to time adopt; provided, that a credit awarded in connection with a certified project that will
1243 retain permanent full-time employees in a gateway municipality without creating a net increase
1244 in permanent full-time employees shall not exceed \$5,000 per retained employee. A credit
1245 allowed under this section shall be taken only after the corporation executes an EDIP contract as
1246 set forth in said section 3D of said chapter 23A.

1247 (c) The total amount of credits that may be authorized by the economic assistance
1248 coordinating council in a calendar year pursuant to this section and subsection (g) of section 6 of
1249 chapter 62 shall not exceed \$30,000,000 annually; provided, that this total amount shall not
1250 include credits granted pursuant to section 38BB and subsection (q) of section 6 of chapter 62;
1251 and provided further, that this total amount shall include: (i) refundable credits granted during
1252 the year pursuant to this section or said subsection (g) or said section (6) of said chapter 62; (ii)

1253 nonrefundable credits granted during the year pursuant to this section or said subsection (g) or
1254 said section (6) of said chapter 62, to the extent that such nonrefundable credits are estimated by
1255 the commissioner of revenue to offset tax liabilities during the year; and (iii) carryforwards of
1256 credits from prior years under this section or said subsection (g) of said section 6 of said chapter
1257 62, to the extent that such credit carryforwards, if any, are estimated by the commissioner of
1258 revenue to offset tax liabilities during the year. Any portion of the annual cap not awarded by
1259 the economic assistance coordinating council in a calendar year shall not be applied to awards in
1260 a subsequent year.

1261 The economic assistance coordinating council shall provide the commissioner of revenue
1262 with any documentation that the commissioner deems necessary to confirm compliance with the
1263 annual cap and the commissioner shall provide a report confirming such compliance to the
1264 secretary of administration and finance and the secretary of housing and economic development.

1265 The credit allowed under this section may be taken by an eligible corporation; provided,
1266 however, that the credit allowed by section 31A or section 31H shall not be taken by such
1267 corporation.

1268 (d) Any corporation entitled to a credit under this section for any taxable year may, to
1269 the extent authorized by the economic assistance coordinating council, carry over and apply to
1270 the tax liability imposed by this chapter for any 1 or more of the next succeeding 10 taxable
1271 years, the portion, as reduced from year to year, of those credits which exceed the tax liability
1272 imposed by this chapter for the taxable year; provided, however, that in no event shall the
1273 corporation apply the credit to the tax liability imposed by this chapter for any taxable year
1274 beginning more than 5 years after the certified project ceases to qualify as such under chapter

1275 23A. Notwithstanding the foregoing, the economic assistance coordinating council may limit or
1276 restrict carryover of credits as set forth section 3D of said chapter 23A.

1277 (e) If a credit allowed under subsection (b) is designated by the economic assistance
1278 coordinating council as a refundable credit, the credit shall first be applied against the tax
1279 liability of the corporation under this chapter, and 100 per cent of the balance of such credit may,
1280 at the option of the corporation and to the extent authorized by the economic assistance
1281 coordinating council, be refundable to the corporation. The economic assistance coordinating
1282 council shall in each case specify the timing of such refund, which may be for the taxable year in
1283 which all or a portion of the certified project is placed in service, or the taxable year subsequent
1284 to the year in which the required jobs are created. If such credit balance is refunded to the
1285 corporation, the credit carryover provisions of subsection (d) shall not apply.

1286 (f) In the case of a corporation that is subject to a minimum excise under any
1287 provision of this chapter, the amount of the credit allowed by this section shall not reduce the
1288 excise to an amount less than the minimum excise.

1289 (g) In the case of corporations filing a combined return of income under section 32B,
1290 a credit generated by an individual member corporation under the provisions of this section shall
1291 first be applied against the separately determined excise attributable to that member, except as
1292 otherwise provided in this section. A member corporation with an excess credit may apply its
1293 excess credit against the excise of another group member, to the extent that such other member
1294 corporation can use additional credits. Unused, unexpired credits generated by member
1295 corporations shall be carried over from year to year by the individual corporation that generated
1296 the credit, to the extent authorized by the economic assistance coordinating council.

1297 (h) The commissioner of revenue may promulgate such rules and regulations as are
1298 necessary to implement this section, including, but not limited to, provisions to prevent the
1299 generation of multiple credits with respect to the same property.

1300 (i) If the economic assistance coordinating council revokes the certification of a
1301 project as provided in section 3F of chapter 23A, then a portion of the tax credits otherwise
1302 allowed by this section and claimed by the corporation prior to the date on which the economic
1303 assistance coordinating council makes the determination to revoke project certification must be
1304 added back as additional tax due and shall be reported as such on the return of the corporation for
1305 the taxable period in which the economic assistance coordinating council makes the
1306 determination to revoke project certification. The amount of credits subject to recapture shall be
1307 proportionate to the corporation's compliance with the job creation requirements applicable to
1308 the certified project. The corporation's proportion of compliance shall be determined by the
1309 economic assistance coordinating council as part of its revocation process and shall be reported
1310 to the corporation and the department of revenue at the time certification is revoked.

1311 (j) If a certified project is sold or otherwise disposed of, tax credits allowed under
1312 this section may be transferred to the purchaser of the certified project; provided, that the EDIP
1313 contract is assigned to and assumed by the purchaser of the certified project, and such
1314 assignment and assumption is approved in writing by the economic assistance coordinating
1315 council.

1316 (k) Nothing in this section shall limit the authority of the commissioner of revenue to
1317 make adjustments to a corporation's liability upon audit.

1318 SECTION 54. Section 38O of said chapter 63, as so appearing, is hereby amended by
1319 striking out, in lines 4 to 5, the words “as defined by section 3A” and inserting in place thereof
1320 the following words:- designated under section 3G.

1321 SECTION 55. Subsection (b) of section 38R of said chapter 63, as so appearing, is
1322 hereby amended by inserting after the word “criteria”, in line 45, the following words:- ;
1323 provided, however, that the Massachusetts historical commission shall ensure the award of tax
1324 credits pursuant to this section to allow a taxpayer that acquires a qualified historic structure to
1325 receive any tax credits for qualified rehabilitation expenditures previously awarded to the
1326 transferor of the qualified historic structure if: (A) the rehabilitation was not placed in service by
1327 the transferor; (B) no credit has been claimed by anyone other than the acquiring taxpayer as
1328 verified by the department of revenue to the commission; (C) the taxpayer completes the
1329 rehabilitation and obtains certification as provided in this section; and (D) the taxpayer conforms
1330 with all other requirements of this section; and provided further, that in the case of a multi-phase
1331 project, tax credits may be transferred for any phase that meets the criteria in subclauses (A) to
1332 (D), inclusive.

1333 SECTION 56. Section 38BB of said chapter 63, as so appearing, is hereby amended by
1334 striking out, in line 5, the figure “10” and inserting in place thereof the following figure:- 25.

1335 SECTION 57. Said section 38BB of said chapter 63, as so appearing, is hereby amended
1336 further by striking out, in line 6, the words “substantial rehabilitation” and inserting in place
1337 thereof the following word:- project.

1338 SECTION 58. Said section 38BB of said chapter 63, as so appearing, is hereby amended
1339 further by striking out, in line 17 and in lines 38 to 39, the word “rehabilitation” and inserting in
1340 place thereof, in each instance, the following word:- project.

1341 SECTION 59. Said section 38BB of said chapter 63, as so appearing, is hereby further
1342 amended by striking out, in lines 23 and 34, the figure “5” and inserting in place thereof, in each
1343 instance, the figure:- 10.

1344 SECTION 60. Section 38EE of said chapter 63, as so appearing, is hereby amended by
1345 striking out, in line 76, the words “as defined in section 3A” and inserting in place thereof the
1346 following words:- designated under section 3G.

1347 SECTION 61. Section 12 of chapter 138 of the General Laws, as appearing in the 2014
1348 Official Edition, is hereby amended by striking the second paragraph.

1349 SECTION 62. Said section 15 of said chapter 138, as so appearing, is hereby further
1350 amended by striking out, in line 97, the words “or connected therewith” and inserting in place
1351 thereof the following words:- ; except that a common victualler duly licensed to operate a
1352 restaurant under chapter 140 and holding a license under section 12 of this chapter can be
1353 connected to a premises licensed under this section, provided that at least 50 percent of the
1354 revenue generated at the premise licensed under this section is derived from the sale of grocery
1355 items as defined in section 184B of chapter 94; and provided further that the connection between,
1356 and design of, the two locations so licensed, including interior connections, which shall be
1357 allowed, clearly delineates the two premises in such a way as to make the boundaries of each
1358 licensed premises clearly separate and identifiable to customers, liquor distributors and
1359 regulatory authorities, and enables the respective licensees to maintain control of the licensed

1360 area, egress, and the sale, storage and service of alcoholic beverages, and otherwise in
1361 conformity with all sections of this chapter.

1362 SECTION 63. Said section 15 of said chapter 138, as so appearing, is hereby further
1363 amended by striking out, in line 149, the words “or connected therewith” and inserting in place
1364 thereof the following words:- ; except that a common victualler duly licensed to operate a
1365 restaurant under chapter 140 and holding a license under section 12 of this chapter can be
1366 connected to a premises licensed under this section, provided that at least 50 percent of the
1367 revenue generated at the premise licensed under this section is derived from the sale of grocery
1368 items as defined in section 184B of chapter 94; and provided further that the connection between,
1369 and design of, the two locations so licensed, including interior connections, which shall be
1370 allowed, clearly delineates the two premises in such a way as to make the boundaries of each
1371 licensed premises clearly separate and identifiable to customers, liquor distributors and
1372 regulatory authorities, and enables the respective licensees to maintain control of the licensed
1373 area, egress, and the sale, storage and service of alcoholic beverages, and otherwise in
1374 conformity with all sections of this chapter.

1375 SECTION 64. Section 17 of said chapter 138, as so appearing, is hereby amended by
1376 striking, in lines 291 through 293, the following:- Unless expressly authorized by this chapter,
1377 local licensing authorities shall not grant licenses to any person, firm or corporation under more
1378 than one section of this chapter.

1379 SECTION 65. Said section 17 of said chapter 138, as so appearing, is hereby further
1380 amended by striking, in lines 316 and 319, each time it appears, the figure “12”.

1381 SECTION 66. Subsection (g) of section 19B of said chapter 138, as so appearing, is
1382 hereby amended by striking out in paragraph (5) the words “section twelve of this chapter” and
1383 inserting in place thereof the following words:- this section.

1384 SECTION 67. Said section 19B of said chapter 138, as so appearing, is hereby further
1385 amended by striking subsection (n) and inserting in place thereof the following subsection:-

1386 (n) Notwithstanding section 17, a local licensing authority, subject to the approval of the
1387 commission, may grant a license to sell wine for consumption on the premises at any location it
1388 deems reasonable and proper, and approves in writing, on the grounds of a farmer-winery
1389 licensed under this section and on the grounds of the vineyards operated as appurtenant and
1390 contiguous to, and in conjunction with, such farmer-winery; provided, however, that such
1391 licensees may sell for on-premises consumption only wines produced by the winery or produced
1392 for the winery and sold under the winery brand name. All the procedures under section 15A of
1393 this chapter shall apply to the granting of a license under this paragraph.

1394 SECTION 68. Section 19C of said chapter 138, as so appearing, is hereby amended by
1395 striking subsection (n) and inserting the following paragraph:-

1396 (n) Notwithstanding section 17, a local licensing authority, subject to the approval of the
1397 commission, may grant a license to sell malt beverages for consumption on the premises at any
1398 location it deems reasonable and proper, and approves in writing, on the grounds of a
1399 farmer-brewery licensed under this section and on the grounds of the farm operated as
1400 appurtenant and contiguous to, and in conjunction with, such farmer-brewery; provided,
1401 however, that such licensees may sell for on-premises consumption only malt beverages
1402 produced by the brewery or produced for the brewery and sold under the brewery brand name.

1403 All the procedures under section 15A of this chapter shall apply to the granting of a license under
1404 this paragraph.

1405 SECTION 69. Section 19E of said chapter 138, as so appearing, is hereby amended by
1406 striking subsection (o) and inserting the following paragraph:-

1407 (o) Notwithstanding section 17, a local licensing authority, subject to the approval of the
1408 commission, may grant a license to sell distilled spirits for consumption on the premises at any
1409 location it deems reasonable and proper, and approves in writing, on the grounds of a
1410 farmer–distillery licensed under this section and on the grounds of the farm operated as
1411 appurtenant and contiguous to, and in conjunction with, such farmer-distillery; provided,
1412 however, that such licensees may sell for on-premises consumption only distilled spirits
1413 produced by the distillery or produced for the distillery and sold under the distillery brand name.

1414 All the procedures under section 15A of this chapter shall apply to the granting of a license under
1415 this paragraph.

1416 SECTION 70. Said chapter 138, as so appearing, is hereby amended by inserting after
1417 section 19F the following new section:-

1418 Section 19H. Notwithstanding section 17, a local licensing authority, subject to the
1419 approval of the commission, may grant a license under this section to any person that holds any
1420 combination of a farmer-winery under section 19B, a farmer-brewery under section 19C, and a
1421 farmer-distillery under section 19E, may be granted a license under this section to sell for on-
1422 premises consumption any alcoholic beverages produced by its section 19B, section 19C, and
1423 section 19E licenses, or produced for the section 19B, section 19C, and section 19E licensee and
1424 sold under the licensee’s brand name, on any of its premises licensed under section 19B, section

1425 19C, and section 19E, and on the grounds of the farm operated as appurtenant and contiguous to,
1426 and in conjunction with, such premises, provided, however, that these premises are operated
1427 appurtenant and contiguous to each other.

1428 SECTION 71. Section 33 of chapter 138 of the General Laws, as so appearing, is hereby
1429 amended by striking out, in lines 14 and 15, 17 and 18, 24 and 25, and 27 and 28, the words “or
1430 on the day following when Christmas occurs on a Sunday”.

1431 SECTION 72. Section 44A½ of chapter 149 of the General Laws, as appearing in the
1432 2014 Official addition, is hereby amended by inserting after subsection (c) the following
1433 subsection:-

1434 (d) It shall be the goal of the Commonwealth to achieve minority business enterprise and
1435 women business enterprise contracting goals and workforce participation goals on the totality of
1436 state-funded design and construction contracts that are reflective of the diverse racial, ethnic, and
1437 gender make-up of the Commonwealth’s population.

1438 SECTION 73. Chapter 166A of the General Laws, as appearing in the 2014 Official
1439 Edition, is hereby amended by inserting after section 22 the following section:-

1440 Section 23. All cable television operators shall locate PEG channels on the high
1441 definition tier. Cable television operators shall provide PEG channel managers with access to the
1442 electronic program guide to ensure that residents can access information about local PEG
1443 channels.

1444 SECTION 74. Section 162M of chapter 175 of the General Laws, as so appearing, is
1445 hereby amended by inserting after subsection (7) the following subsection:-

1446 (7 1/2) Travel, limited line travel insurance, as that term is defined in section 162Z.

1447 SECTION 75. Said chapter 175 is hereby further amended by inserting after section
1448 162Y the following section:-

1449 Section 162Z. (a) As used in this section, the following words shall, unless the context
1450 clearly requires otherwise, have the following meanings:-

1451 “Designated responsible producer” or “DRP”, a person responsible for the limited lines
1452 travel insurance producer’s compliance with the travel insurance laws, rules and regulations of the
1453 state.

1454 “Limited lines travel insurance producer”, a: (i) managing general underwriter; (ii)
1455 managing general agent or third party administrator; or (iii) licensed insurance producer,
1456 including a limited lines producer, designated by an insurer as the travel insurance supervising
1457 entity as set forth in subsection (g).

1458 “Offer and disseminate”, to provide general information, including a description of the
1459 coverage and price, as well as processing the application, collecting premiums, and performing
1460 other non-licensable activities permitted by the state.

1461 “Travel insurance”, insurance coverage for personal risks incident to planned travel,
1462 including but not limited to: (i) interruption or cancellation of trip or event; (ii) loss of baggage
1463 or personal effects; (iii) damages to accommodations or rental vehicles; or (iv) sickness,
1464 accident, disability or death occurring during travel. Travel insurance does not include major
1465 medical plans, which provide comprehensive medical protection for travelers with trips lasting 6

1466 months or longer, including for example, those working overseas as an expatriate or military
1467 personnel being deployed.

1468 “Travel retailer”, a business entity that makes, arranges or offers travel services and may
1469 offer and disseminate travel insurance as a service to its customers on behalf of and under the
1470 direction of a limited lines travel insurance producer.

1471 (b)

1472 (1) The commissioner may issue to an individual or business entity that has filed with the
1473 commissioner an application for such limited license in a form and manner prescribed by the
1474 commissioner, a limited lines travel insurance producer license, which authorizes the limited
1475 lines travel insurance producer to sell, solicit or negotiate travel insurance through a licensed
1476 insurer.

1477 (2) A travel retailer may offer and disseminate travel insurance under a limited lines
1478 travel insurance producer business entity license if the following conditions are met:

1479 (i) The limited lines travel insurance producer or travel retailer provides to purchasers of
1480 travel insurance:

1481 (A) a description of the material terms or the actual material terms of the insurance
1482 coverage;

1483 (B) a description of the process for filing a claim;

1484 (C) a description of the review or cancellation process for the travel insurance policy; and

1485 (D) the identity and contact information of the insurer and limited lines travel insurance
1486 producer.

1487 (ii) At the time of licensure, the limited lines travel insurance producer shall establish and
1488 maintain a register on a form prescribed by the commissioner of each travel retailer that offers
1489 travel insurance on the limited lines travel insurance producer's behalf. The register shall be
1490 maintained and updated annually by the limited lines travel insurance producer and shall include
1491 the name, address and contact information of the travel retailer and an officer or person who
1492 directs or controls the travel retailer's operations, and the travel retailer's federal tax
1493 identification number. The limited lines travel insurance producer shall submit such register to
1494 the division of insurance upon reasonable request. The limited lines travel insurance producer
1495 shall also certify that the travel retailer registered complies with 18 U.S.C. section 1033.

1496 (iii) The limited lines travel insurance producer has designated 1 of its employees who is
1497 a licensed individual producer as the DRP.

1498 (iv) The DRP, president, secretary, treasurer and any other officer or person who directs
1499 or controls the limited lines travel insurance producer's insurance operations shall comply with
1500 the fingerprinting requirements applicable to insurance producers in the resident state of the
1501 limited lines travel insurance producer.

1502 (v) The limited lines travel insurance producer has paid all applicable insurance producer
1503 licensing fees as set forth in applicable state law.

1504 (vi) The limited lines travel insurance producer requires each employee and authorized
1505 representative of the travel retailer, whose duties include offering and disseminating travel
1506 insurance, to receive a program of instruction or training, which may be subject to review by the

1507 commissioner. The training material shall, at a minimum, contain instructions on the types of
1508 insurance offered, ethical sales practices and required disclosures to prospective customers.

1509 (vii) Limited lines travel insurance producers, and those registered under its license, are
1510 exempt from the examination requirements under section 162K and the continuing education
1511 requirements under section 177E.

1512 (viii) The limited lines travel insurance producer or travel retailer provides its written
1513 consumer materials to department upon reasonable request.

1514 (c) Any travel retailer offering or disseminating travel insurance shall make available to
1515 prospective purchasers, brochures or other written materials that:

1516 (1) provide the identity and contact information of the insurer and the limited lines travel
1517 insurance producer;

1518 (2) explain that the purchase of travel insurance is not required in order to purchase any
1519 other product or service from the travel retailer; and

1520 (3) explain that an unlicensed travel retailer is permitted to provide general information
1521 about the insurance offered by the travel retailer, including a description of the coverage and
1522 price, but is not qualified or authorized to answer technical questions about the terms and
1523 conditions of the insurance offered by the travel retailer or to evaluate the adequacy of the
1524 customer's existing insurance coverage.

1525 (d) A travel retailer's employee or authorized representative who is not licensed as an
1526 insurance producer may not:

1527 (1) evaluate or interpret the technical terms, benefits, and conditions of the offered travel
1528 insurance coverage;

1529 (2) evaluate or provide advice concerning a prospective purchaser's existing insurance
1530 coverage; or

1531 (3) hold himself out as a licensed insurer, licensed producer, or insurance expert.

1532 (e) a travel retailer whose insurance-related activities, and those of its employees and
1533 authorized representatives, are limited to offering and disseminating travel insurance on behalf of
1534 and under the direction of a limited lines travel insurance producer, meeting the conditions stated
1535 in this section, is authorized to do so and receive related compensation, not in the form of
1536 commissions, upon registration by the limited lines travel insurance producer as described in
1537 subsection (b).

1538 (f) Travel insurance may be provided under an individual policy or under a group or
1539 master policy.

1540 (g) As the insurer designee, the limited lines travel insurance producer is responsible for
1541 the acts of the travel retailer and shall use reasonable means to ensure compliance by the travel
1542 retailer with this section.

1543 (h) The limited lines travel insurance producer and any travel retailer offering and
1544 disseminating travel insurance under the limited lines travel insurance producer license shall be
1545 subject to the: (i) laws regarding unfair methods of competition and unfair and deceptive acts and
1546 practices in the business of insurance; and (ii) the enforcement provisions applicable to insurance
1547 producers.

1548 SECTION 76. Section 1 of chapter 176J of the General Laws, as so appearing, is hereby
1549 amended by inserting after the words “separate insurance policy” the following words:- travel
1550 insurance

1551 SECTION 77. Said section 1 of said chapter 176J, as so appearing, is hereby further
1552 amended by after the words “said chapter 15A” the following words: - Travel insurance for the
1553 purpose of this chapter is insurance coverage for personal risks incident to planned travel,
1554 including but not limited to: (i) interruption or cancellation of trip or event; (ii) loss of baggage
1555 or personal effects; (iii) damages to accommodations or rental vehicles; or (iv) sickness,
1556 accident, disability or death occurring during travel, provided that the health benefits are not
1557 offered on a stand-alone basis and are incidental to other coverages. The term, “travel
1558 insurance” shall not include major medical plans, which provide comprehensive medical
1559 protection for travelers with trips lasting six (6) months or longer, including for example, those
1560 working overseas as an ex-patriot or military personnel being deployed.

1561 SECTION 78. Section 7 of chapter 293 of the acts of 2006, as amended by section 6 of
1562 chapter 129 of the acts of 2008, is hereby further amended by striking out clauses (ii), (iii) and
1563 (iv) of subsection (c) and inserting in place thereof the following 2 clauses:-

1564 (ii) the secretary certifies that the developer has received commitments satisfactory to the
1565 department for financing sufficient, with equity or other amounts to be provided by the developer
1566 and other persons, to fund the costs of construction of the proposed economic development
1567 project exclusive of those public infrastructure improvements to be financed by the agency, and
1568 shall have obtained a blanket performance bond or other security satisfactory to the secretary and
1569 payable to the agency securing the developer's obligation to complete the construction of the

1570 public infrastructure improvements included in the economic development proposal in an
1571 amount equal to or greater than the outstanding principal amount of any bonds to be issued by
1572 the agency to finance costs of public infrastructure improvements; and (iii) the agency certifies
1573 that it has approved the proposal.

1574 SECTION 79. Said section 7 of said chapter 293, as most recently amended by section
1575 87 of chapter 287 of the acts of 2014, is hereby further amended by striking out in subsection (d)
1576 the words, “31 per cent” and inserting in place thereof the following words:- 50 per cent.

1577 SECTION 80. Subsection (e) of said section 7 of said chapter 293, as most recently
1578 amended by section 88 of said chapter 287, is hereby further amended by striking out the second
1579 sentence.

1580 SECTION 81. Section 8 of said chapter 293, as amended by section 8 of chapter 129 of
1581 the acts of 2008, is hereby further amended by striking out clauses (iii), (iv) and (v) of subsection
1582 (a) and inserting in place thereof the following 2 clauses:-

1583 (iii) the municipality shall provide local infrastructure development assistance to the
1584 commonwealth with respect to the economic development project to the extent and for such time
1585 as is provided in section 10; and (iv) the commonwealth shall provide infrastructure development
1586 assistance to the agency to pay the debt service due in each fiscal year on any bonds issued by
1587 the agency to finance the costs of public infrastructure improvements included in such economic
1588 development project, subject to reimbursement of all or a portion of such state infrastructure
1589 development assistance through the collection of infrastructure assessments as provided in
1590 section 9 of this act and from local infrastructure assistance provided by the municipality as
1591 provided in section 10.

1592 SECTION 82. Subsection (b) of section 11 of said chapter 293, as amended by sections
1593 13 and 14 of said chapter 129, is hereby further amended by striking out the following words:- “;
1594 provided, however, that notwithstanding any other general or special law to the contrary, a
1595 certified economic development project receiving financial assistance for public infrastructure
1596 improvements pursuant to this act shall not be eligible for: (i) designation as a TIF zone
1597 pursuant to section 59 of chapter 40 of the General Laws; provided, however, that a certified
1598 economic development project designated as a TIF zone pursuant to said section 59 of said
1599 chapter 40 prior to January 1, 2009 shall be eligible to receive financial assistance for public
1600 infrastructure improvements pursuant to this act; (ii) the tax credit described in section 38N of
1601 chapter 63 of the General Laws; (iii) a community development action grant pursuant to section
1602 57A of chapter 121B of the General Laws; (iv) a public works economic development program
1603 grant under clause (c) of the first paragraph of section 17 of chapter 732 of the acts of 1981; or
1604 (v) or any other economic assistance program as may be determined by the secretary or the
1605 commissioner. The ineligibility to participate in economic assistance programs as provided in
1606 clauses (i) to (v), inclusive, shall not apply to any tenant of a certified economic development
1607 project which is not an affiliate of the developer”.

1608 SECTION 83. Item 7100-1000 of section 2 of chapter 258 of the acts of 2008, as
1609 amended by section 66 of chapter 238 of the acts of 2012 is hereby amended by striking out the
1610 figure “\$3” and inserting in place thereof the following figure:- \$1.

1611 SECTION 84. Chapter 301 of the acts of 1998, as amended by section 37 of chapter 303
1612 of the acts of 2008, and as further amended by chapter 291 of the acts of 2014, is hereby further
1613 amended by striking out, in subsection (c) of section 19, the last sentence and inserting in place
1614 thereof the following 5 sentences:-

1615 The preceding three sentences of this section 19(c) shall not apply to any portion of the
1616 parkway. Ownership of any completed portion of the parkway, together with ownership of any
1617 associated and completed infrastructure including but not limited to public utilities and sewer
1618 and storm drain lines located within or adjacent to said portion, shall be transferred to the
1619 applicable town, or to the authority, no later than the later of thirty days following the date on
1620 which said portion of the parkway is completed or October 1, 2016, as applicable. Prior to the
1621 date on which any portion of the parkway is completed and until such date that ownership of said
1622 portion is transferred in accordance with the provisions of this section 19(c), said portion shall
1623 remain subject to the master developer’s control. On or after the date on which any portion of
1624 the parkway is completed and ownership of said portion is transferred in accordance with the
1625 provisions of this Section 19(c), any applicable town, or the authority, may enter into a contract
1626 with a governmental person, a nonprofit person or a private person for the operation and
1627 maintenance of said portion, together with operation and maintenance of associated
1628 infrastructure including but not limited to public utilities and sewer and storm drain lines located
1629 within or adjacent to said portion. For purposes of this section 19(c), (i) except for that portion
1630 of the parkway constituting “Parkway-Phase 1” as defined in Article I of the Parkway financing
1631 MOA, any portion of the parkway shall be deemed completed on the date on which said portion
1632 is open and available for public use, and (ii) that portion of the parkway constituting “Parkway-
1633 Phase 1” as defined in Article I of the Parkway financing MOA shall be deemed to have been
1634 completed no later than August 19, 2013.

1635 SECTION 85. Section 44 of chapter 303 of the acts of 2008 is hereby amended by
1636 inserting, after the figure “\$43,000,000,” the following words:- excluding bonds issued to
1637 refinance bonds previously issued under this section 44.

1638 SECTION 86. Subsection (c) of section 233 of chapter 165 of the acts of 2014, as
1639 amended by section 30 of chapter 119 of the acts of 2015, is hereby amended by striking out in
1640 said subsection (c) “December 31, 2016” and inserting in place thereof “June 30, 2017”.

1641 SECTION 87. A controlling business or affiliate of a controlling business which has
1642 been awarded state tax credits under chapter 19 of the acts of 1993 or sections 3A to 3H,
1643 inclusive, of chapter 23A of the General Laws, and which intends to claim such credits on tax
1644 filings for tax years beginning on or after January 1, 2016 shall enter into an EDIP, as defined in
1645 section 3A of said chapter 23A, contract setting forth the amount of the credits awarded, the
1646 amount of credits claimed or carried over, and the job creation obligations of the controlling
1647 business. Any controlling business or affiliate of a controlling business that fails to enter into an
1648 EDIP contract in form and substance acceptable to the Massachusetts office of business
1649 development on or before December 31, 2016 shall forfeit such credits. For purposes of this
1650 section, the terms controlling business, and EDIP contract shall have the meanings ascribed to
1651 them in said section 3A of said chapter 23A.

1652 SECTION 88. (a) Any and all references in the General Laws to “economic target area”
1653 or “ETA” shall be deemed to mean an economic target area designated by the economic
1654 assistance coordinating council (EACC), established pursuant to section 3B of chapter 23A of
1655 the General Laws and in existence as of the effective date of this act, or an area designated by the
1656 EACC as an economic target area in accordance with section 3G of said chapter 23A.

1657 (b) As of the effective date of this act, all references in the General Laws to “economic
1658 opportunity area” or “EOA” shall be deemed to mean an economic opportunity area designated
1659 by the EACC and in existence as of the effective date of this act, or an area designated by the

1660 EACCas an economic opportunity area pursuant to said section 3G of said chapter 23A. Existing
1661 economic target areas and economic opportunity areas designated by the EACC prior to January
1662 1, 2017 shall remain in effect until their scheduled termination date, if any.

1663 SECTION 89. Notwithstanding any general or special law to the contrary, sections 78 to
1664 82, inclusive shall not apply to economic development projects approved by the secretary of
1665 administration and finance pursuant to subsection (c) of section 7 of chapter 293 of the acts of
1666 2006, as amended by section 6 of chapter 129 of the acts of 2008, before January 1, 2017.

1667 SECTION 90. The Massachusetts Technology Park Corporation, established in section 3
1668 of chapter 40J of the General Laws and doing business as the Massachusetts Technology
1669 Collaborative, shall, subject to appropriation, create a cybersecurity and data analytics
1670 technology development and training center of excellence, in this section referred to as the
1671 center. The center shall convene interested public and private universities, governmental bodies
1672 and industry participants to share public and private data sets for the purposes of expanding the
1673 commonwealth's data analytics capabilities. The center may: (1) match public and private
1674 universities with industry participants to develop cybersecurity technology and expand data
1675 analytic capabilities; (2) provide a forum for sharing data sets for analysis; and (3) provide skills
1676 building and workforce training in cybersecurity and data analytics.

1677 The Massachusetts Technology Park Corporation shall file a report detailing the activities
1678 of the center on or before September 1, 2017 with the clerks of the house of representatives and
1679 the senate who shall forward the same to the house and senate committees on ways and means
1680 and the joint committee on economic development and emerging technologies.

1681 SECTION 91. (a) There shall be a special commission to conduct a comprehensive study
1682 relative to the practical, economic, fiscal, and health related impacts for Massachusetts if the
1683 commonwealth were to remain on Eastern Daylight Time, four hours behind coordinated
1684 universal time and also known as Atlantic Standard Time, throughout the calendar year. Said
1685 study shall focus on the impact to local and regional economies, education, public health,
1686 transportation, energy consumption, commerce and trade if the time zone is altered.

1687 (b) The special commission shall consist of 11 members: 3 persons to be appointed by the
1688 governor, 1 of whom shall be a member of the executive office of health and human resources
1689 and 1 of whom shall be a member of the executive office of education; 3 persons to be appointed
1690 by the president of the senate, one of whom shall have expertise in economic development and
1691 one of whom shall have expertise in energy, 1 person to be appointed by the minority leader of
1692 the senate, 3 persons to be appointed by the speaker of the house of representatives, one of whom
1693 shall have expertise in interstate commerce and one of whom shall have expertise in
1694 transportation, and 1 person to be appointed by the minority leader of the house of
1695 representatives.

1696 (c) The special commission shall convene its first meeting on or before October 1, 2016
1697 and shall submit its final report, and any recommendations for legislative reforms, no later than
1698 March 31, 2017, to be filed with the clerks of the senate and the house of representatives who
1699 shall forward a copy of the report to the house and senate chairs of the joint committee on
1700 economic development and emerging technologies, the joint committee on public health, and the
1701 joint committee on education.

1702 (d) The special commission may receive and expend grants, gifts, contributions, bequests
1703 and in-kind contributions, including volunteer services, from individuals, corporations or other
1704 business entities, foundations and state or other government bodies for the purpose of completing
1705 this study.

1706 (e) The special commission shall be dissolved after the submission of the final report.

1707 SECTION 92. Notwithstanding any general or special law to the contrary, to meet the
1708 expenditures necessary in carrying out section 2A, the state treasurer shall, upon receipt of a
1709 request by the governor, issue and sell bonds of the commonwealth in an amount to be specified
1710 by the governor from time to time but not exceeding, in the aggregate, \$546,500,000; provided,
1711 however, that such request by the governor shall be made on or before July 31, 2019. All bonds
1712 issued by the commonwealth, as aforesaid, shall be designated on their face, Commonwealth
1713 Economic Development Act of 2016, and shall be issued for a maximum term of years, not
1714 exceeding 30 years, as the governor may recommend to the general court pursuant to Section 3
1715 of Article LXII of the Amendments to the Constitution; provided, however, that all such bonds
1716 shall be payable not later than June 30, 2049. All interest and payments on account of principal
1717 on such obligations shall be payable from the General Fund. Bonds and interest thereon issued
1718 under the authority of this section shall, notwithstanding any other provision of this act, be
1719 general obligations of the commonwealth.

1720 SECTION 93. Notwithstanding any general or special law to the contrary, to meet the
1721 expenditures necessary in carrying out section 2B, the state treasurer shall, upon receipt of a
1722 request by the governor, issue and sell bonds of the commonwealth in an amount to be specified
1723 by the governor from time to time but not exceeding, in the aggregate, \$7,500,000 provided,

1724 however, that such request by the governor shall be made on or before July 31, 2019. All bonds
1725 issued by the commonwealth, as aforesaid, shall be designated on their face, Commonwealth
1726 Economic Development Act of 2016, and shall be issued for a maximum term of years, not
1727 exceeding 30 years, as the governor may recommend to the general court pursuant to Section 3
1728 of Article LXII of the Amendments to the Constitution; provided, however, that all such bonds
1729 shall be payable not later than June 30, 2049. All interest and payments on account of principal
1730 on such obligations shall be payable from the General Fund. Bonds and interest thereon issued
1731 under the authority of this section shall, notwithstanding any other provision of this act, be
1732 general obligations of the commonwealth.

1733 SECTION 94. Notwithstanding any general or special law to the contrary, to meet the
1734 expenditures necessary in carrying out section 2C, the state treasurer shall, upon receipt of a
1735 request by the governor, issue and sell bonds of the commonwealth in an amount to be specified
1736 by the governor from time to time but not exceeding, in the aggregate, \$154,900,000; provided,
1737 however, that such request by the governor shall be made on or before July 31, 2019. All bonds
1738 issued by the commonwealth, as aforesaid, shall be designated on their face, Commonwealth
1739 Economic Development Act of 2016, and shall be issued for a maximum term of years, not
1740 exceeding 30 years, as the governor may recommend to the general court pursuant to Section 3
1741 of Article LXII of the Amendments to the Constitution; provided, however, that all such bonds
1742 shall be payable not later than June 30, 2049. All interest and payments on account of principal
1743 on such obligations shall be payable from the General Fund. Bonds and interest thereon issued
1744 under the authority of this section shall, notwithstanding any other provision of this act, be
1745 general obligations of the commonwealth.

1746 SECTION 95. The deduction allowed pursuant to clause (19) of subsection (a) of part B
1747 of section 3 of chapter 62 of the General Laws shall apply for taxable years beginning on or after
1748 January 1, 2017 through the tax year beginning on January 1, 2021.

1749 SECTION 96. Sections 3 to 5, inclusive, 16 to 22, inclusive, 29, 30, 33 to 41, inclusive,
1750 43, 44, 46 to 60, inclusive, 78 to 82, inclusive and 86 shall be effective for tax years beginning
1751 on or after January 1, 2017.

1752 SECTION 97. Sections 3 to 5, inclusive, 16 to 22, inclusive, 29, 30, 33 to 41, inclusive,
1753 43, 44, 46 to 60, inclusive, 78 to 82, inclusive and 86 shall take effect on January 1, 2017.

1754 SECTION 98. Sections 23 to 28, inclusive, shall take effect on October 1, 2016.