

SENATE No. 2470

The Commonwealth of Massachusetts

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In the One Hundred and Ninetieth General Court
(2017-2018)
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SENATE, Monday, April 23, 2018

The committee on Economic Development and Emerging Technologies, to whom was referred the petitions (accompanied by bill, Senate, No. 197) of Karen E. Spilka and Eric P. Lesser for legislation to create an innovative communities program; and (accompanied by bill, House, No. 2005) of Ann-Margaret Ferrante for legislation to establish an innovative communities program within the Executive Office of Housing and Economic Development, reports the accompanying bill (Senate, No. 2470).

For the committee,
Eric P. Lesser

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An Act relative to innovative communities.

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

1 SECTION 1. Chapter 23A of the General Laws is hereby amended by adding the
2 following section:-

3 Section 68. (a) As used in this section, the following words shall have the following
4 meanings unless the context clearly requires otherwise:

5 “Participant”, a municipality seeking to utilize an innovative technology solution or a
6 startup.

7 “Startup”, a corporation, partnership, limited liability company, sole proprietorship or
8 organization seeking to bring innovative technology to the market including, but not limited to, a
9 company that is seeking a first or early-customer to validate the commercial readiness of the
10 company’s technology.

11 (b) There shall be within the executive office of housing and economic development an
12 innovative communities office to serve as a common place of access, education and point of
13 connection for startups and municipalities seeking innovative technology solutions. The office

14 shall implement an innovative communities program to support the introduction of cutting-edge
15 technologies into the marketplace and incentivize the adoption of these technologies by
16 municipalities.

17 The office shall be under the supervision and control of an executive director, appointed
18 by the secretary of housing and economic development, who shall have experience in business,
19 including experience with companies specializing in new and innovative technologies. The
20 executive director may appoint and remove, subject to appropriation, agents and subordinate
21 officers and employees as the executive director considers necessary and may establish
22 subdivisions as the executive director considers appropriate to carry out the objectives of the
23 office. The executive director may, subject to appropriation and the approval of the secretary and
24 in conjunction with the laws and regulations relating to the employment of consultants, employ
25 consultants as the executive director considers necessary.

26 To implement the innovative communities program, the executive director shall enter into
27 interagency service agreements or other contracts with state agencies, state authorities, business
28 associations and other entities including, but not limited to: the Massachusetts office of
29 information technology; the operational services division; the Massachusetts clean energy
30 technology center; the Massachusetts e-Health Institute; the office of inspector general; and
31 regional planning organizations. The interagency service agreements and contracts shall be
32 designed to support municipalities seeking to utilize innovative technology and startups.

33 (c) The executive director shall establish a process to certify innovative communities. To
34 qualify as an innovative community, a municipality shall: (i) pass a resolution, upon the vote of
35 (A) the board of selectmen in the case of a town, (B) the city council, with the mayor's approval

36 if required by law, in the case of a city, (C) the town council in the case of a municipality having
37 a town council form of government and (D) in all other towns, a vote of town meeting, which
38 accepts the principles described in this section; (ii) make electronically available to the public
39 municipal data sets maintained by the municipality using, to the extent possible, the data
40 standards developed under clause (xiii) of subsection (d), excluding any data set containing
41 information that identifies individual persons or is protected by law; (iii) attend not less than 1
42 technology marketing event or exposition organized by the the executive director; (iv) conduct
43 beta testing on not less than 1 technology annually that has been vetted and approved by the
44 executive director; and (v) share the results of the trial with other municipalities participating in
45 the innovative communities program using, to the extent possible, the data standards developed
46 under said clause (xiii) of said subsection (d). A municipality that meets the requirements of this
47 subsection shall be designated by the executive director as an innovative community and shall be
48 eligible for the assistance provided for in clause (vii) of said subsection (d).

49 (d) In addition to certifying innovative communities under subsection (c), the executive
50 director shall:

51 (i) develop, in consultation with the inspector general, an education program for
52 municipalities regarding purchasing innovative technology from startups under chapter 7 and
53 chapter 30B, including purchasing under subsection (c) of section 4 of said chapter 30B;

54 (ii) develop, in consultation with the inspector general, an education program for startups
55 that includes methods to understand the municipal purchasing process and the requirements and
56 standards that shall be fulfilled by startups in order to sell to municipalities, including

57 opportunities to participate in the commonwealth's efforts to coordinate purchasing for
58 government entities;

59 (iii) create, in consultation with the inspector general, a plain language summary and
60 other standardized informational materials to explain how the procurement process operates for
61 contracts negotiated by municipalities under sections 22A and 22B of said chapter 7 and said
62 chapter 30B in order to ensure uniform practices in the commonwealth;

63 (iv) organize marketing events and expositions for (A) startups to showcase their
64 technology and conduct statewide innovation competitions to solicit proposals for innovative
65 uses of technology that allow municipalities to better serve their residents or promote efficient
66 use of resources; and (B) participating municipalities to make known to startups municipal
67 technology needs and to share the results of the beta test required under clause (iv) of subsection
68 (c);

69 (v) engage municipalities and startups through marketing and outreach to promote the
70 benefits of participating in the innovative communities program, including soliciting
71 entrepreneurial proposals for reshaping government services through various platforms and
72 encouraging participation from women-owned, minority-owned and veteran-owned startups;

73 (vi) implement pilot programs in innovative communities annually, subject to
74 appropriation, for the most market-ready technologies presented at the technology marketing
75 events, expositions and innovation competitions;

76 (vii) establish a grant program, subject to appropriation, for innovative communities to
77 finance all or a portion of the costs associated with the adoption of a innovative technology
78 approved by the innovative communities program;

79 (viii) provide municipalities and startups with technical assistance to enter into
80 agreements under said chapter 7 and said chapter 30B that assess the need for and the cost and
81 feasibility of employing the chosen technology;

82 (ix) develop a pre-qualification process for participating startups to expedite the purchase
83 of innovative technologies;

84 (x) establish collective purchasing under section 22A of said chapter 7 to be updated on a
85 regular basis, but not less often than annually, where municipalities may make purchases of
86 innovative technologies approved by the executive director under this section;

87 (xi) establish evaluation, audit and compliance procedures for participating startups,
88 including a technology readiness assessment, self-audit and standardized due diligence
89 investigation of participating startup business profiles;

90 (xii) establish a publicly-available website to publish and regularly update information,
91 events and materials created under this subsection;

92 (xiii) develop data standards, in consultation with the Massachusetts office of information
93 technology, that maximize the data sharing capabilities of participating municipalities with other
94 participating municipalities, public agencies and entities and the general public; and

95 (xiv) seek and encourage participation from startups that may provide cost-beneficial
96 technologies to municipalities including, but not limited to, off-the-shelf products, services and
97 other technologies requiring little customization.

98 (e) There shall be an innovative communities advisory board to: (i) build and maintain
99 relationships between startups and municipalities; (ii) improve the innovative communities

100 program; and (iii) develop recommended guidelines to promote the marketplace participation of
101 women-owned, minority-owned and veteran-owned startups. The advisory board shall be within,
102 but not subject to the control of, the executive office of housing and economic development.

103 The advisory board shall consist of: the chief information officer of the Massachusetts
104 office of information technology or a designee; the executive director of the Massachusetts
105 Municipal Association, Inc. or a designee; 1 representative of the Massachusetts Association of
106 Public Purchasing Officials; and 12 members to be appointed by the governor, 1 of whom shall
107 be a chief executive officer of a clean energy company or a designee, 1 of whom shall be a chief
108 executive officer of an innovative information technology company or a designee, 1 of whom
109 shall be a chief executive officer of an innovative startup company or a designee, 1 of whom
110 shall be an investor in new technology companies, 2 of whom shall be chief executive officers of
111 associations representing emerging technology industries; 2 of whom shall be individuals who
112 have experience with business incubators or shared workspaces; 1 of whom shall be an
113 individual with experience in emerging health care delivery technologies; 1 of whom shall be a
114 mayor or a city manager of a city; 1 of whom shall be a town administrator, manager or
115 executive secretary of a town and 1 of whom shall be a representative of a regional planning
116 organization. The governor shall ensure that at least 2 appointees are representative of
117 organizations representing women or people of color in the technology sector. The governor
118 shall fill any vacancy. The advisory board shall elect a chairperson. The advisory board shall file
119 a report on the activities of the board and any recommendations annually, not later than March 1,
120 with the secretary of housing and economic development and the joint committee on economic
121 development and emerging technologies.

122 SECTION 2. (a) There shall be a special commission to conduct an investigation into and
123 study potential barriers to the adoption of innovative technologies by state and local governments
124 and entities created by existing procurement laws in the commonwealth. The commission shall
125 consist of the following 23 members: 2 members of the senate, 1 of whom shall be the co-chair
126 of the joint committee on economic development and emerging technologies or a designee and 1
127 of whom shall be appointed by the minority leader or a designee; 2 members of the house, 1 of
128 whom shall be the co-chair of the joint committee on economic development and emerging
129 technologies or a designee and 1 of whom shall be appointed by the minority leader or a
130 designee; the secretary of administration and finance or a designee; the secretary of housing and
131 economic development or a designee; the assistant secretary for operational services or a
132 designee; the inspector general or a designee; the commissioner of capital asset management and
133 maintenance or a designee; the executive director of the Massachusetts clean energy technology
134 center or a designee; the commissioner of energy resources or a designee; the chief executive
135 officer of Massachusetts Development Finance Agency or a designee; the chief executive officer
136 of the Massachusetts Technology Park Corporation doing business as the Massachusetts
137 Technology Collaborative or a designee; the executive director of the Massachusetts Municipal
138 Association, Inc. or a designee; and 9 members to be appointed by the governor, 1 of whom shall
139 be the chief executive officer of a clean energy company or a designee, 1 of whom shall be the
140 chief executive officer of an innovative information technology company or a designee, 1 of
141 whom shall be the chief executive officer of an emerging health care delivery technology
142 company or a designee, 1 of whom shall be a mayor or a city manager of a city, 1 of whom shall
143 be a town administrator, manager or executive secretary of a town, 1 of whom shall be the chief
144 executive officer of an innovative startup company or a designee, 1 of whom shall be an investor

145 in new technology companies and 2 of whom shall be chief executive officers of associations
146 representing emerging technology industries.

147 (b) The commission shall examine, but shall not be limited to examining: (i) the ways in
148 which existing procurement rules may unnecessarily exclude less established companies from
149 obtaining contracts, particularly innovative startup companies; (ii) opportunities for establishing
150 a method for pre-qualification of companies offering innovative technology solutions; (iii)
151 opportunities for statewide programs designed to encourage state or local government
152 procurement of innovative technologies; (iv) opportunities for public-private collaboration; (v)
153 the feasibility of adopting procurement rules that encourage open-source software development,
154 such that major technology systems, platforms and products purchased by the commonwealth
155 remain open for the development of third-party end-user software and application designs that
156 improve ease of access and utilization of the major technology systems; and (vi) any regulatory
157 changes which may encourage the adoption of innovative technologies without compromising
158 the competitive bid process.

159 (c) The commission may hold hearings and invite testimony from experts and the public.
160 The commission shall review and identify best practices learned from similar efforts in other
161 states.

162 (d) The commission shall submit a report, together with drafts of legislation necessary to
163 carry out its recommendations, to the clerks of the house of representatives and the senate not
164 later than January 1, 2019.

165 SECTION 3. All appointments to the innovative communities advisory board established
166 in subsection (e) of section 68 of chapter 23A of the General Laws shall be made not later than

167 30 days after the effective date of this act. The advisory board shall convene its first meeting not
168 later than 60 days after the effective date of this act.

169 SECTION 4. The innovative communities office established in subsection (b) of section
170 68 of chapter 23A of the General Laws shall collaborate with the department of higher education
171 and the office of access and opportunity to encourage the participation of women, veterans and
172 minorities in the innovation sector.