

HOUSE No. 02987

The Commonwealth of Massachusetts

PRESENTED BY:

Antonio F. D. Cabral and

To the Honorable Senate and House of Representatives of the Commonwealth of Massachusetts in General Court assembled:

The undersigned legislators and/or citizens respectfully petition for the passage of the accompanying bill:

An Act to promote economic development & job growth in gateway cities.

PETITION OF:

NAME:	DISTRICT/ADDRESS:
<i>Antonio F. D. Cabral</i>	<i>13th Bristol</i>
<i>Benjamin B. Downing</i>	<i>Berkshire, Hampshire, and Franklin</i>
<i>David B. Sullivan</i>	<i>6th Bristol</i>
<i>Barry R. Finegold</i>	<i>Second Essex and Middlesex</i>
<i>Michael J. Rodrigues</i>	<i>First Bristol and Plymouth</i>
<i>Patricia A. Haddad</i>	<i>5th Bristol</i>
<i>Michael R. Knapik</i>	<i>Second Hampden and Hampshire</i>
<i>Michael O. Moore</i>	<i>Second Worcester</i>
<i>Robert M. Koczera</i>	<i>11th Bristol</i>
<i>Stephen L. DiNatale</i>	<i>3rd Worcester</i>
<i>Shaunna O'Connell</i>	<i>3rd Bristol</i>
<i>Mark C. Montigny</i>	<i>Second Bristol and Plymouth</i>
<i>Harriette L. Chandler</i>	<i>First Worcester</i>
<i>James J. O'Day</i>	<i>14th Worcester</i>
<i>Christine E. Canavan</i>	<i>10th Plymouth</i>
<i>Marcos A. Devers</i>	<i>16th Essex</i>
<i>Kevin Aguiar</i>	<i>7th Bristol</i>

<i>Michael D. Brady</i>	<i>9th Plymouth</i>
<i>Angelo J. Puppolo, Jr.</i>	<i>12th Hampden</i>
<i>Jennifer L. Flanagan</i>	<i>Worcester and Middlesex</i>
<i>John P. Fresolo</i>	<i>16th Worcester</i>
<i>Stephen R. Canessa</i>	<i>12th Bristol</i>
<i>Thomas M. McGee</i>	<i>Third Essex and Middlesex</i>
<i>Christopher N. Speranzo</i>	<i>3rd Berkshire</i>
<i>Geraldine Creedon</i>	<i>11th Plymouth</i>
<i>Thomas A. Golden, Jr.</i>	<i>16th Middlesex</i>
<i>John F. Keenan</i>	<i>Norfolk and Plymouth</i>
<i>Stephen Stat Smith</i>	<i>28th Middlesex</i>
<i>Benjamin Swan</i>	<i>11th Hampden</i>
<i>David M. Torrisi</i>	<i>14th Essex</i>
<i>Paul Schmid, III</i>	<i>8th Bristol</i>

HOUSE No. 02987

By Mr. Cabral of New Bedford and Senator Downing, a joint petition (accompanied by bill, House, No. 2987) of Torrissi and others for legislation to promote economic development and job growth in gateway cities designating residential tax abatement zones Joint Committee on Revenue.

The Commonwealth of Massachusetts

In the Year Two Thousand Eleven

An Act to promote economic development & job growth in gateway cities.

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: Section 38R of Chapter 63 of the General Laws, as appearing in the 2008 Official
- 2 Edition, is hereby amended by:
- 3 (a) striking clause (i) of paragraph (1) of subsection (b) and replacing it with the following:
- 4 (i) The commissioner, in consultation with the Massachusetts historical commission, shall
- 5 authorize annually, for the 12-year period beginning January 1, 2006, and ending December 31,
- 6 2017, under this section together with section 6J of chapter 62, an amount not to exceed
- 7 \$50,000,000 per year. The Massachusetts historical commission shall determine the criteria for
- 8 eligibility for the credit, the criteria to be set forth in regulations promulgated under this section;
- 9 but, (1) at least 25 per cent of the tax credits awarded annually shall be dedicated to projects that
- 10 contain affordable housing whenever possible and consistent with the criteria, and (2) at least 10

11 per cent of the tax credits awarded annually shall be dedicated to forward-year funding.

12 Forward-year funding awards must be honored where the project continues to substantially meet
13 the criteria established pursuant to this section.

14 (b) inserting, at the end of subsection (a) the following:

15 “Forward-year funding”, a preliminary award of future tax credits to be available for award
16 pursuant to this section to a taxpayer seeking to perform a certified rehabilitation in a gateway
17 municipality.

18 “Gateway Municipality”, as defined in section 3A of chapter 23A of the General Laws.

19 SECTION 2: Section 6J of Chapter 62 of the General Laws, as appearing in the 2008 Official
20 Edition, is hereby amended by:

21 (a) striking clause (i) of paragraph (1) of subsection (b) and replacing it with the following:

22 (i) The commissioner, in consultation with the Massachusetts historical commission, shall
23 authorize annually, for the 12-year period beginning January 1, 2006, and ending December 31,
24 2017, under this section together with section 38R of chapter 63, an amount not to exceed
25 \$50,000,000 per year. The Massachusetts historical commission shall determine the criteria for
26 eligibility for the credit, the criteria to be set forth in regulations promulgated under this section;
27 but, (1) at least 25 per cent of the tax credits awarded annually shall be dedicated to projects that
28 contain affordable housing whenever possible and consistent with the criteria, and (2) at least 10
29 per cent of the tax credits awarded annually shall be dedicated to forward-year funding.

30 Forward-year funding awards must be honored where the project continues to substantially meet
31 the criteria established pursuant to this section.

32 (b) inserting, at the end of subsection (a) the following:

33 “Forward-year funding”, a preliminary award of future tax credits to be available for award
34 pursuant to this section to a taxpayer seeking to perform a certified rehabilitation in a gateway
35 municipality.

36 “Gateway Municipality”, as defined in section 3A of chapter 23A of the General Laws.

37 SECTION 3: (a) Section 38R of Chapter 63 of the General Laws, as appearing in the 2008
38 Official Edition, is hereby amended by striking in clause (i) of paragraph (1) of subsection (b)
39 the figure “\$50,000,000” and replacing it with the figure “\$100,000,000”. (b) Section 38R of
40 Chapter 63 of the General Laws, as appearing in the 2008 Official Edition, is hereby amended by
41 striking in clause (i) of paragraph (1) of subsection (b) the figure “\$50,000,000” and replacing it
42 with the figure “\$100,000,000”.

43 SECTION 4: (a) Section 6J of Chapter 62 of the General Laws, as appearing in the 2008 Official
44 Edition, is hereby amended by striking in clause (i) of paragraph (1) of subsection (b) the figure
45 “\$50,000,000” and replacing it with the figure “\$100,000,000”. (b) Section 38R of Chapter 63 of
46 the General Laws, as appearing in the 2008 Official Edition, is hereby amended by striking in
47 clause (i) of paragraph (1) of subsection (b) the figure “\$50,000,000” and replacing it with the
48 figure “\$100,000,000”.

49 SECTION 5. Chapter 23B of the General Laws is hereby amended by inserting after paragraph
50 (v) a new paragraph:-

51 (w) the Executive Office of Housing and Economic Development shall provide technical
52 assistance to Gateway Cities who adopt Residential Tax Abatement Zones, as defined by Section
53 59B of Chapter 59 of the General Laws, and shall monitor the impacts of the program.

54 SECTION 6. Chapter 59 of the General Laws is hereby amended by inserting after Section 59A
55 the following new section:-

56 SECTION 59B. Property Tax Abatement Zones in Gateway Cities

57 (a) As used in this section, the following terms shall, unless the context clearly requires
58 otherwise, have the following meanings:-

59 “Gateway Municipalities”, as defined in section 3A of chapter 23A of the General Laws.

60 “Residential Tax Abatement Zone”, a housing development zone in a Gateway Municipality, to
61 be designated by the mayor or manager and the city council, for the purpose of providing
62 residential property tax abatement on all owner-occupied properties.

63 “Under-utilized property”, a lot or part of a building in which the maximum number of
64 residential units permitted under existing zoning regulations, building codes or approved
65 variances has not been met.

66 “Occupied Residential Unit”, a residential unit that is presently occupied or has been vacant for
67 less than two years.

68 “Incremental improvements”, an increased property value created by the construction of new
69 residential units or improvements to a property

70 (b) There is hereby established a Residential Tax Abatement Zone program available to all
71 Gateway Municipalities. No later than July 1, 2012, the mayor or manager and city council for
72 each Gateway Municipality are authorized to designate a specific area located in or around the
73 Gateway Municipality downtown as the Residential Tax Abatement Zone.

74 (c) All property located within the zone is eligible for this program with the exception of any
75 occupied residential unit.

76 (d) Gateway Municipalities may offer full or partial property tax abatement within Residential
77 Tax Abatement Zones on any incremental improvements to vacant or under-utilized property.

78 (e) The length of the abatement period will be designated for not fewer than ten years and not
79 greater than twelve years.

80 (f) At the conclusion of the abatement period, Gateway Cities may offer a reduced property tax
81 rate in the Residential Tax Abatement Zone for a period of up to three years. During each year of
82 this period, Gateway Cities may incrementally increase the abatement tax rate in order to ease
83 the transition back to the full property tax burden.

84 (g) The Department of Revenue shall promulgate rules and regulations, including the above
85 referenced guidelines.

86 SECTION 7. Chapter 63 of the General Laws is hereby amended by inserting after Section
87 38BB the following new section:-

88 SECTION 38CC. Gateway Cities Mill Redevelopment Incentive Program

89 (a) As used in this section, the following terms shall, unless the context clearly requires
90 otherwise, have the following meanings:-

91 “Gateway Municipalities”, as defined in section 3A of chapter 23A of the General Laws.

92 “Secretary”, the secretary of housing and economic development.

93 (b) There shall be a credit against tax due pursuant to chapter 62 and chapter 63 of the general
94 laws equal to 5 percent of allowable costs, as determined by the secretary, for individuals or
95 corporations who redevelopment mills that do not currently qualify for a credit pursuant to Sec.
96 6J of Chapter 62 or Sec. 38R of Chapter 63 of the General Laws .

97 SECTION 8. Chapter 63 of the General Laws is hereby amended by inserting after Section
98 38CC the following new section:-

99 SECTION 38DD. Commercial Shipping Port Incentive Program in Gateway Cities

100 (a) As used in this section, the following terms shall, unless the context clearly requires
101 otherwise, have the following meanings:-

102 “Gateway Municipalities”, as defined in section 3A of chapter 23A of the General Laws.

103 “Secretary”, the secretary of housing and economic development.

104 (b) There shall be a credit against tax due pursuant to chapter 63 of the general laws equal to 5
105 percent of allowable costs, as determined by the secretary, for corporations operating within
106 gateway municipalities containing a port facility capable of handling ocean going vessels that
107 utilize said port facility for the transport of components used by the corporation or finished
108 goods produced by the corporation.