

SENATE No. 2423

The Commonwealth of Massachusetts

—————
In the One Hundred and Eighty-Ninth General Court
(2015-2016)
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SENATE, Tuesday, July 12, 2016

The committee on Ways and Means, to whom was referred the House Bill relative to job creation, workforce development and infrastructure investment (House, No. 4883) (the committee on Bonding, Capital Expenditures and State Assets having recommended that the bill be amended by substituting a new text (Senate, No. 2422); reports, recommending that the Bonding, Capital Expenditures and State Assets amendment be adopted with an amendment striking out all after the enacting clause and inserting in place thereof the text of Senate document numbered 2423.

For the committee,
Karen E. Spilka

The Commonwealth of Massachusetts

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1 SECTION 1. To provide for a program of economic development and job creation, the
2 sums set forth in sections 2A, 2B and 2C, for the several purposes and subject to the conditions
3 specified in this act, are hereby made available, subject to the laws regulating the disbursement
4 of public funds. These sums shall be in addition to any amounts previously authorized and made
5 available for these purposes.

6 SECTION 2A.

7 EXECUTIVE OFFICE OF HOUSING AND ECONOMIC DEVELOPMENT

8 Office of the Secretary

9 7002-8006 For the MassWorks infrastructure program established in section 63 of
10 chapter 23A of the General Laws \$330,000,000

11 7002-8007 For matching grants to enable institutions of higher education, including
12 state and municipal colleges and universities, to participate in and receive federal funding from
13 the National Network for Manufacturing Innovation..... \$71,000,000

14 7002-8008 For a program to be administered by the Massachusetts Development
15 Finance Agency for site assembly, site assessment, predevelopment permitting and other
16 predevelopment and marketing activities that enhance a site’s readiness for commercial,
17 industrial or mixed-use development; provided, that a portion of the funds shall be used to
18 facilitate the expansion or replication of successful industrial parks; and provided further, that a
19 portion of the funds shall be used to support the revitalization of downtown
20 centers..... \$15,000,000

21 7002-8009 For a program to be administered by the Massachusetts Development
22 Finance Agency: (i) to make grants to private property owners, nonprofit entrepreneur support
23 organizations and business operators; (ii) to make grants and loans to municipalities for design,
24 construction and improvement of buildings and for equipment to spur innovation and
25 entrepreneurship across the commonwealth including, but not limited to, co-working spaces,
26 innovation centers, maker spaces, post-incubation start-ups and artist spaces \$15,000,000

27 7002-8011 For the Transformative Development Fund established in section 46 of
28 chapter 23G of the General Laws \$45,000,000

29 7002-8012 For the Scientific and Technology Research and Development Matching
30 Grant Fund established in section 4G of chapter 40J of the General Laws\$15,000,000

31 7002-8013 For the Advanced Manufacturing, Technology and Hospitality Training
32 Trust Fund established in section 20000 of chapter 29 of the General Laws.....\$30,000,000

33 7002-8014 For the Massachusetts Food Trust Program established in section 65 of
34 chapter 23A of the General Laws \$6,000,000

35 7002-8017 For the Massachusetts Technology Park Corporation established in section 3
36 of chapter 40J of the General Laws and doing business as the Massachusetts Technology
37 Collaborative, to create a cybersecurity and data analytics technology development and training
38 center of excellence pursuant to section 107 \$4,500,000

39 7002-8018 For public infrastructure grants to municipalities and other public
40 instrumentalities for design, construction, building, land acquisition, rehabilitation, repair and
41 other improvements to publicly-owned infrastructure; provided, that \$350,000 shall be expended
42 for the acquisition, design, engineering and construction of the Riverwalk along the Sudbury
43 river in the town of Ashland; provided further, that \$400,000 shall be expended for infrastructure
44 improvements in the Town of Holbrook to support economic development in the town center
45 area and improve access to the regional commuter rail station; provided further, that \$150,000
46 shall be expended for improvements to the downtown area in the town of Framingham to
47 enhance the pedestrian access to public and private facilities including train and bus stations;
48 provided further, that \$375,000 shall be expended for the design, permitting and construction of
49 Americans with Disabilities Act compliance work, including the construction of an elevator to
50 the upper floor theater spaces in town hall in the town of Royalston; provided that \$500,000 shall
51 be expended for the restoration, rehabilitation and renovation of the Lowell Memorial
52 Auditorium in order to ensure compliance with the Americans with Disabilities Act in the city of
53 Lowell; and provided further, that \$125,000 shall be expended to make structural improvements
54 and repairs at the Academy of Music in the town of Northampton..... \$5,000,000

55 7002-8021 For the Brownfields Redevelopment Fund established by section 29A of
56 chapter 23G of the General Laws \$45,000,000

57 SECTION 2B.

58 EXECUTIVE OFFICE OF HOUSING AND ECONOMIC DEVELOPMENT

59 Department of Housing and Community Development

60 7004-8016 For the Smart Growth Housing Trust Fund established by section 35AA of
61 chapter 10 of the General Laws..... \$7,500,000

62 SECTION 2C.

63 EXECUTIVE OFFICE OF EDUCATION

64 Office of the Secretary

65 7009-2005 For a competitive grant program to be administered by the executive
66 office of education, in consultation with the executive office of housing and economic
67 development and the executive office of labor and workforce development, to provide funding
68 for the purchase and installation of equipment and any related improvements and renovations to
69 facilities necessary for the installation and use of such equipment, in order to establish, upgrade
70 and expand career technical education and training programs that are aligned to regional
71 economic and workforce development priorities; provided, that grant applications may facilitate
72 collaboration to provide students enrolled in eligible vocational technical schools with
73 postsecondary opportunities consistent with clause (o) of the first paragraph of section 22 of
74 chapter 15A of the General Laws and section 37A of chapter 74 of the General Laws; provided
75 further, that innovation centers that receive funds from the Massachusetts Life Sciences Center
76 shall also be eligible for funds from this program; and provided further, that the executive office

98 6720-1340 For mitigation of or contribution toward any costs associated with or arising
99 out of improvements to the Paul W. Conley terminal in the South Boston section of the city of
100 Boston to accommodate mega ships for the continued competitiveness of the terminal, including
101 costs related to berth construction and crane procurement; provided, that the secretary, in
102 coordination with the chief executive officer of the Massachusetts Port Authority, shall seek to
103 maximize federal funds and reimbursement to offset, to the extent feasible, costs incurred under
104 this item; provided further, that the Massachusetts Port Authority shall submit an annual report
105 not later than October 1 to the clerks of the senate and house of representatives who shall
106 forward the report to the chairs of the house and senate committees on bonding, capital
107 expenditures and state assets and the report shall include, but shall not be limited to: (i) the
108 progress on the dredging of the Boston harbor; (ii) updates on the berth construction and crane
109 procurement authorized under this item; (iii) progress on efforts to seek federal funds and
110 reimbursements; (iv) the feasibility of obtaining private funding; and (v) the economic benefit
111 derived from this investment \$107,500,000

112 SECTION 3. Chapter 7 of the General Laws is hereby amended by inserting after section
113 23B the following section:-

114 Section 23B ½. For the purposes of this chapter, minority business enterprise and women
115 business enterprise contracting goals within state procurement shall be reflective of the diverse
116 racial, ethnic and gender makeup of the commonwealth's population.

117 SECTION 4. Chapter 12A of the General Laws is hereby amended by adding the
118 following section:-

119 Section 16. (a) There shall be a tax expenditure review unit in the office which shall examine and
120 evaluate the administration, effectiveness and fiscal impact of tax expenditures as defined in
121 section 1 of chapter 29. The unit shall develop a schedule to conduct a review of tax expenditures
122 and shall update the schedule annually.

123 (b) Pursuant to the schedule developed under subsection (a), the unit shall:

124 (i) evaluate the particular public policy purposes of the various tax expenditures
125 and whether existing tax expenditures are an effective means of accomplishing those public
126 policy purposes;

127 (ii) utilize best practices and standardized criteria used by other states for
128 measuring the effectiveness of tax expenditures;

129 (iii) measure the economic impact of each tax expenditure including, but not
130 limited to, revenue loss compared to economic gain, jobs created or retained and any
131 administrative requirements for taxpayers and the commonwealth; provided, however, that the
132 unit may collaborate with the department of revenue for such analysis;

133 (iv) identify, in consultation with the department of revenue and other appropriate
134 stakeholders, metrics for assessing the effectiveness of tax expenditures to achieve identified
135 purposes and outcomes and collect the necessary data based on such metrics, including foregone
136 revenue, beneficiaries, distribution of amounts received and other appropriate data depending on
137 the metrics selected;

138 (v) analyze clawback provisions, including a review of clawback provisions in
139 other jurisdictions, the general economic impact on taxpayers and the amount of money that may
140 be subject to clawback for failure to fulfill the stated goals, benchmarks or conditions of a tax
141 expenditure and make recommendations for effective clawback provisions for current and future
142 tax expenditures; and

143 (vi) recommend, where appropriate, the simplification, expansion, reduction,
144 modification or elimination of certain tax expenditures.

145 (c) The department of revenue shall provide information as requested by the unit. The
146 unit, in collaboration with the department of revenue, shall develop policies and procedures to
147 ensure taxpayer confidentiality and shall limit requests to information necessary to perform its
148 duties under this section. Notwithstanding any general or special law to the contrary, any other
149 agency involved in the administration of any tax expenditures shall provide documents and
150 information as requested by the unit.

151 (d) The unit shall have access to documents and information, including tax returns and
152 related documents maintained by the department of revenue, necessary for the performance of
153 the unit's duties under this section, but excluding information provided to the commonwealth by
154 other federal and state tax agencies where such access is prohibited by law; provided, however,
155 that tax returns and related documents shall not include a taxpayer's personal identifying
156 information and such returns and documents shall be confidential and exempt from disclosure as
157 a public record at all times.

158 (e) Annually, not later than January 31, the unit shall report the results of its findings and
159 activities of the preceding year and its recommendations to the clerks of the senate and house of
160 representatives who shall forward the report to the house and senate committees on ways and
161 means and the joint committee on revenue. The report shall include, but not be limited to: (i) the
162 date a tax expenditure was enacted; (ii) the statutory citation or federal law reference; (iii) the
163 public policy purpose and desired outcome; (iv) the updated tax expenditure review schedule
164 required by subsection (a); and (v) recommendations, if any, for the simplification, expansion,
165 reduction, modification or elimination of any tax expenditures to more effectively achieve their
166 identified public policy purposes. The annual report shall be posted on the website of the office
167 of inspector general.

168 SECTION 5. Section 18 of chapter 21A of the General Laws, as appearing in the 2014
169 Official Edition, is hereby amended by striking out, in line 269, the figure “3D” and inserting in
170 place thereof the following figure:- 3G.

171 SECTION 6. Section 2 of chapter 21E of the General Laws, as so appearing, is hereby
172 amended by striking out, in line 80, the figure “3D” and inserting in place thereof the following
173 figure:-3G.

174 SECTION 7. Chapter 23A of the General Laws is hereby amended by striking out
175 sections 3A to 3G, inclusive, as so appearing, and inserting in place thereof the following 7
176 sections:-

177 Section 3A. (a) There shall be an economic development incentive program, or EDIP,
178 which shall be administered by the EACC, under the oversight of the secretary of housing and

179 economic development, to provide incentives that stimulate job creation and investment of
180 private capital and to promote economic growth and expand economic opportunity to all areas of
181 the commonwealth. EDIP tax credits and other incentives shall be administered to stimulate job
182 creation, attract new business activity and promote investment that would not otherwise occur in
183 the commonwealth.

184 (b) As used in this section and sections 3B to 3H, inclusive, the following words shall
185 have the following meanings unless the context clearly requires otherwise:

186 “Affiliate”, a business which directly or indirectly controls another business, a business
187 which is controlled by another business or a business which is under direct or indirect common
188 control of at least 1 other business including, but not limited to, a business with whom a business
189 is merged or consolidated or which purchases all or substantially all of the assets of a business.

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

193 “Certified project”, a proposed project that is certified by the EACC pursuant to section
194 3C.

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

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

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

206 “Expansion of an existing facility”, the relocation of business functions and employees
207 from 1 location in the commonwealth to another location in the commonwealth or the expansion
208 of an existing facility located in the commonwealth if such relocation or expansion results in a
209 net increase in the number of permanent full-time employees at the relocated or expanded
210 facility.

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

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

218 “Material noncompliance”, the failure of a controlling business to substantially achieve
219 the capital investment, job creation, job retention or other economic benefits set forth in the
220 EDIP contract or any other act, omission or misrepresentation by the controlling business that
221 frustrates the public purpose of the economic development incentive program.

222 “Municipal project endorsement”, an endorsement, by vote of the city council with the
223 approval of the mayor in a city and by vote of the board of selectmen in a town, of a proposed
224 project by the municipality in which a proposed project will be located which shall include: (i) a
225 finding by the municipality that the proposed project will be consistent with the municipality’s
226 economic development objectives; (ii) a finding by the municipality that the proponent of the
227 proposed project has the means to undertake and complete the proposed project; (iii) a finding by
228 the municipality that the proposed project will have a reasonable chance of increasing or
229 retaining employment opportunities as advanced in the proposal; (iv) a determination by the
230 municipality that the proposed project will not overburden the municipality’s infrastructure and
231 other supporting resources; and (v) a description of the local tax incentive, if any, offered by the
232 municipality in support of the proposed project, together with a copy of the fully executed tax
233 increment financing agreement or the fully executed agreement setting forth the terms of the
234 special tax assessment, as applicable.

235 “Municipality”, a city or town or, in a case in which 2 or more cities or towns agree to act
236 jointly for some purpose pursuant to a collaborative agreement, all cities and towns participating
237 in the collaborative agreement.

238 “Permanent full-time employee”, an individual who is paid wages by a controlling
239 business and who: (i) at the inception of the employment relationship, does not have a

240 termination date which is either a date certain or determined with reference to the completion of
241 some specified scope of work; (ii) works at least 35 hours per week; and (iii) receives employee
242 benefits at least equal to those provided to other full-time employees of the controlling business;
243 provided, however, that “permanent full-time employee” shall not include contractors or part-
244 time employees who may be included in a calculation of the controlling business’ full-time
245 equivalent workforce.

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

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

252 “Real estate project”, the construction, rehabilitation or improvement of any building or
253 other structure on a parcel of real property which, when completed, will result in at least a 100
254 per cent increase in the assessed value of the real property over the assessed value of the real
255 property prior to the project.

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

259 “Replacement of an existing facility”, the relocation of business functions and personnel
260 from 1 facility located in the commonwealth to another facility located in the commonwealth or

261 the improvement of an existing facility provided that such relocation or improvement does not
262 qualify as an expansion of the existing facility.

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

265 “Tax increment financing agreement”, an agreement between a municipality and a real
266 property owner consistent with subsection (b) of section 3E and section 59 of chapter 40.

267 “TIF”, tax increment financing.

268 Section 3B. (a) There shall be an economic assistance coordinating council, or EACC,
269 established within MOBD which shall consist of: the secretary of housing and economic
270 development or the secretary’s designee who shall serve as co-chairperson; the director of
271 housing and community development or a designee who shall serve as co-chairperson; 1 person
272 to be appointed by the secretary of housing and economic development; the director of career
273 services or a designee; the secretary of labor and workforce development or a designee; the
274 director of business development or a designee; the president of the Commonwealth Corporation
275 or a designee; and 7 persons to be appointed by the governor, 1 of whom shall be from the
276 western region of the commonwealth, 1 of whom shall be from the central region of the
277 commonwealth, 1 of whom shall be from the eastern region of the commonwealth, 1 of whom
278 shall be from the southeastern region of the commonwealth, 1 of whom shall be from Cape Cod
279 or the Islands, 1 of whom shall be a representative of a higher educational institution in the
280 commonwealth and 1 of whom shall be from the Merrimack Valley. The persons appointed by
281 the governor shall have expertise in issues pertaining to training, business relocation or inner city

282 and rural development and shall be knowledgeable in public policy or international and state
283 economic and industrial trends. Each member appointed by the governor shall serve at the
284 pleasure of the governor. The council shall adopt by-laws to govern its affairs.

285 (b) The EACC shall administer the economic development incentive program and may:

286 (i) promulgate regulations and adopt policies and guidances to effectuate the
287 purposes of sections 3A to 3H, inclusive;

288 (ii) certify projects for participation in the economic development incentive
289 program and establish regulations for evaluating the proposals of those projects;

290 (iii) certify and approve tax increment financing agreements and special tax
291 assessments pursuant to section 3E of this chapter and section 59 of chapter 40;

292 (iv) authorize municipalities to apply to the United States Foreign Trade Zone
293 Board for the privilege of establishing, operating and maintaining a foreign trade zone in
294 accordance with section 3G;

295 (v) assist municipalities in obtaining state and federal resources and assistance for
296 certified projects and other job creation and retention opportunities;

297 (vi) provide appropriate coordination with other state programs, agencies,
298 authorities and public instrumentalities to enable certified projects and other job creation and
299 retention opportunities to be more effectively promoted by the commonwealth; and

300 (vii) monitor the implementation of the economic development incentive
301 program.

302 (c) The secretary of housing and economic development shall appoint within the MOBD
303 a director of economic assistance who shall be responsible for administering the EDIP in
304 consultation with the secretary of housing and economic development, the director of MOBD
305 and the EACC. The director of economic assistance shall advise the EACC on matters related to
306 the EDIP but shall not serve as a member of the EACC. The MOBD shall annually submit to the
307 governor, the chairs of senate and the house committees on ways and means and the senate and
308 house chairs of the joint committee on economic development and emerging technologies within
309 90 days after the end of its fiscal year a report setting forth its operations and accomplishments,
310 including a listing of all projects certified under the EDIP. The report shall also include
311 recommended policies or actions, if any, to improve the effectiveness of the EDIP.

312 Section 3C. (a) A controlling business may petition the EACC to certify a proposed
313 project that will create new permanent full-time employees within the commonwealth. Each
314 proposed project submitted by a controlling business to the EACC for review and certification
315 shall include: (i) a detailed description of the proposed project; (ii) a representation by the
316 controlling business regarding the amount of capital investment to be made, the number of new
317 jobs to be created and the number of existing jobs to be retained; (iii) a representation by the
318 controlling business regarding any other economic benefits or other public benefits expected to
319 result from the construction of the proposed project; (iv) a municipal project endorsement; and
320 (vi) any other information that the EACC shall require by regulation, policy or guidance.

321 (b) Upon receipt of a completed project proposal and municipal project endorsement, the
322 EACC may certify the proposed project, deny certification of the proposed project or certify the
323 proposed project with conditions. In order to certify a proposed project, with or without
324 conditions, the EACC shall make the following required findings based on the project proposal,
325 the municipal project endorsement and any additional investigation that the EACC shall make
326 and incorporate in its minutes:

327 (i) the proposed project is located or will be located within the commonwealth;

328 (ii) (A) if the controlling business has at least 1 existing facility in the
329 commonwealth, then the proposed project shall be an expansion of an existing facility and not
330 merely the replacement of an existing facility except in the case of a proposed project that will
331 enable a controlling business to retain jobs in a gateway city as provided in subclause (2) of
332 clause (B) ; or

333 (B) the proposed project will either: (1) enable the controlling business to
334 hire new permanent full-time employees in the commonwealth; or (2) enable the controlling
335 business to retain at least 50 permanent full-time jobs at a facility located in a gateway city or in
336 an adjacent city or town that is accessible by public transportation to residents of a gateway city
337 and such jobs otherwise would be relocated outside of the commonwealth;

338 (iii) the controlling business has committed to maintaining new and retained jobs for a
339 period of at least 5 years after the completion of the proposed project;

340 (iv) the proposed project appears to be economically feasible and the controlling business
341 has the financial and other means to undertake and complete the proposed project;

342 (v) unless the proposed project will be located in a gateway municipality, a duly
343 authorized representative of the controlling business has certified to the EACC that the
344 controlling business would not have undertaken the proposed project but for the EDIP tax credits
345 and local tax incentives available to it under this chapter; and

346 (vi) the proposed project complies with all applicable statutory requirements and
347 with any other criteria that the EACC may from time to time prescribe by regulation, policy or
348 guidance.

349 The EACC shall, by regulation, policy or guidance, provide for the contents of an
350 application for project certification which may include a requirement that the controlling
351 business provide written evidence to support the certification provided for in clause (v).

352 (c) A certified project shall retain its certification for the period specified by the EACC in
353 its certification decision; provided, however, that such specified period shall be not less than 5
354 years or more than 20 years from the date of certification.

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

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

362 compensation that will be paid to the employees and the amount of new state income tax to be
363 generated;

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

367 (iii) the amount of capital to be invested by the controlling business in the
368 certified project;

369 (iv) the degree to which the certified project is expected to generate net new
370 economic activity within the commonwealth by generating substantial sales from outside of the
371 commonwealth;

372 (v) the extent to which the certified project is expected to contribute to the
373 economic revitalization of a gateway municipality or increase employment opportunities to
374 residents of a gateway municipality;

375 (vi) the economic need of the municipality or region in which the certified project
376 is to be located as determined by income levels, employment levels or educational attainment
377 levels; and

378 (vii) commitments, if any, made by the controlling business to use Massachusetts
379 firms, suppliers and vendors or to retain women or minority-owned businesses during the
380 construction of the certified project.

381 The EACC shall have discretion as to how to weigh and apply these criteria. When
382 making an award of tax credits pursuant to subsection (g) of section 6 of chapter 62 or pursuant
383 to section 38N of chapter 63, the EACC may, at its sole discretion: (i) limit the award to a
384 specific dollar amount; (ii) specify the schedule on which the tax credits may be claimed; and
385 (iii) limit or restrict the right of the controlling business to carry unused tax credits forward to
386 subsequent tax years. When a controlling business expects that new jobs will be created over a
387 period of multiple years, the EACC, in awarding tax credits, may allocate and make such credits
388 available to the taxpayer on a schedule that ensures that the tax credits are claimed on or after the
389 date that the jobs are created.

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

393 (c) The total amount of tax credits that may be authorized by the EACC under this section
394 for any calendar year shall not exceed \$30,000,000 which shall be calculated in accordance with
395 the relevant provisions of subsection (g) of section 6 of chapter 62 and section 38N of chapter
396 63. The EACC may authorize an award of tax credits to a controlling business that spans
397 multiple years if the total amount of credits due to be taken in any single calendar year does not
398 exceed the applicable cap.

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

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

408 Section 3E. (a) A municipality may offer a local tax incentive to the owner or controlling
409 business of a certified project, or to the owner of a real estate project, if the municipality
410 determines that the project is consistent with the municipality's economic development
411 objectives and is likely to increase or retain employment opportunities for residents of the
412 municipality.

413 (b) Tax increment financing may be offered by a municipality in accordance with section
414 59 of chapter 40 to the controlling business of a certified project, or to any person or entity
415 undertaking a real estate project or to any person or entity expanding a facility in an area
416 designated by the EACC as a TIF-eligible area. The EACC may designate an area as a TIF-
417 eligible area if it finds, upon petition from the municipality, that there is a strong likelihood that
418 any of the following will occur within the area in question within a specific and reasonably
419 proximate period of time: (i) a significant influx or growth in business activity; (ii) the creation
420 of a significant number of new jobs and not merely a replacement or relocation of current jobs
421 within the commonwealth; or (iii) a private project or investment that will contribute
422 significantly to the resiliency of the local economy.

423 If a municipality offers tax increment financing to the owner of a certified project, the
424 municipal project endorsement for the certified project shall include a fully executed copy of the
425 tax increment financing agreement adopted pursuant to said section 59 of said chapter 40. Any
426 tax increment financing agreement shall be approved by the EACC before it shall be valid and
427 enforceable. The EACC may approve a tax increment financing agreement pursuant to
428 regulations adopted by the EACC. Any approval shall include a finding, reflected in the EACC's
429 minutes, that the tax increment financing agreement complies with said section 59 of said
430 chapter 40 and will further the public purpose of encouraging increased industrial and
431 commercial activity in the commonwealth.

432 (c) A municipality may offer a special tax assessment to the controlling business of a
433 certified project, to a person or entity undertaking a real estate project or to a person or entity
434 proposing to retain permanent full-time jobs at a facility that otherwise would be at risk of
435 relocating outside of the commonwealth. Any special tax assessment shall be set forth in a
436 written agreement between the municipality and the property owner. The agreement shall include
437 the amount of the tax reduction and the period of time over which such reduction shall be in
438 effect, which shall be for not less than 5 years or not more than 20 years. Every special tax
439 assessment approved by the EACC shall provide for a reduction of the real property tax that
440 otherwise would be due. The reduction shall be based upon a percentage reduction in the tax that
441 otherwise would be due on the full assessed value of the affected property. The special tax
442 assessment shall provide for tax reduction at least equal to the following: (i) in the first year, the
443 tax reduction shall be not less than 50 per cent of the tax that would be due based on the full
444 assessed value of the affected property; (ii) in the second and third years, the tax reduction shall
445 be not less than 25 per cent of the tax that would be due based on the full assessed value of the

446 affected property; and (iii) in the fourth and fifth years, the tax reduction shall be not less than 5
447 per cent of the tax that would be due based on the full assessed value of the affected property.

448 The municipality may at its discretion provide for greater real property tax reductions
449 than provided in clauses (i) to (iii).

450 A written agreement for a special tax assessment under this subsection shall be approved
451 by the EACC before it is valid and enforceable. The EACC may approve special tax assessments
452 pursuant to rules and regulations adopted by the EACC if the EACC determines that: (i) the
453 municipality has made a formal determination that the property owner is either undertaking a
454 project or making other investment that will contribute to economic revitalization of the
455 municipality and will significantly increase employment opportunities for residents of the
456 municipality or is retaining permanent full-time employees that otherwise would be relocated to
457 a facility outside of the commonwealth; (ii) the special tax assessment is reasonably necessary to
458 enable the owner's investment in the project or to retain the jobs that otherwise would be
459 relocated; and (iii) the total amount of local tax foregone is reasonably proportionate to the
460 public benefits resulting from the special tax assessment. Any such approval shall include a
461 finding, reflected in the EACC's minutes, that the special tax assessment complies with the
462 requirements of this section.

463 (d) Any tax increment financing agreement or special tax assessment approved by the
464 EACC shall not be amended without the approval of the EACC.

465 Section 3F. (a) Not later than 2 years after the initial certification of a project by the
466 EACC, and annually thereafter, the controlling business or affiliate awarded EDIP tax credits

467 shall file a report with MOBD, signed by an authorized representative of the controlling business
468 or affiliate, certifying whether the controlling business or affiliate has achieved the job creation
469 projections, job retention projections and other material obligations or representations set forth in
470 the EDIP contract.

471 (b) In the event that MOBD finds that a controlling business or an affiliate is in material
472 noncompliance with a representation made to the EACC in its application for project
473 certification or the obligations set forth in an EDIP contract, MOBD may recommend to the
474 EACC that it revoke the project certification. Prior to making a recommendation, MOBD shall
475 provide written notice to the controlling business stating the basis for the recommended
476 revocation and offering the controlling business an opportunity for a hearing at which the
477 controlling business may contest the basis for the recommendation or establish mitigating
478 circumstances which may be relevant to the recommendation.

479 (c) The EACC may revoke a project certification if it determines that a controlling
480 business or affiliate is in material noncompliance with a representation made in its application
481 for project certification or the obligations set forth in an EDIP contract. The EACC shall have the
482 discretion to determine whether material noncompliance shall result in revocation of a project
483 certification, taking into account: (i) the conduct of the controlling business subsequent to the
484 project certification; (ii) the extent to which the material noncompliance is the result of
485 unforeseen conditions that are outside the control of the controlling business; (iii) the potential
486 impact on the municipality in which the certified project is located; and (iv) other considerations
487 as the EACC shall establish by regulation or policy.

488 Where the EACC determines that material noncompliance is due to factors outside the
489 control of the controlling business, the EACC may elect to provide the controlling business with
490 reasonable opportunity to cure the material noncompliance. If the EACC revokes a project's
491 certification, it shall determine the proportion of compliance with job creation requirements
492 applicable to the certified project, and shall report the proportion of compliance to the controlling
493 business and to the department of revenue.

494 (d) Revocation of a project certification shall take effect on the first day of the tax year in
495 which the material noncompliance occurred, as determined by the EACC. If the EACC revokes a
496 project certification, then: (i) all EDIP tax credits available to the controlling business shall be
497 recaptured in accordance with subsection (g) of section 6 of chapter 62 and subsection (i) of
498 section 38N of chapter 63; and (ii) the local tax incentive, if any, shall terminate unless the
499 written agreements between the municipality and the controlling business provide otherwise. In
500 the event of such termination, the municipality may, at its discretion, preserve the local tax
501 incentive by amending the written agreement with the controlling business in the same manner as
502 the municipality approved it and submitting such amendment to the EACC for approval in
503 accordance with this section.

504 (e) If a controlling business has claimed tax credits awarded under this chapter prior to
505 the date on which the EACC makes a determination to revoke project certification, then the
506 recapture provisions of subsection (g) of section 6 of chapter 62 and subsection (i) of section
507 38N of chapter 63 shall apply. If a controlling business has benefited from a local tax incentive
508 under this chapter prior to the revocation of a project certification, then notwithstanding any
509 general law to the contrary, the municipality that offered the local tax incentive may recapture

510 the value of the tax not paid by making a special assessment on the controlling business in the
511 tax year that follows the EACC's decision to revoke project certification. The assessment,
512 payment and collection of the special assessment shall be governed by procedures provided for
513 the taxation of omitted property under section 75 of chapter 59 notwithstanding the time period
514 set forth in said chapter 59 for which omitted property assessments may be imposed for each of
515 the fiscal years included in the special assessment.

516 Section 3G. (a) The EACC may designate 1 or more areas as an economic target area or
517 economic opportunity area in connection with an application from a municipality seeking the
518 designation under the federal Empowerment Zones and Enterprise Communities Program or
519 other local, state or federal programs that contemplate such designations. Designations of new
520 economic target areas, if any, shall be made in accordance with the criteria in subsection (b).
521 Designations of new economic opportunity areas, if any, shall be made at the discretion of the
522 EACC in accordance with regulations to be promulgated by the EACC, or rules or policies
523 adopted by the EACC.

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

527 (i) the proposed economic target area has an unemployment rate that exceeds the
528 statewide average by not less than 25 per cent;

529 (ii) if the proposed economic target area is located in a metropolitan area, then not
530 less than 51 per cent of the households in the proposed economic target area have incomes that
531 are below 80 per cent of the median income for households in the metropolitan area;

532 (iii) if the proposed economic target area is not located in a metropolitan area,
533 then not less than 51 per cent of the households in the proposed economic target area have
534 incomes that are below 80 per cent of the median income for households in the commonwealth;

535 (iv) the proposed economic target area has a poverty rate which is not less than 20
536 per cent higher than the average poverty rate for the commonwealth;

537 (v) the area proposed for designation has heightened economic need due to: (i) an
538 industrial or military base closure; (ii) the presence of underutilized maritime or electric
539 generation facilities; or (iii) a commercial vacancy rate greater than 20 per cent; or

540 (vi) the area proposed for designation has exceptional potential for economic
541 development as a result of: (i) the proposed redevelopment of blighted real estate or abandoned
542 buildings totaling not less than 1,000,000 square feet; (ii) the proposed establishment of a
543 regional technology center of not less than 3,000,000; or (iii) the proposed development of a
544 Class I renewable energy generating facility.

545 (c) A city or town with an economic opportunity area may make application to the United
546 States Foreign Trade Zones Board under 19 U.S.C. 81(a) to 81(u), inclusive, for a grant to the
547 city or town for the privilege of establishing, operating and maintaining a foreign trade zone
548 within its economic opportunity area. Upon petition from a city or town, the EACC may
549 authorize any other city or town to make application to the Foreign Trade Zones Board for a

550 grant to the city or town for the privilege of establishing, operating and maintaining a foreign
551 trade zone.

552 SECTION 8. Subsection (a) of section 3J of said chapter 23A, as so appearing, is hereby
553 amended by striking out the first paragraph and inserting in place thereof the following
554 paragraph:-

555 The Massachusetts office of business development shall partner with regional economic
556 development organizations to establish a plan to support regionally-based efforts to grow and
557 retain existing businesses and attract new business to the commonwealth. To implement the
558 regional plan and to provide efficient and consistent responses to businesses seeking assistance
559 from the commonwealth, the office shall create a regional economic development program. To
560 implement the program, the office shall contract with regional economic development
561 organizations, as defined in section 3K. The contracts and reimbursements shall be designed to
562 support regionally-based efforts to stimulate, encourage, facilitate and nurture economic growth
563 and prosperity in the commonwealth including, but not limited to, the identification of regional
564 competitive strengths, challenges and opportunities, regional cluster development strategies,
565 long-range regional workforce skills, pipeline, transportation and land use planning and other
566 systems-based activities related to the growth and retention of existing businesses and the
567 attraction of new businesses into the commonwealth. The contracts shall support a network of
568 partnerships between regional economic development organizations and the Massachusetts office
569 of business development.

570 SECTION 9. Said section 3J of said chapter 23A, as so appearing, is hereby further
571 amended by adding the following subsection:-

572 (d) Contracts for services entered into under this section shall include, but not be limited
573 to, the following services to be performed by the regional economic development organizations
574 on behalf of the commonwealth: (i) assessing regional competitive strengths, weaknesses and
575 opportunities; (ii) representing the regional business community in long-range workforce skills
576 pipeline planning efforts to ensure robust skills and talent pipelines that meet regional needs; (iii)
577 representing the regional business community in collaborative, long-range workforce skills,
578 transportation and land use planning; (iv) promoting regionally significant industry clusters; (v)
579 promoting connections across sectors of the regional economy; (vi) maintaining an inventory of
580 key development parcels; (vii) marketing the region in coordination with the Massachusetts
581 marketing partnership established under section 13A; and (viii) furnishing advice and assistance
582 to businesses and industrial prospects which may locate in the region.

583 SECTION 10. Subsection (b) of section 63 of said chapter 23A, as so appearing, is
584 hereby amended by adding the following sentence:- A project receiving EDIP tax credits under
585 section 3D shall not be eligible for grants under this section in any year in which the project
586 receives an EDIP tax credit.

587 SECTION 11. Said section 63 of said chapter 23A, as so appearing, is hereby amended
588 by inserting after the figure “(e)”, in line 40, the following words:- ; provided, however, that not
589 less than 10 days prior to making such grants, the secretary shall provide notice of the intent to
590 make a grant outside of the open solicitation period to the clerks of the senate and the house of
591 representatives and the senate and house chairs of the committees on ways and means.

592 SECTION 12. Subsection (e) of said section 63 of said chapter 23A, as so appearing, is
593 hereby amended by striking out the first sentence and inserting in place thereof the following

594 sentence:- Within the program, at least 20 per cent of the grant funds shall annually be dedicated
595 to assist towns with populations of not more than 30,000 people in undertaking projects to
596 design, construct, reconstruct, widen, resurface, rehabilitate and otherwise improve roads and
597 bridges or for the construction of chemical storage facilities that support economic development;
598 provided, however, that not less than 10 per cent of such designated funds shall be dedicated to
599 assist towns with populations of not more than 7,000 people.

600 SECTION 13. Said section 63 of said chapter 23A, as so appearing, is hereby amended
601 by inserting after the word “all”, in line 79, the following words:- applications received, a list
602 and description of all.

603 SECTION 14. Section 65 of said chapter 23A, inserted by section 12 of chapter 286 of
604 the acts of 2014, is hereby amended by striking out subsection (j) and inserting in place thereof
605 the following subsection:-

606 (j) The executive office of housing and economic development shall consult with the
607 department of agricultural resources to develop and implement the Massachusetts Food Trust
608 Program. To the maximum extent feasible, the community development financial institution and
609 the executive office of housing and economic development shall seek to align efforts with the
610 recommendations of the most recent Massachusetts local food action plan as accepted by the
611 Massachusetts food policy council or subsequent plans accepted by the council.

612 SECTION 15. Section 65 of said chapter 23A, inserted by section 29 of chapter 287 of
613 the acts of 2014, is hereby repealed.

614 SECTION 16. Said chapter 23A of the General Laws is hereby amended by adding the following
615 section:-

616 Section 67. (a) The secretary of housing and economic development shall establish a
617 financial services advisory council in the executive office of housing and economic
618 development, the purpose of which shall be to advise the governor or the governor's designee on
619 policies, strategies and initiatives designed to preserve and advance the competitiveness and
620 leadership of the commonwealth's financial services industry, including the banking, investment
621 management and insurance sectors.

622 (b) The council shall be comprised of: the secretary of housing and economic
623 development, who shall serve as chair; the house and senate chairs of the joint committee on
624 economic development and emerging technologies; the house and senate chairs of the joint
625 committee on financial services; the commissioner of higher education; the executive director of
626 the Massachusetts international trade office; and 8 representatives of the business community
627 who shall be appointed by the secretary of housing and economic development, including not
628 less than 2 business representatives from each of the following sectors: banking, investment
629 management and insurance sectors; not less than 1 business representative from a company with
630 its headquarters located in Suffolk, Middlesex, Essex, Norfolk or Worcester county or district;
631 not less than 1 business representative from a company with its headquarters located in
632 Hampshire, Hampden, Franklin or Berkshire county or district; and not less than 1 business
633 representative from a company with its headquarters located in Bristol, Plymouth, Nantucket or
634 Barnstable county or district or the county of Dukes County. The secretary, in making the
635 appointments, shall consider the size of the business representative's company, including its

636 employee base within the commonwealth and the amount of assets under management or
637 premiums in force. Business representatives shall be appointed for 2-year terms and may be
638 reappointed without limitation on the number of terms.

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

643 SECTION 17. Subsection (c) of section 5 of chapter 23G of the General Laws, as
644 appearing in the 2014 Official Edition, is hereby amended by striking out clause (1) and inserting
645 in place thereof the following clause:-

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

648 SECTION 18. Said subsection (c) of said section 5 of said chapter 23G, as so appearing,
649 is hereby further amended by striking out clause (8) and inserting in place thereof the following
650 clause:-

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

655 SECTION 19. Section 7 of said chapter 23G, as so appearing, is hereby amended by
656 striking out, in line 31, the figure “\$500,000” and inserting in place thereof the following figure:-
657 \$1,000,000.

658 SECTION 20. Section 29A of said chapter 23G, as so appearing, is hereby amended by
659 striking out, in line 17, the word “environmental” and inserting in place thereof the following
660 words:- demolition of vacant, abandoned or underutilized industrial or commercial property,
661 environmental.

662 SECTION 21. Section 8 of chapter 23H of the General Laws, as so appearing, is hereby
663 amended by striking out, in lines 7 and 8, the words “persons residing in economic opportunity
664 areas,”.

665 SECTION 22. Section 5 of chapter 23I of the General Laws, as so appearing, is hereby
666 amended by striking out, in line 69, the words “in an economic opportunity area pursuant to
667 section 3F” and inserting in place thereof the following words:- as defined in section 3A.

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

671 SECTION 24. Said section 49 of said chapter 23K, as so appearing, is hereby further
672 amended by striking out, in line 5, the figure “3E” and inserting in place thereof the following
673 figure:- 3G.

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

677 SECTION 26. Section 59 of chapter 40 of the General Laws, as so appearing, is hereby
678 amended by striking out, in lines 11 to 15, inclusive, the words “an economic target area or an
679 area presenting exceptional opportunities for increased economic development, as defined by
680 section 3D of chapter 23A and as may be defined further by regulations adopted by the economic
681 assistance coordinating council” and inserting in place thereof the following words:- an
682 economic target area as defined in section 3G of chapter 23A or an area designated by the
683 economic assistance coordinating council as a TIF-eligible area pursuant to subsection (b) of
684 section 3E of said chapter 23A.

685 SECTION 27. Said section 59 of said chapter 40, as so appearing, is hereby further
686 amended by striking out, in lines 84 and 88, the figure “3F” and inserting in place thereof, in
687 each instance, the figure:- 3E.

688 SECTION 28. Section 60 of said chapter 40, as so appearing, is hereby amended by
689 striking out, in lines 5 to 7, inclusive, the words “the director of housing and community
690 development, in consultation with the department of economic development and” and inserting
691 in place thereof the following words:- the department of housing and community development,
692 in consultation with.

693 SECTION 29. Said section 60 of said chapter 40, as so appearing, is hereby further
694 amended by striking out, in lines 15 to 18, inclusive, the words “characterized by a

695 predominance of commercial land uses, a high daytime or business population, a high
696 concentration of daytime traffic and parking” and inserting in place thereof the following words:-
697 located within an area of concentrated development characterized by a predominance of
698 commercial land uses.

699 SECTION 30. Subsection (a) of said section 60 of said chapter 40, as so appearing, is
700 hereby amended by striking out clause (ii) and inserting in place thereof the following clause:-

701 (ii) describe the construction, reconstruction, rehabilitation and related activities, public
702 and private, contemplated for such UCH-TIF zone as of the date of the adoption of the UCH-TIF
703 plan; provided, however, that in the case of public construction, the UCH-TIF plan shall include
704 a detailed projection of the costs and a betterment schedule for the defrayal of such costs;
705 provided, further, that the UCH-TIF plan shall provide that no costs of such public construction
706 shall be recovered through betterments or special assessments imposed on a party which has not
707 executed an UCH-TIF agreement in accordance with clause (v); and provided, further, that in the
708 case of private construction, the UCH-TIF plan shall include the types of affordable housing and
709 residential and commercial growth which are projected to occur within such UCH-TIF zone
710 together with such documentary evidence of the projected public benefits as are required by the
711 regulations;

712 SECTION 31. Clause (iii) of said subsection (a) of said section 60 of said chapter 40, as
713 so appearing, is hereby amended by striking out subclauses (1) to (3), inclusive, and inserting in
714 place thereof the following 2 subclauses:-

715 (1) the numerator of which shall be: (A) in an UCH-TIF zone where the property includes
716 primarily residential uses, the total assessed value of all parcels of all residential real estate that
717 are assessed at full and fair cash value for the current fiscal year minus the new growth
718 adjustment factor for the current fiscal year attributable to the residential real estate as
719 determined by the commissioner of revenue pursuant to paragraph (f) of section 21C of said
720 chapter 59; or (B) in an UCH-TIF zone where the property includes a mix of residential and
721 commercial uses, the total assessed value of all parcels of all residential and commercial real
722 estate that are assessed at full and fair cash value for the current fiscal year minus the new
723 growth adjustment factor for the current fiscal year attributable to the residential and commercial
724 real estate as determined by the commissioner of revenue pursuant to said paragraph (f) of said
725 section 21C of said chapter 59; and

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

729 SECTION 32. Said subsection (a) of said section 60 of said chapter 40, as so appearing,
730 is hereby further amended by striking out clause (v) and inserting in place thereof the following
731 clause:-

732 (v) state that each owner of property located in an UCH-TIF zone seeking to establish
733 eligibility for tax increment exemptions from annual property taxes pursuant to clause (iii) shall
734 execute an agreement, referred to as an UCH-TIF agreement, with the city or town, the form of
735 which shall be included as an attachment to the UCH-TIF plan. The UCH-TIF agreement shall
736 include, but not be limited to, the following: (1) all material representations of the parties which

737 served as a basis for the granting of a UCH-TIF exemption; (2) any terms deemed appropriate by
738 the city or town relative to compliance with the UCH-TIF agreement including, but not limited
739 to, what shall constitute a default by the property owner and what remedies shall be allowed
740 between the parties for any such defaults, including an early termination of the agreement; (3)
741 provisions requiring that one of the affordability thresholds described in subsection (b) is met;
742 (4) provisions stating that housing units that meet the affordability requirements of subsection (b)
743 shall be subject to use restrictions as defined in this section; (5) a detailed recitation of the tax
744 increment exemptions and the maximum percentage of the cost of public improvements that can
745 be recovered through betterments or special assessments regarding a parcel of real property
746 pursuant to clauses (iii) and (iv); (6) a detailed recitation of all other benefits and responsibilities
747 inuring to and assumed by the parties to an agreement; and (7) a provision that the agreement
748 shall be binding upon subsequent owners of the parcel of real property; and.

749 SECTION 33. Said section 60 of said chapter 40, as so appearing, is hereby further
750 amended by striking out subsections (b) to (e), inclusive, and inserting in place thereof the
751 following 6 subsections:-

752 (b) As a condition of the granting of an UCH-TIF exemption, a property owner shall
753 satisfy 1 of the following affordability thresholds:

754 (i) at least 15 per cent of the housing units assisted by the UCH-TIF agreement
755 shall be affordable to occupants or families with incomes that are not more than 80 per cent of
756 the area median income where the city or town is located, as defined by the United States
757 Department of Housing and Urban Development, hereinafter referred to as AMI; or

758 (ii) Not less than 25 per cent of the housing units assisted by the UCH-TIF
759 agreement shall be affordable to occupants or families with incomes that are not more than 110
760 per cent of the AMI; or

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

765 In addition, to support a finding of public benefit based on residential and commercial
766 growth in an urban center, at least 1 of the following conditions shall be met:

767 (A) The UCH-TIF zone has either: (1) an unemployment rate that exceeds the
768 statewide average by not less than 25 per cent, (2) a commercial vacancy rate of not less than 15
769 per cent or (3) an average household income that is not more than 115 per cent of the AMI;

770 (B) Not less than 51 per cent of the land area within the UCH-TIF zone is located
771 within a qualified census tract, as defined in section 42(d)(5) of the Internal Revenue Code; or

772 (C) Not less than 51 per cent of the land area within the UCH-TIF zone
773 constitutes a: (1) blighted open area, (2) decadent area or (3) sub-standard area, as defined in
774 section 1 of chapter 121A.

775 (c) The department of housing and community development shall review each UCH-TIF
776 plan to determine whether it complies with the terms of this section and regulations that may be
777 adopted by the department; provided, however, that the department shall certify, based upon the

778 information submitted in support of the UCH-TIF plan by the city or town and through such
779 additional investigation as the department may make, that the plan is consistent with the
780 requirements of this section and will further the public purpose of encouraging increased
781 residential growth, affordable housing and commercial growth; provided further, that a city or
782 town may, at any time, revoke its designation of a UCH-TIF zone and, as a consequence of that
783 revocation, shall immediately cease the execution of additional agreements pursuant to clause (v)
784 of subsection (a); and provided further, that a revocation shall not affect agreements relative to
785 property tax exemptions and limitations on betterments and special assessments pursuant to said
786 clause (v) of said subsection (a), use restrictions or options to purchase and rights of first refusal
787 required by this section which were executed before the revocation.

788 (d) The board, agency or officer of the city or town authorized pursuant to clause (vi) of
789 said subsection (a) to execute UCH-TIF agreements shall submit each executed UCH-TIF
790 agreement to the department of housing and community development for approval. The
791 department shall, as a condition of approval, certify that the UCH-TIF agreement complies with
792 the terms of this section and furthers the public purpose of encouraging increased residential
793 growth, affordable housing and commercial growth in the commonwealth. Upon receipt of the
794 department's certification, the board, agency or officer of the city or town authorized pursuant to
795 said clause (vi) of said subsection (a) to execute UCH-TIF agreements shall forward to the board
796 of assessors a copy of the approved UCH-TIF agreement, together with a list of the parcels
797 included therein. An executed and approved UCH-TIF shall be recorded in the registry of deeds
798 or the registry district of the land court wherein the land lies.

799 (e) Notwithstanding any general or special law to the contrary, an affordable housing
800 development that benefits from a real estate tax exemption pursuant to this section that meets the
801 affordability requirements of subsection (b) and subclause (3) of clause (v) of subsection (a) shall
802 continue to meet those requirements for 30 years or for the term of any municipal bonds issued
803 to finance the construction, reconstruction or rehabilitation of such development, whichever is
804 shorter, as may be specified in the recorded restriction. The restriction shall be approved by the
805 department of housing and community development in accordance with section 32 of chapter
806 184 and shall be recorded in the registry of deeds or the registry district of the land court wherein
807 the land lies.

808 (f) The owner of property subject to an UCH-TIF agreement shall certify to the city or
809 town the incomes of the families or occupants, upon initial occupancy, of the affordable housing
810 units designated in the UCH-TIF agreement and provide that certification to the department of
811 housing and community development on an annual basis. If the owner fails to provide
812 certification or otherwise fails to comply with the UCH-TIF agreement, including failing to
813 maintain the affordability of housing units assisted pursuant to this section, the city or town may
814 place a lien on the property in the amount of the real estate tax exemptions granted pursuant to
815 the UCH-TIF agreement for any year in which the owner is not in compliance with this
816 subsection. If the city or town determines, with the approval of the department of housing and
817 community development, that the owner is unlikely to come into compliance with the
818 affordability requirements of said subsection (b) and said subclause (3) of said clause (v) of said
819 subsection (a), the city or town may place a lien on the property in the amount of the total real
820 estate tax exemption granted pursuant to the UCH-TIF agreement. The lien shall be recorded in
821 the registry of deeds or the registry district of the land court wherein the land lies.

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

825 SECTION 34. Section 4 of chapter 40G of the General Laws, as so appearing, is hereby
826 amended by striking out, in line 85, the words “as defined in section 3D” and inserting in place
827 thereof the following words:- designated pursuant to section 3G.

828 SECTION 35. Section 2 of chapter 40H of the General Laws, as so appearing, is hereby
829 amended by striking out, in line 60, the words “3D of chapter 23A” and inserting in place thereof
830 the following words:- section 3G of chapter 23A or meeting the criteria for such designation.

831 SECTION 36. Section 4G of chapter 40J of the General Laws, as so appearing, is hereby
832 amended by striking out, in lines 19 and 24, the figure “\$3”, and inserting in place thereof the
833 following figure:- \$1.

834 SECTION 37. Section 6D of said chapter 40J, as so appearing, is hereby amended by
835 adding the following subsection:-

836 (g) The institute shall, in consultation with the secretary of housing and economic
837 development and informal advisers from the public and private sectors, develop strategies and
838 action plans to facilitate the continued development and accelerating growth of the e-health
839 cluster in the commonwealth involving a range of products, services and systems at the
840 intersection of medicine, healthcare and information technology including, but not limited to: (i)
841 electronic health records; (ii) consumer wearable devices; (iii) care systems; (iv) payment
842 management systems; (v) healthcare robotics; (vi) telemedicine; and (vii) big data analytics, for

843 the purpose of improving health care quality, reducing costs and supporting the expansion of
844 economic opportunities for the citizens of the commonwealth. Without limiting the generality of
845 the foregoing, the institute may: (i) develop a market access program connecting provider and
846 payer needs with ideas and products through pilot programs; (ii) undertake a healthcare big data
847 initiative designed to improve healthcare data transparency and availability; (iii) create
848 opportunities for e-health cluster stakeholders, including investors, entrepreneurs and healthcare
849 providers, to convene to exchange ideas and make connections; and (iv) encourage the adoption
850 of open-source software principles, which may include recommendations toward the
851 establishment of procurement rules that enable major technology systems, platforms and
852 products purchased by the state to remain open for the development of third party end-user
853 software and application designs that improve ease of access and utilization of those major
854 technology systems. In furtherance of the purposes of this subsection, the institute shall
855 coordinate and collaborate with such other agencies, authorities and public instrumentalities as
856 the secretary of housing and economic development may suggest and shall endeavor to identify
857 moneys and resources that could be made available for those purposes. The corporation may
858 expend moneys credited to the e-Health Institute Fund established in section 6E for the purposes
859 of this subsection, without compliance with any further restrictions contained in section 6E, and
860 to expend for the purposes of this subsection any other moneys available to the corporation that
861 are not expressly restricted by law.

862 SECTION 38. Chapter 40J of the General Laws is hereby amended by inserting after
863 section 6I the following section:-

864 Section 6J. There shall be established and set up on the books of the corporation a Digital
865 Health Internship Incentive Trust Fund which shall be administered by the executive director of
866 the corporation. The corporation shall hold the fund in an account separate from other funds,
867 including other funds established in this chapter. Amounts credited to the fund shall be available
868 for expenditure by the corporation without further appropriation for any activities consistent with
869 this section as the corporation deems appropriate; provided, however, that amounts credited to
870 the fund shall be used to provide stipends for internships in digital health fields for
871 undergraduate, graduate and postgraduate students and recent graduates at companies in the
872 commonwealth, with preference given to those employed by small businesses and start-up
873 companies. Amounts credited to the fund shall be expended or applied only with the approval of
874 the executive director after consultation with the director of the John Adams Innovation Institute.

875 There shall be credited to the fund all money received from public or private sources
876 including, but not limited to, gifts, grants, donations, bequests, contributions of cash or securities
877 and contributions in kind from persons or other governmental, nongovernmental, quasi-
878 governmental or local governmental entities. Any money remaining in the fund at the end of a
879 fiscal year shall not revert to the General Fund and shall be available for expenditure in
880 subsequent fiscal years. For the purposes of this section, “digital health” shall include, but not be
881 limited to: e-Health, cyber security, IT security and integrated photonics. The corporation shall
882 support efforts to secure matching funds.

883 SECTION 39. The General Laws are hereby amended by inserting after chapter 40O the
884 following chapter:-

885 Chapter 40O½

886

Community Benefit Districts

887 Section 1. As used in this chapter, the following words shall have the following meanings

888 unless the context clearly requires otherwise:

889 “Community benefit district” or “CBD”, a district formed pursuant to this chapter which
890 has at least 1 geographic area with clearly defined boundaries.

891 “CBD corporation”, the nonprofit corporation designated to receive funds and otherwise
892 implement the CBD, including the board of directors, officers and any employees.

893 “CBD fee”, a payment for services or improvements specified by the initial management
894 plan and any management plan.

895 “Initial management plan”, the strategic and operating plan for the CBD as approved by
896 the municipal governing body as part of the creation of the CBD.

897 “Management plan”, any subsequent, updated version of the initial management plan that
898 is approved by the board of directors.

899 “Memorandum of understanding with the municipality” or “MOU”, a document which
900 describes the standard government services and supplemental services to be provided within the
901 CBD and how the municipality will participate in the CBD as a property owner and member.

902 “Municipal governing body”, the city council or board of aldermen in a city or the board
903 of selectmen or town council in a town.

904 “Petition signer”, a property owner, or their designee, within the CBD who affirmatively
905 signs the petition to establish the CBD.

906 “Property”, real property located within the CBD, whether commercial, tax-exempt or
907 residential.

908 “Property owner”, the owner of record of property; provided, that when a property is
909 owned by an entity other than a natural person, a petition-signer for that property shall include
910 the petition-signer’s title and demonstrates authority to sign as owner and when a property is
911 owned by multiple persons, the signature of 1 owner shall be sufficient if that owner
912 demonstrates authority to sign on behalf of the other owners.

913 “Standard government services”, governmental functions, programs, activities, facilities,
914 improvements and other services that a municipality is authorized to perform or provide and that
915 are paid for out of the municipal government budget.

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

919 Section 2. The rights and powers of a CBD corporation in a CBD approved by the
920 municipal governing body pursuant to section 4 shall include: retaining or recruiting business;
921 administering and managing central and neighborhood business districts; promoting economic
922 development; managing parking; designing, engineering, constructing, maintaining or operating
923 buildings, facilities, urban streetscapes or infrastructures to further economic development and
924 public purposes; conducting historic preservation activities; leasing, owning, acquiring, or

925 optioning real property; owning and managing parks, public spaces and community facilities;
926 supplementing maintenance, security, or sanitation; planning and designing services; formulating
927 a fee structure; accumulating interest; incurring costs or indebtedness; entering into contracts;
928 suing and being sued; employing legal and accounting services; undertaking planning, feasibility
929 and market analyses; developing common marketing and promotional activities; engaging in
930 placemaking, programming, and event management within the district; soliciting donations,
931 sponsorships and grants; operating transit services; and supporting public art, human and
932 environmental services related to the enhancement of the district or other supplemental services
933 or programs that would further the purposes of this chapter.

934 Section 3. The organization of a CBD shall be initiated by a petition of the property
935 owners within the proposed CBD, which shall be filed in the office of the clerk of the
936 municipality and contain the following:

937 (1) the signatures of the property owners or petition signers in the proposed district who
938 support the establishment of the district and who will pay more than 50 per cent of the
939 assessments proposed to be levied; provided, however, that the amount of the assessment
940 attributable to property owned by the same property owner that is in excess of 20 per cent of the
941 amount of all assessments proposed shall not be included in the calculation;

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

943 (3) the identity and address of the CBD corporation, including its initial set of directors
944 and officers and a copy of its by-laws;

945 (4) An initial management plan, which shall set forth the supplemental services and
946 programs, vision, strategy, budget and fee structures proposed for the CBD;

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

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

952 A petition may include a mechanism for reimbursing the municipality for the costs
953 incurred in establishing the CBD, and for costs incurred in collecting the district fees. A copy of
954 the petition shall be filed with the undersecretary of housing and community development and
955 the secretary of housing and economic development not more than 30 days following receipt of
956 the petition by the clerk of the municipality.

957 Section 4. (a) The municipal governing body shall hold a public hearing not more than
958 60 days following receipt of the petition by the clerk of the municipality. Written notification of
959 the hearing shall be sent to each property owner within the boundary of the proposed CBD not
960 more than 30 days before a hearing by mailing notice to the address listed in the property tax
961 records. Notification of the hearing shall be published for 2 consecutive weeks in a newspaper of
962 general circulation in the area, the last publication being not less than 14 days before the hearing
963 and listed on the municipality's website. The public notice shall contain the proposed boundaries
964 of the CBD, the proposed fee level, a summary of supplemental programs and services and
965 where the property owner may obtain a full copy of the initial management plan.

966 (b) Prior to the public hearing, the municipal governing body shall direct the town clerk,
967 city clerk or a designee to determine that the establishment criteria have been met, as set forth in
968 section 3. In determining whether a signature is authentic, the clerk shall apply the same standard
969 used when certifying signatures for a petition to place a referendum on a local or state ballot.

970 (c) Not more than 45 days after the public hearing, a municipal governing body, in its
971 sole discretion, may, by vote of the city council with approval of the mayor in a city and by vote
972 of the board of selectmen and a town meeting in a town, declare the district organized and
973 describe the boundaries and service area of the district. The declaration shall include
974 authorization to municipal staff to enter into an agreement with the CBD corporation with
975 respect to operations and funding consistent with the approved initial management plan. Upon
976 such declaration, the CBD may commence operations.

977 (d) Notice of the declaration of the organization of the CBD shall be mailed or delivered
978 to each property owner within the proposed CBD. The notice shall explain that membership in
979 the CBD is irrevocable unless the CBD is dissolved pursuant to section 10 and shall include a
980 description of the basis for determining the district fee, the projected fee level and the services to
981 be provided within the CBD. Such notice shall be published for 2 consecutive weeks in a
982 newspaper of general circulation in the area, the last publication being not more than 30 days
983 after the vote to declare the district organized.

984 (e) Participation in the CBD shall be permanent unless the CBD is dissolved pursuant to
985 section 10. All property owners, including public, private and nonprofit entities, shall participate,
986 although each shall contribute in accordance with fee structures based upon the benefits
987 anticipated to be received, as outlined in the initial management plan.

988 Section 5. (a) Each CBD corporation shall have a not for profit board of directors that
989 shall oversee its operations to insure the implementation of the initial management plan and any
990 management plan. At least 51 per cent of the board shall be composed of property owners or
991 their designees, and the remaining members may be a balanced group of stakeholders
992 representing the community, including residents, municipal government, business tenants and
993 nonprofits.

994 (b) The initial management plan shall be updated at least once every 3 years by the CBD
995 board of directors and a copy thereof shall be mailed, emailed or delivered to each CBD member
996 and filed with the municipal governing body.

997 (c) The CBD corporation shall comply with the public charity reporting requirements of
998 section 8F of chapter 12.

999 Section 6. All real property located within a proposed CBD shall be considered in the fee
1000 formula for supplemental services and programs as outlined in the initial management plan. The
1001 CBD corporation, at its sole discretion, may grant a financial hardship waiver to any property
1002 owner, pursuant to the waiver criteria established within the CBD. A waiver is not intended to be
1003 permanent and shall be requested and granted on an annual basis, and shall be based upon
1004 temporary, extraordinary circumstances. The CBD corporation may also, at its discretion,
1005 approve in-kind contributions or services in addition to, or in lieu of, fees upon execution of a
1006 memorandum of agreement with a property owner.

1007 Section 7. Upon formal approval of a CBD, the municipal governing body shall adopt the
1008 district fee structure for the financing of items submitted in the initial management plan for the

1009 CBD; provided, however, that the total fees assessed in any 1 year may not exceed 1/2 of 1 per
1010 cent of the sum of the assessed valuation of the real property owned by participating members in
1011 the CBD district.

1012 The basis of a district fee may be determined by a formula utilizing at least 1 or a
1013 combination of the following methodologies:

1014 (i) different levels for varying classifications of real property;

1015 (ii) benefit zones;

1016 (iii) assessed valuation;

1017 (iv) building or parcel square footage;

1018 (v) street frontage; or

1019 (vi) any other formula which meets the objectives of the CBD.

1020 The CBD, through its management plan, shall have the option to limit or cap the
1021 maximum annual fee derived from individual properties or the total annual revenue generated by
1022 the CBD.

1023 The initial management plan may also propose a “phase-in” period of not more than 3
1024 years, with assessments increasing over the stated period. The formula for determining the
1025 district fee structure shall be set forth in the original petition as required by section 3.

1026 The CBD may change the formula or the assessment level set forth in the initial
1027 management plan or management plan by 2/3 vote of its board of directors, ratified by vote of
1028 the property owners who are required to pay more than 50 per cent of the assessments. Within 30
1029 days after amendment of the formula or assessment level, the CBD shall file notice of the
1030 changes with the municipal governing body, the undersecretary of housing and community
1031 development and the secretary of housing and economic development.

1032 In addition to receiving funds from the district fee, the CBD corporation may receive
1033 grants, donations, revenues generated from parking fees, CBD activities or gifts on behalf of the
1034 CBD.

1035 Section 8. The collector or treasurer of the municipality may collect district fees in
1036 designated CBDs and disburse the funds to the CBD corporation. In addition to the items
1037 identified in section 3A of chapter 60, the collector or treasurer may include notices for district
1038 fees in the envelope or electronic message in which a property bill is sent.

1039 District fees collected shall be used solely to fund items to further the goals identified and
1040 approved in the initial management plan for the CBD.

1041 The collector or treasurer shall disburse fee revenues to the CBD corporation not later
1042 than 30 days after the collection of such fees, together with any interest earned on those fees.

1043 Following establishment of the CBD, all fees billed by or on behalf of the CBD and
1044 unpaid after 30 days from the date of billing shall become a lien on the property, which shall
1045 have priority over all other liens except municipal liens and mortgages of record prior to the

1046 recording of a notice of lien, if notice of the lien is duly recorded by the CBD corporation in the
1047 appropriate registry of deeds or land court registry district.

1048 Section 9. At any time after the establishment of a CBD pursuant to this chapter, the
1049 district boundaries upon which the establishment was based may, upon the recommendation of
1050 the CBD corporation, be amended by the municipal governing body after compliance with the
1051 procedures set forth in this section.

1052 The CBD corporation shall prepare a petition, consistent with the criteria described in
1053 section 3; provided, however, that if the petition concerns an amendment to expand the district,
1054 the petition shall be accompanied by signatures of the property owners who are required to pay
1055 more than 50 per cent of the assessments in the expanded area. If the petition concerns an
1056 amendment to reduce the size of the district, it shall be accompanied by signatures of the
1057 property owners who are required to pay more than 50 per cent of the assessments levied in the
1058 existing district. The municipal governing body shall hold a public hearing not more than 60
1059 days after its receipt of a petition to amend the district boundaries. In the case of an expansion
1060 petition, written notification of the hearing shall be sent to each property owner within the
1061 proposed expansion area of the CBD not more than 30 days before the hearing, by mailing notice
1062 to the address listed in the property tax records. In the case of a reduction petition, the notice
1063 shall be sent to each property owner in the existing district. For either an expansion or reduction
1064 petition, notification of the hearing shall also be published for 2 consecutive weeks in a
1065 newspaper of general circulation in the area with the last publication being not more than 14 days
1066 before the hearing and shall be listed on the municipality's website. For an expansion petition,
1067 the public notice shall contain the proposed expanded boundaries of the CBD, the fee level, a

1068 summary of supplemental programs and services, and where the property owner may obtain a
1069 full copy of the management plan. For a reduction petition, the public notice shall contain the
1070 proposed reduced boundaries of the CBD and any changes in the fee level, supplemental
1071 programs and services or other material aspects of the management plan that will occur as a
1072 result of the boundary change. Not more than 30 days after the hearing, and upon determination
1073 by the city or town clerk, or designee, that the petition has met the necessary criteria, the
1074 municipal governing body, in its sole discretion, may by a vote declare the district boundaries
1075 amended.

1076 Upon the adoption of an amendment to the district boundaries which increases the size of
1077 the district, owners of property to be added to the district shall be notified of the new boundaries
1078 of the district in accordance with section 4.

1079 Section 10. A CBD may be dissolved by petition to the municipal governing body and a
1080 subsequent decision by that governing body to authorize dissolution.

1081 A petition to dissolve a CBD shall contain the signatures of the property owners who are
1082 required to pay more than 50 per cent of the assessments levied in the district; provided,
1083 however, that the amount of the assessment attributable to property owned by the same property
1084 owner that is in excess of 20 per cent of the amount of all assessments proposed shall not be
1085 included in the calculation.

1086 The municipal governing body shall hold a public hearing not more than 30 days after its
1087 receipt of a petition on the issue of dissolution.

1088 Following the public hearing, the municipal governing body may declare the CBD
1089 dissolved; provided, however, that no CBD shall be dissolved until it has satisfied or paid in full
1090 all of its outstanding indebtedness, obligations and liabilities; until funds are on deposit and
1091 available therefore; or until a repayment schedule has been formulated and municipally approved
1092 therefor. Upon dissolution, the CBD shall not incur any new or increased financial obligations.

1093 Any liabilities, either current or future, incurred as a result of action to accomplish the
1094 purposes of the management plan shall not be an obligation of the municipality. Liabilities shall
1095 be paid for entirely from revenue gained from the project or facilities authorized, or from the fees
1096 on the properties in the CBD.

1097 Upon the dissolution of a CBD, any remaining revenues derived from the sale of assets
1098 acquired with fees collected shall be refunded to the property owners in the CBD by applying the
1099 same formula used to calculate the fee in the fiscal year in which the CBD is dissolved.

1100 Nothing in this section shall prevent the filing of a subsequent petition for a similar
1101 community benefit district.

1102 Section 11. A CBD may include noncontiguous geographic areas within the municipality.
1103 If the petition proposes such a district, each noncontiguous area shall separately qualify by
1104 meeting the signature threshold in section 3. Once the clerk has determined that the
1105 establishment criteria have been met, the municipality shall consider whether the CBD as a
1106 whole should be approved. A petition to reduce or dissolve a CBD with noncontiguous areas
1107 shall be signed by property owners representing at least 50 per cent of the assessed value in the
1108 CBD as a whole. A petition to expand such a CBD shall be signed by property owners

1109 representing 50 per cent of the assessed value in the expanded area only. A CBD that includes
1110 noncontiguous areas may set services, programs and fees to take into account the differing
1111 circumstances of each area.

1112 Section 12. A CBD may be located in more than 1 municipality if the petition in each
1113 municipality separately complies with this chapter. Petitioners shall state in each petition
1114 whether they will proceed with establishment if the other municipality or municipalities involved
1115 do not approve the proposed CBD. A petition to reduce a CBD located in more than 1
1116 municipality shall be signed by property owners with 50 per cent of the assessed valuation in that
1117 municipality's portion of the district. A petition to expand such a CBD shall be signed by
1118 property owners representing 50 per cent of the assessed value in the expanded area only. A
1119 petition to dissolve the entire CBD located in more than 1 municipality shall be signed by
1120 property owners representing 50 per cent of the assessed valuation in each municipality. A CBD
1121 located in more than 1 municipality may set services, programs and fees to take into account the
1122 differing circumstances of each area.

1123 SECTION 40. Section 1 of chapter 40V of the General Laws, as appearing in the 2014
1124 Official Edition, is hereby amended by striking out the definition of "Certified housing
1125 development project", and inserting in place thereof the following definition:-

1126 "Certified housing development project", the new construction or substantial
1127 rehabilitation of a housing development project that has been approved by the department for
1128 participation in the housing development incentive program.

1129 SECTION 41. Said section 1 of said chapter 40V, as so appearing, is hereby further
1130 amended by striking out the definitions of “Market rate residential unit” and “Qualified
1131 substantial rehabilitation expenditure” and inserting in place thereof following 2 definitions:-

1132 “Market rate residential unit”, a residential unit priced consistently with prevailing rents
1133 or sale prices in the municipality as determined based on criteria established by the department.

1134 “Qualified project expenditure”, an expenditure directly related to the construction or
1135 substantial rehabilitation of a certified housing development project, including the cost of site
1136 assessment and remediation of hazardous materials, but excluding the purchase of the property,
1137 provided, however, that: (i) the department has certified that the proposed project meets the
1138 definition of certified housing development project; (ii) prior to construction, the department has
1139 certified that all or a portion of the project costs are for new construction or substantial
1140 rehabilitation; and (iii) after the construction of the project has been completed, the department
1141 has certified that the project has been completed in compliance with this chapter and the
1142 requirements and conditions of any prior certifications.

1143 SECTION 42. Said section 1 of said chapter 40V, as so appearing, is hereby further
1144 amended by inserting after the word “property,”, in line 34, the following words:- including site
1145 assessment and remediation of hazardous materials, but.

1146 SECTION 43. Section 4 of said chapter 40V, as so appearing, is hereby amended by
1147 striking out, in line 12, the words “is a” and inserting in place thereof the following words:-
1148 involves either new construction or the.

1149 SECTION 44. Said section 4 of said chapter 40V, as so appearing, is hereby further
1150 amended by striking out, in line 13, the word “approve” and inserting in place thereof the
1151 following word:- certify.

1152 SECTION 45. Said section 4 of said chapter 40V, as so appearing, is hereby further
1153 amended by striking out, in line 35, the words “HDIP zone” and inserting in place thereof the
1154 following words:- HD zone.

1155 SECTION 46. Said section 4 of said chapter 40V, as so appearing, is hereby further
1156 amended by inserting after the word “certified”, in lines 44, 56, 57 and 83, in each instance, the
1157 following words:- housing development.

1158 SECTION 47. The introductory paragraph of section 5 of said chapter 40V, as so
1159 appearing, is hereby amended by striking out the first sentence and inserting in place thereof the
1160 following sentence:- The department may award tax credits available under subsection (q) of
1161 section 6 of chapter 62 or section 38BB of chapter 63 of not more than 25 per cent of the cost of
1162 qualified project expenditures allocable to the market rate units in a project, as determined by the
1163 department, to a sponsor of a certified housing development project.

1164 SECTION 48. Said section 5 of said chapter 40V, as so appearing, is hereby further
1165 amended by striking out, in lines 9, 13 and 15, the word “project” and inserting in place thereof,
1166 in each instance, the following words:- certified housing development project.

1167 SECTION 49. Section 3 of chapter 62 of the General Laws is hereby amended by striking
1168 out, in lines 114 and 115, as so appearing, the words “established by section three B of chapter

1169 twenty-three A” and inserting in place thereof the following words:- pursuant to section 3G of
1170 chapter 23A.

1171 SECTION 50. Subparagraph (11) of paragraph (a) of part B of said section 3 of said
1172 chapter 62, as so appearing, is hereby amended by adding the following sentence:- An individual
1173 who is a nonresident for all or part of the taxable year shall not be eligible to claim this
1174 deduction.

1175 SECTION 51. Paragraph (a) of part B of said section 3 of said chapter 62, as recently
1176 amended by section 12 of chapter 10 of the acts of 2015, is hereby further amended by adding
1177 the following subparagraph:-

1178 (19) An amount equal to the amount expended in the taxable year for the purchase of an
1179 interest in, or the amount contributed in the taxable year to an account in, a prepaid tuition
1180 program or college savings program established by the commonwealth or an instrumentality or
1181 authority of the commonwealth; provided, however, that in the case of a single person or a
1182 married person filing a separate return or as head of household, the total amount deducted in the
1183 taxable year shall not exceed \$1,000; and provided further, that in the case of a married couple
1184 filing a joint return, the total amount deducted in the taxable year shall not exceed \$2,000.

1185 Notwithstanding a statute of limitations on the assessment of an income tax under this
1186 chapter, a deduction taken under this subparagraph shall be subject to recapture in the taxable
1187 years in which a distribution or a refund is made for a reason other than: (i) to pay qualified
1188 higher education expenses as defined in 26 U.S.C. 529(e)(3); or (ii) the beneficiary's death,
1189 disability or receipt of a scholarship. For the purposes of this subparagraph, “purchaser” or

1190 “contributor” shall mean the person shown as the purchaser or contributor on the records of the
1191 qualifying prepaid tuition or college savings program as of December 31 of the taxable year. In
1192 the case of a transfer of ownership of a prepaid tuition contract or savings trust account, the
1193 transferee shall succeed to the transferor's tax attributes associated with the prepaid tuition
1194 contract or savings trust account including, but not limited to, carryover and recapture of a
1195 deduction.

1196 Annually, not later than October 15, the commissioner shall submit a report to the
1197 secretary of administration and finance, the chairs of the senate and house committees on ways
1198 and means and the senate and house chairs of the joint committee on revenue that provides the
1199 following information: (i) the number of prepaid tuition contracts or savings trust accounts
1200 entered into or opened by residents of the commonwealth during the prior year; (ii) the amount
1201 of the allowable deductions claimed under this subparagraph during the prior year; and (iii) the
1202 adjusted gross income of each taxpayer qualifying for the deduction allowed under this
1203 subparagraph.

1204 SECTION 52. Section 6 of said chapter 62 is hereby amended by striking out subsection
1205 (g), as appearing in the 2014 Official Edition, and inserting in place thereof the following
1206 subsection:-

1207 (g) (1) As used in this subsection, “certified project”, “controlling business”,
1208 “EACC”, “EDIP contract” and “proposed project” shall have the same meanings as ascribed to
1209 them in section 3A of chapter 23A.

1210 (2) A credit shall be allowed against the tax liability imposed by this chapter on
1211 the owner or lessee of a certified project, to the extent the credit is authorized by the EACC, up
1212 to an amount equal to 50 per cent of the liability in a taxable year; provided, however, that the 50
1213 per cent limitation shall not apply where the credit is refundable under paragraph (6). The
1214 amount of the credit shall be determined by the EACC under section 3D of chapter 23A and
1215 other criteria or guidance that the council shall from time to time adopt; provided further, that a
1216 credit awarded in connection with a certified project that will retain permanent full-time
1217 employees in a gateway municipality without creating a net increase in permanent full-time
1218 employees shall not exceed \$5,000 per retained employee. A credit allowed under this section
1219 shall be taken only after the taxpayer executes an EDIP contract under said section 3D of said
1220 chapter 23A.

1221 (3) The total amount of credits that may be authorized by the EACC in a calendar
1222 year pursuant to this section and section 38N of chapter 63 shall not exceed \$30,000,000
1223 annually; provided, however, that the total amount shall not include credits granted pursuant to
1224 subsection (q) of section of 6 of this chapter and section 38BB of said chapter 63; and provided
1225 further, that the total amount shall include: (i) refundable credits granted during the year pursuant
1226 to this section or said section 38N of said chapter 63; (ii) nonrefundable credits granted during
1227 the year pursuant to this section or said section 38N of said chapter 63 to the extent that such
1228 nonrefundable credits are estimated by the commissioner to offset tax liabilities during the year;
1229 and (iii) carryforwards of credits from prior years under this section or said section 38N of said
1230 chapter 63 to the extent that the credit carryforwards, if any, are estimated by the commissioner
1231 to offset tax liabilities during the year. A portion of the annual cap not awarded by the EACC in
1232 a calendar year shall not be applied to an award in a subsequent year. The EACC shall provide

1233 the commissioner with the documentation that the commissioner deems necessary to confirm
1234 compliance with the annual cap and the commissioner shall provide a report confirming
1235 compliance to the secretary of administration and finance and the secretary of housing and
1236 economic development.

1237 (4) A taxpayer entitled to a credit under this subsection for a taxable year may, to
1238 the extent authorized by the EACC, carry over and apply to the tax liability imposed by this
1239 chapter for any of the next succeeding 10 taxable years the portion, as reduced from year to year,
1240 of those credits that exceed the tax liability imposed by this chapter for the taxable year;
1241 provided, however, that the taxpayer shall not apply the credit to the tax liability imposed by this
1242 chapter for a taxable year beginning more than 5 years after the certified project ceases to qualify
1243 as a certified project under chapter 23A; and provided further, that notwithstanding the
1244 foregoing, the EACC may limit or restrict the carryover of credits under section 3D of said
1245 chapter 23A.

1246 (5) For the purposes of this subsection, the commissioner may aggregate the
1247 activities of entities, whether or not incorporated, under common control as established in 26
1248 U.S.C. 41(f).

1249 (6) The commissioner shall promulgate the rules and regulations necessary to
1250 implement this subsection including, but not limited to, provisions to prevent the generation of
1251 multiple credits with respect to the same property.

1252 (7) If a credit allowed under paragraph (2) is designated by the EACC as a
1253 refundable credit, the credit shall first be applied against the tax liability of the taxpayer imposed

1254 by this chapter and 100 per cent of the balance of the credit may, at the option of the taxpayer
1255 and to the extent authorized by the EACC, be refundable to the taxpayer. In each case, the EACC
1256 shall specify the timing of the refund which may be for the taxable year in which all or a portion
1257 of the certified project is placed in service or the taxable year subsequent to the year in which the
1258 required jobs are created. If the credit balance is refunded to the taxpayer, the credit carryover
1259 provisions of paragraph (4) shall not apply.

1260 (8) If the EACC revokes the certification of a project under section 3F of chapter
1261 23A, a portion of the tax credit otherwise allowed by this section and claimed by the taxpayer
1262 prior to the date on which EACC makes the determination to revoke its certification of the
1263 project shall be added back as additional tax due and shall be reported as such on the return of
1264 the taxpayer for the taxable period in which the EACC makes the determination to revoke the
1265 certification of the project. The amount of credits subject to recapture shall be proportionate to
1266 the taxpayer's compliance with the job creation requirements applicable to the certified project.
1267 The taxpayer's proportion of compliance shall be determined by the EACC as part of its
1268 revocation process and shall be reported to the taxpayer and the department of revenue at the
1269 time that certification is revoked.

1270 (9) If a certified project is sold or otherwise disposed of, a tax credit allowed
1271 under this subsection may be transferred to the purchaser of the certified project; provided,
1272 however, that the EDIP contract shall be assigned to and assumed by the purchaser of the
1273 certified project and the assignment and assumption shall be approved in writing by the EACC.

1274 (10) Nothing in this subsection shall limit the authority of the commissioner to
1275 make an adjustment to a taxpayer's liability upon audit.

1276 SECTION 53. Section 6 of said chapter 62 is hereby amended by striking out subsection
1277 (h), as most recently amended by section 1 of chapter 52 of the acts of 2015, and inserting in
1278 place thereof the following subsection:-

1279 (h) A taxpayer shall be allowed a credit against the taxes imposed by this chapter if the
1280 taxpayer qualified for and claimed the earned income credit allowed under section 32 of the
1281 Code, as amended and in effect for that tax year. With respect to a person who is a nonresident
1282 for part of the taxable year, the credit shall be limited to 28 per cent of the federal credit
1283 multiplied by a fraction, the numerator of which shall be the number of days in the tax year the
1284 person resided in the commonwealth and the denominator of which shall be the number of days
1285 in the taxable year. Persons who are nonresidents for the entire taxable year shall not be allowed
1286 the credit. The credit allowed by this subsection shall equal 28 per cent of the federal credit
1287 received by the taxpayer for the taxable year. If other credits allowed under this section are
1288 utilized by the taxpayer for the taxable year, the credit afforded by this subsection shall be
1289 applied last. If the amount of the credit allowed under this subsection exceeds the taxpayer's
1290 liability, the commissioner shall treat such excess as an overpayment and shall pay the taxpayer
1291 the amount of such excess, without interest.

1292 SECTION 54. Said section 6 of said chapter 62 is hereby further amended by striking
1293 out, in line 893, as so appearing, the word "ten" and inserting in place thereof the following
1294 figure:- 25.

1295 SECTION 55. Said section 6 of said chapter 62 is hereby further amended by striking
1296 out, in line 894, as so appearing, the words "substantial rehabilitation" and inserting in place
1297 thereof the following word:- project.

1298 SECTION 56. Said section 6 of said chapter 62 is hereby further amended by striking
1299 out, in line 905, and in lines 939 and 940, as so appearing, the word “rehabilitation” and inserting
1300 in place thereof, in each instance, the following word:- project.

1301 SECTION 57. Said section 6 of said chapter 62 is hereby further amended by striking
1302 out, in lines 923 and 935, as so appearing, the figure “5” and inserting in place thereof, in each
1303 instance, the figure:- 10.

1304 SECTION 58. Section 6M of said chapter 62, as appearing in section 29 of chapter 238 of
1305 the acts of 2012, is hereby amended by striking out, in line 89, the words “as defined in section
1306 3A” and inserting in place thereof the following words:- designated under section 3G.

1307 SECTION 59. Chapter 63 of the General Laws is hereby amended by striking out section
1308 38N, as appearing in the 2014 Official Edition, and inserting in place thereof the following
1309 section:-

1310 Section 38N. (a)(l) As used in this section, “Certified project”, “EACC”, “EDIP
1311 contract” and “Gateway municipality” shall have the same meanings as ascribed to them in
1312 section 3A of chapter 23A.

1313 (b) A corporation subject to tax under this chapter that is the controlling business of a
1314 certified project, or an affiliate of a controlling business, may take a credit against the excise
1315 imposed by this chapter to the extent that the credit is authorized by the EACC, up to an amount
1316 equal to 50 per cent of the liability in a taxable year; provided, however, that the 50 per cent
1317 limitation shall not apply where the credit is refundable under subsection (d). The amount of the
1318 credit shall be determined by EACC under section 3D of said chapter 23A and other criteria or

1319 guidelines that the council shall from time to time adopt; provided, however, that a credit
1320 awarded in connection with a certified project that will retain permanent full-time employees in a
1321 gateway municipality without creating a net increase in permanent full-time employees shall not
1322 exceed \$5,000 per retained employee. A credit allowed under this section shall be taken only
1323 after the corporation executes an EDIP contract under said section 3D of said chapter 23A.

1324 (c) The total amount of credits that may be authorized by the EACC in a calendar year
1325 pursuant to this section and subsection (g) of section 6 of chapter 62 shall not exceed
1326 \$30,000,000 annually; provided, however, that the total amount shall not include credits under
1327 section 38BB of this chapter or subsection (q) of said section 6 of said chapter 62; and provided
1328 further, that the total amount shall include: (i) refundable credits granted during the year under
1329 this section or said subsection (g) or said section (6) of said chapter 62; (ii) nonrefundable credits
1330 granted during the year under this section or said subsection (g) or said section (6) of said
1331 chapter 62 to the extent that such nonrefundable credits are estimated by the commissioner of
1332 revenue to offset tax liabilities during the year; and (iii) carryforwards of credits from prior years
1333 under this section or said subsection (g) of said section 6 of said chapter 62 to the extent that
1334 such credit carryforwards, if any, are estimated by the commissioner of revenue to offset tax
1335 liabilities during the year. A portion of the annual cap not awarded by the EACC in a calendar
1336 year shall not be applied to awards in a subsequent year.

1337 The economic assistance coordinating council shall provide the commissioner of revenue
1338 with the documentation that the commissioner deems necessary to confirm compliance with the
1339 annual cap and the commissioner shall provide a report confirming compliance to the secretary
1340 of administration and finance and the secretary of housing and economic development.

1341 The credit allowed under this section may be taken by an eligible corporation; provided,
1342 however, that the credit allowed by section 31A or 31H shall not be taken by such a corporation.

1343 (d) A corporation entitled to a credit under this section for a taxable year may, to the
1344 extent authorized by the EACC, carry over and apply to the tax liability imposed by this chapter
1345 for any of the next succeeding 10 taxable years the portion, as reduced from year to year, of
1346 those credits that exceed the tax liability imposed by this chapter for the taxable year; provided,
1347 however, that the corporation shall not apply the credit to the tax liability imposed by this
1348 chapter for a taxable year beginning more than 5 years after the certified project ceases to qualify
1349 as a certified project under chapter 23A; and provided further, that notwithstanding the
1350 foregoing, the economic assistance coordinating council may limit or restrict carryover of credits
1351 under section 3D of said chapter 23A.

1352 (e) If a credit allowed under subsection (b) is designated by the EACC as a refundable
1353 credit, the credit shall first be applied against the tax liability of the corporation under this
1354 chapter and 100 per cent of the balance of the credit may, at the option of the corporation and to
1355 the extent authorized by the EACC, be refundable to the corporation. In each case, the EACC
1356 shall specify the timing of the refund which may be for the taxable year in which all or a portion
1357 of the certified project is placed in service or the taxable year subsequent to the year in which the
1358 required jobs are created. If the credit balance is refunded to the corporation, the credit carryover
1359 provisions of subsection (d) shall not apply.

1360 (f) If a corporation is subject to a minimum excise under this chapter, the amount of the
1361 credit allowed by this section shall not reduce the excise to an amount less than the minimum
1362 excise.

1363 (g) If corporations file a combined return of income under section 32B, a credit generated
1364 by an individual member corporation under this section shall first be applied against the
1365 separately determined excise attributable to that member except as otherwise provided in this
1366 section. A member corporation with an excess credit may apply its excess credit against the
1367 excise of another group member to the extent that the other member corporation can use
1368 additional credits. An unused, unexpired credit generated by a member corporation shall be
1369 carried over from year to year by the individual corporation that generated the credit to the extent
1370 authorized by the EACC.

1371 (h) The commissioner of revenue may promulgate rules and regulations necessary to
1372 implement this section including, but not limited to, provisions to prevent the generation of
1373 multiple credits with respect to the same property.

1374 (i) If the EACC revokes the certification of a project under section 3F of chapter 23A, a
1375 portion of the tax credit otherwise allowed by this section and claimed by the corporation prior to
1376 the date on which the EACC makes the determination to revoke its certification of the project
1377 shall be added back as additional tax due and shall be reported as such on the return of the
1378 corporation for the taxable period in which the EACC makes the determination to revoke the
1379 certification of the project. The amount of credits subject to recapture shall be proportionate to
1380 the corporation's compliance with the job creation requirements applicable to the certified
1381 project. The corporation's proportion of compliance shall be determined by the EACC as part of
1382 its revocation process and shall be reported to the corporation and the department of revenue at
1383 the time certification is revoked.

1384 (j) If a certified project is sold or otherwise disposed of, a tax credit allowed under this
1385 section may be transferred to the purchaser of the certified project; provided, however, that the
1386 EDIP contract shall be assigned to and assumed by the purchaser of the certified project and the
1387 assignment and assumption shall be approved in writing by the EACC.

1388 (k) Nothing in this section shall limit the authority of the commissioner of revenue to
1389 make an adjustment to a corporation's liability upon audit.

1390 SECTION 60. Section 38O of said chapter 63, as so appearing, is hereby amended by
1391 striking out, in lines 4 and 5, the words “as defined by section 3A,” and inserting in place thereof
1392 the following words:- designated under section 3G.

1393 SECTION 61. Section 38R of said chapter 63, as so appearing, is hereby amended by
1394 inserting after the word “criteria”, in line 45, the following words:- ; provided, however, that the
1395 Massachusetts historical commission shall ensure the award of tax credits pursuant to this section
1396 to allow a taxpayer that acquires a qualified historic structure to receive a tax credit for qualified
1397 rehabilitation expenditures previously awarded to the transferor of the qualified historic structure
1398 if: (A) the rehabilitation was not placed in service by the transferor; (B) a credit has not been
1399 claimed by anyone other than the acquiring taxpayer as verified by the department of revenue to
1400 the commission; (C) the taxpayer completes the rehabilitation and obtains certification under this
1401 section; and (D) the taxpayer conforms with the other requirements of this section; and provided
1402 further, that in the case of a multi-phase project, a tax credit may be transferred for any phase
1403 that meets the criteria in subclauses (A) to (D), inclusive.

1404 SECTION 62. Section 38BB of said chapter 63, as so appearing, is hereby amended by
1405 striking out, in line 5, the figure “10” and inserting in place thereof the following figure:- 25.

1406 SECTION 63. Said section 38BB of said chapter 63, as so appearing, is hereby further
1407 amended by striking out, in line 6, the words “substantial rehabilitation” and inserting in place
1408 thereof the following word:- project.

1409 SECTION 64. Said section 38BB of said chapter 63, as so appearing, is hereby further
1410 amended by striking out, in line 17, and in lines 38 and 39, the word “rehabilitation” and
1411 inserting in place thereof, in each instance, the following word:- project.

1412 SECTION 65. Said section 38BB of said chapter 63, as so appearing, is hereby further
1413 amended by striking out, in lines 23 and 34, the figure “5” and inserting in place thereof, in each
1414 instance, the following figure:- 10.

1415 SECTION 66. Section 38EE of said chapter 63, as so appearing, is hereby amended by
1416 striking out, in line 76, the words “as defined in section 3A” and inserting in place thereof the
1417 following words:- designated under section 3G.

1418 SECTION 67. Chapter 64G of the General Laws is hereby amended by striking out
1419 sections 1 to 12, inclusive, as so appearing, and inserting in place thereof the following 12
1420 sections:-

1421 Section 1. As used in this chapter, the following words shall have the following meanings
1422 unless the context clearly requires otherwise:

1423 “Bed and breakfast establishment”, a house where 1 or more rooms are let and a breakfast
1424 is included in the rent.

1425 “Commissioner”, the commissioner of revenue.

1426 “Hosting platform”, a person who provides a service through any website, software,
1427 online-enabled application, mobile phone application or some other similar process which
1428 provides a means for: (i) an operator to advertise, list or offer the use of any accommodation
1429 subject to the excise under this chapter in exchange for rent; (ii) an operator to collect the
1430 payment of rent on any accommodation; and (iii) a person to arrange, book, reserve or rent a
1431 transient accommodation.

1432 “Hotel”, a building used for the feeding and lodging of guests licensed or required to be
1433 licensed under section 6 of chapter 140.

1434 “Lodging house”, a house where lodgings are let to 4 or more persons not within the
1435 second degree of kindred to the person conducting it, licensed or required to be licensed under
1436 section 23 of chapter 140.

1437 “Motel”, a building or portion of a building, other than a hotel or lodging house, in which
1438 persons are lodged for hire with or without meals and which is licensed or required to be licensed
1439 under section 32B of chapter 140 or is a private club.

1440 “Occupancy”, the use or possession or the right to the use or possession of any room in a
1441 bed and breakfast establishment, hotel, lodging house, transient accommodation or motel
1442 designed and normally used for sleeping and living purposes or the right to the use or possession

1443 of the furnishings or the services and accommodations, including breakfast in a bed and
1444 breakfast establishment, accompanying the use and possession of such room for a period of not
1445 more than 31 consecutive calendar days, regardless of whether such use and possession is as a
1446 lessee, tenant, guest or licensee.

1447 “Occupant”, a person who, for rent, uses, possesses or has a right to use or possess a
1448 room in a bed and breakfast establishment, hotel, lodging house, transient accommodation or
1449 motel under a lease, concession, permit, right of access, license or agreement.

1450 “Operator”, a person operating a bed and breakfast establishment, hotel, lodging house,
1451 transient accommodation or motel including, but not limited to, the owner or proprietor of such
1452 premises, the lessee, sublessee, mortgagee in possession, licensee or any other person otherwise
1453 operating such bed and breakfast establishment, hotel, lodging house, transient accommodation
1454 or motel.

1455 “Operator’s agent”, a person, including, but not limited to, a property manager, property
1456 management company or real estate agent who is not a hosting platform and on behalf of an
1457 operator of a bed and breakfast establishment, lodging house or transient accommodation: (i)
1458 manages the operation or upkeep of a property offered for rent; or (ii) books reservations at a
1459 property offered for rent.

1460 “Person”, includes an individual, partnership, trust or association, with or without
1461 transferable shares, joint-stock company, corporation, society, club, organization, institution,
1462 estate, receiver, trustee, assignee or referee and any other person acting in a fiduciary or

1463 representative capacity, whether appointed by a court or otherwise or any combination of
1464 individuals acting as a unit.

1465 “Rent”, the consideration received for occupancy valued in money, whether received in
1466 money or otherwise, including all receipts, cash, credits and property or services of any kind or
1467 nature and also any amount for which credit is allowed by the operator to the occupant without
1468 any deduction from the consideration.

1469 “Transient accommodation” a vacation, leisure or short-term rental accommodation
1470 offering occupancy in exchange for rent including, but not limited to an apartment, single or
1471 multiple family housing, cottage, condominium, time-share unit or any furnished residential
1472 accommodation within any area zoned for residential or commercial use that is not a hotel,
1473 motel, lodging house or bed and breakfast establishment.

1474 Section 2. This chapter shall not be construed to include: (i) lodging accommodations at
1475 federal, state or municipal institutions, except as provided for in clause (ii); (ii) lodging
1476 accommodations, including dormitories, at religious, charitable, philanthropic and public and
1477 private educational institutions; provided, however, that this exemption shall not apply to
1478 accommodations provided in a manner ancillary to the achievement of the religious, charitable,
1479 philanthropic or educational purposes of such institutions; and provided further, that lodging
1480 accommodations provided by a public or private college or university that are not student
1481 dormitories or faculty housing and that are available to the general public shall be considered
1482 ancillary to the educational purpose of such educational institutions; (iii) privately owned and
1483 operated convalescent homes for the aged, infirm, indigent or chronically ill; (iv) religious or
1484 charitable homes for the aged, infirm, indigent or chronically ill; (v) summer camps for children

1485 not more than 18 years of age or individuals with developmental disabilities; provided, however,
1486 that such summer camp which offers its facilities off-season to individuals not less than 60 years
1487 of age for a period not to exceed 31 days in any calendar year shall not lose its exemption under
1488 this section; (vi) lodging accommodations provided to seasonal employees by employers; and
1489 (vii) tenancies at will or month to month leases.

1490 For the purposes of this section, an individual with a developmental disability shall mean
1491 an individual who has a severe chronic disability which: (A) is attributable to a mental or
1492 physical impairment or combination of mental and physical impairments; (B) is likely to
1493 continue indefinitely; (C) results in substantial functional limitations in 3 or more of the
1494 following areas of major life activity: (1) self-care; (2) receptive and expressive language; (3)
1495 learning; (4) mobility; (5) self-direction; (6) capacity for independent living; and (7) economic
1496 self-sufficiency; and (D) reflects the individual's need for a combination and sequence of special,
1497 interdisciplinary or generic care, treatment or other services which are of lifelong or extended
1498 duration and are individually planned and coordinated.

1499 Section 3. An excise shall be imposed upon the transfer of occupancy of a room in a bed
1500 and breakfast establishment, hotel, lodging house, transient accommodation or motel by an
1501 operator at the rate of 5 per cent of the total amount of rent for each such occupancy. An excise
1502 shall not be imposed if the total amount of rent is less than \$15 per day or its equivalent.

1503 The operator shall pay the excise to the commissioner at the time provided for filing the
1504 return required by section 16 of chapter 62C.

1505 Section 4. A city or town which accepts this section may impose a local excise tax upon
1506 the transfer of occupancy of any room in a bed and breakfast establishment, hotel, lodging house,
1507 transient accommodation or motel located within that city or town by an operator at a rate of not
1508 more than 6 per cent of the total amount of rent for each such occupancy; provided, however,
1509 that the city of Boston is hereby authorized to impose such local excise upon the transfer of
1510 occupancy of a room in a bed and breakfast establishment, hotel, lodging house, transient
1511 accommodation or motel located within the city of Boston by an operator at the rate of not more
1512 than 6.5 per cent of the total amount of rent of each such occupancy. No excise shall be imposed
1513 if the total amount of rent is less than \$15 per day or its equivalent or if the accommodation is
1514 exempt under section 2. The operator shall pay the local excise tax imposed under this section to
1515 the commissioner at the same time and in the same manner as the excise tax due to the
1516 commonwealth. All sums received by the commissioner under this section as excise, penalties or
1517 forfeitures, interest, costs of suit and fines shall at least quarterly be distributed, credited and paid
1518 by the state treasurer upon certification of the commissioner to each city or town that has adopted
1519 this section in proportion to the amount of such sums received from the transfer of occupancy in
1520 each such city or town. This section shall only take effect in a city or town accepting this section
1521 by a majority vote of the: city council with the approval of the mayor, in the case of a city with a
1522 Plan A, Plan B or Plan F charter; city council, in the case of a city with a Plan C, Plan D or Plan
1523 E charter; annual town meeting or a special meeting called for that purpose in the case of a
1524 municipality with a town meeting form of government; or town council, in the case of a
1525 municipality with a town council form of government. This section shall take effect on the first
1526 day of the calendar quarter following 30 days after such acceptance or on the first day of such
1527 later calendar quarter as the city or town may designate. The city or town, in accepting this

1528 section, may not revoke or otherwise amend the applicable local tax rate more often than once in
1529 a 12-month period.

1530 The commissioner shall make available to a city or town requesting such information, the
1531 total amount of room occupancy tax collected in the preceding fiscal year in the city or town
1532 requesting the information.

1533 Section 5. Reimbursement for the excise under this chapter shall be paid by the occupant
1534 of such a room to the operator and each operator shall add to the rent and shall collect from the
1535 occupant the full amount of the excise imposed by this chapter or an amount equal as nearly as
1536 possible or practical to the average equivalent thereof. Such excise shall be a debt from the
1537 occupant to the operator, when so added to the rent, and shall be recoverable at law in the same
1538 manner as other debts.

1539 Section 6. The commissioner may enter into a voluntary collection agreement with a
1540 hosting platform or an operator's agent required to remit the excise under section 17, who is
1541 willing to assume liability for the collection and remittance of the excise imposed under this
1542 chapter on behalf of the operators that hosting platform or operator's agent represents. The
1543 hosting platform or operator's agent shall not be liable for any faults in collecting or remitting
1544 the excise caused by the hosting platform's or operator's agent's reasonable reliance on
1545 representations made to it by the operator about the nature of the property being rented, the
1546 duration of the occupancy or other similar misrepresentations made by the operator to the hosting
1547 platform or operator's agent. The operator shall be liable for any unpaid excise resulting from
1548 any such misrepresentations. A hosting platform or operator's agent shall not be liable for any
1549 over collection of the excise if the excise collected was remitted to the commissioner and if the

1550 over collection resulted from the hosting platform's or operator's agent's reasonable reliance on
1551 the operator's representations about the nature of the property being rented, about the nature of
1552 the occupancy or whether such property was exempt from the excise. The operator shall be liable
1553 for any monetary damages to the occupant resulting from any such misrepresentations.

1554 Section 10. The amount of the excise collected by the operator from the occupant under
1555 this chapter shall be stated and charged separately from the rent and shown separately on any
1556 record thereof at the time the transfer of occupancy is made or on any evidence of such transfer
1557 issued or used by the operator.

1558 Section 12. A person shall not operate a bed and breakfast establishment, hotel, lodging
1559 house, transient accommodation or motel unless a certificate of registration has been issued to
1560 the person in accordance with section 67 of chapter 62C.

1561 Section 13. An operator who has paid the commissioner an excise under section 3 upon
1562 an account later determined to be worthless shall be entitled to an abatement of the excise paid
1563 on the worthless account. The claim for abatement shall annually be filed not later than April 15,
1564 covering the amount of the excise on the accounts determined to be worthless in the prior
1565 calendar year.

1566 An operator who shall recover an excise on an account previously determined to be
1567 worthless, for which an application for abatement has been filed, shall report and include the
1568 same in a monthly return at the time of recovery.

1569 Section 14. Every operator who fails to pay to the commissioner the sums required to be
1570 paid by this chapter shall be personally and individually liable. The term "operator", as used in

1571 this section, includes an officer or employee of a corporation or a member or employee of a
1572 partnership or a limited liability company who as such officer, employee or member is under a
1573 duty to pay over the taxes imposed by this chapter.

1574 An operator who misrepresents to a hosting platform or operator's agent required to remit
1575 the excise under section 17, that the operator's property is exempt from the excise imposed under
1576 section 3 shall be liable for any unpaid excise under this section and shall have committed an
1577 unfair trade practice under chapter 93A in making such a misrepresentation to the hosting
1578 platform or operator's agent.

1579 Section 15. No excise shall be imposed, pursuant to this chapter, upon the transfer of
1580 occupancy of a room in a hotel, lodging house, transient accommodation or motel if the occupant
1581 is an employee of the United States military traveling on official United States military orders
1582 which encompass the date of that occupancy. Each operator shall maintain records as the
1583 commissioner shall require to substantiate exemptions claimed under this section.

1584 Section 17. The operator may elect to allow a hosting platform or any operator's agent to
1585 collect rent or facilitate the collection or payment of rent on their behalf through a written
1586 agreement on an accommodation subject to the excise under this chapter. A hosting platform or
1587 operator's agent that enters into a written agreement with the operator to collect rent or facilitate
1588 the collection or payment of rent on behalf of the operator on an accommodation subject to the
1589 excise under this chapter shall: (i) apply for and obtain a certificate of registration from the
1590 commissioner in accordance with section 67 of chapter 62C on behalf of the operator; and (ii)
1591 assess, collect, report and remit the excise to the commissioner as described for operators in
1592 sections 3, 5, 7, 8 and 9. The certificate of registration obtained from the commissioner under

1593 this subsection shall identify and be in the name of the individual operator, not the hosting
1594 platform or operator's agent.

1595 A hosting platform or an operator's agent collecting and remitting the excise on behalf of
1596 the operator shall provide notification within a reasonable time to the operator that the excise has
1597 been collected and remitted to the commissioner under section 3. The notification may be
1598 delivered in-hand or by mail or conveyed by electronic message, mobile or smart phone
1599 application or some other similar electronic process, digital media or communication portal. An
1600 operator shall not be responsible for collecting and remitting the excise on any transaction for
1601 which it has received notification from a hosting platform or operator's agent that the excise has
1602 been collected and remitted to the commissioner on their behalf.

1603 The commissioner may promulgate rules and regulations for the assessing, reporting,
1604 collecting, remitting and enforcement of the room occupancy excise under this section.

1605 SECTION 68. Section 32G of chapter 90 of the General Laws is hereby amended by
1606 inserting after the word "person," in line 1, as so appearing, the following words:- no authority
1607 established under chapter 161B.

1608 SECTION 69. Said section 32G of said chapter 90 is hereby further amended by inserting
1609 after the word "No", in line 171, as so appearing, the following words:- authority established
1610 under chapter 161B and no.

1611 SECTION 70. Section 12 of chapter 138 of the General Laws, as so appearing, is hereby
1612 amended by striking out the second paragraph.

1613 SECTION 71. Section 15 of said chapter 138, as so appearing, is hereby amended by
1614 striking out, in lines 97 and 149, the words “or connected therewith” and inserting in place
1615 thereof, in each instance, the following words:- ; provided, however, that a common victualler
1616 duly licensed to operate a restaurant under chapter 140 and holding a license under section 12
1617 may be connected to premises licensed under this section if at least 50 per cent of the revenue
1618 generated at the premises licensed under this section is derived from the sale of grocery items as
1619 defined in section 184B of chapter 94; and provided further, that the connection between and the
1620 design of the 2 locations so licensed, including interior connections, which shall be allowed,
1621 shall clearly delineate the 2 premises in such a way as to: (i) make the boundaries of each
1622 licensed premises clearly separate and identifiable to customers, alcohol distributors and
1623 regulatory authorities; (ii) enable the respective licensees to maintain control of the licensed area,
1624 egress and the sale, storage and service of alcoholic beverages; and (iii) otherwise conform with
1625 this chapter.

1626 SECTION 72. Said section 15 of said chapter 138, as so appearing, is hereby further
1627 amended by striking out, in line 149, the words “or connected therewith” and inserting in place
1628 thereof the following words:- ; provided, however, that a common victualler duly licensed to
1629 operate a restaurant under chapter 140 and holding a license under section 12 may be connected
1630 to premises licensed under this section if at least 50 per cent of the revenue generated at the
1631 premises licensed under this section is derived from the sale of grocery items as defined in
1632 section 184B of chapter 94; and provided further, that the connection between and design of the
1633 2 locations so licensed, including interior connections, which shall be allowed, shall clearly
1634 delineate the 2 premises in such a way as to: (i) make the boundaries of each licensed premises
1635 clearly separate and identifiable to customers, alcohol distributors and regulatory authorities: (ii)

1636 enable the respective licensees to maintain control of the licensed area, egress and the sale,
1637 storage and service of alcoholic beverages; and (iii) otherwise conform with this chapter.

1638 SECTION 73. Chapter 138 of the General Laws is hereby amended by striking out
1639 section 15F, as so appearing, and inserting in place thereof the following section:-

1640 Section 15F. Notwithstanding any other provision of this chapter, in any city or town
1641 wherein the granting of licenses to sell wines and malt beverages is authorized under this
1642 chapter, the local licensing authority may issue to an applicant authorized to operate a farmer-
1643 winery under section 19B a special license for the sale of wine produced by or for the licensee or
1644 to an applicant authorized to operate a farmer-brewery under section 19C a special license for the
1645 sale of malt beverages produced by or for the licensee, notwithstanding any other provision of
1646 this chapter, in any city or town wherein the granting of licenses to sell all alcoholic beverages is
1647 authorized under this chapter, the local licensing authority may issue to an applicant authorized
1648 to operate a farmer-distillery under section 19E a special license for the sale of distilled spirits
1649 produced by or for the licensee, in sealed containers, for off-premises consumption at an indoor
1650 or outdoor agricultural event.

1651 All sales of alcoholic beverages under this section shall be conducted by the licensee or
1652 by an agent, representative or solicitor of the licensee to customers who are at least 21 years of
1653 age. A licensee under this section may provide, without charge, samples of its alcoholic
1654 beverages to prospective customers at an indoor or outdoor agricultural event. All samples shall
1655 be served by the licensee or by an agent, representative or solicitor of the licensee to individuals
1656 who are at least 21 years of age and all samples shall be consumed in the presence of such
1657 licensee or in the presence of an agent, representative or solicitor of the licensee; provided,

1658 however, that no sample of wine shall exceed 1 ounce, no sample of malt beverages shall exceed
1659 2 ounces and no sample of distilled spirits shall exceed 1/4 ounce; and provided further, that not
1660 more than 5 samples shall be served to an individual prospective customer. For the purposes of
1661 this section, “agricultural event” shall be limited to those events certified by the department of
1662 agricultural resources as set forth in this section.

1663 An applicant for a special license under this section shall first submit a plan to the
1664 department of agricultural resources that shall demonstrate that the event is an agricultural event.
1665 The plan shall include a description of the event, the date, time and location of the event, a copy
1666 of the operational guidelines or rules for the event, written proof that the prospective licensee has
1667 been approved as a vendor at the event, including the name and contact information of the on-
1668 site manager, and a plan depicting the premises and the specific location where the license shall
1669 be exercised.

1670 Upon review of the plan, the department may certify that the event is an agricultural
1671 event; provided, however, that in making that determination, the department shall consider: (i)
1672 operation as a farmers' market or agricultural fair approved or inspected by the department; (ii)
1673 frequency and regularity of the event, including dates, times and locations; (iii) number of
1674 vendors; (iv) terms of vendor agreements; (v) presence of an on-site manager; (vi) training of the
1675 on-site manager; (vii) operational guidelines or rules which shall include vendor eligibility and
1676 produce source; (viii) focus of the event on local agricultural products grown or produced within
1677 the market area; (ix) types of shows or exhibits, including those described in subsection (f) of
1678 section 2 of chapter 128; and (x) sponsorship or operation by an agricultural or horticultural
1679 society organized under the laws of the commonwealth or by a local grange organization or

1680 association which has a primary purpose of promoting agriculture and its allied industries. The
1681 department of agricultural resources may promulgate rules and regulations necessary for the
1682 operation, oversight, approval and inspection of agricultural events under this section.

1683 An applicant for a special license under this section shall file with the local licensing
1684 authority along with its application proof of certification from the department of agricultural
1685 resources that the event is an agricultural event. A special license under this section shall
1686 designate the specific premises and the dates and times covered. A special license may be
1687 granted for an indoor or outdoor agricultural event which takes place on multiple dates or times
1688 during a single calendar year but no special license shall be granted for an agricultural event that
1689 will not take place within 1 calendar year. The special license shall be conspicuously displayed at
1690 the licensed premises. A copy of a special license granted by the local licensing authority shall
1691 be submitted by the authority to the commission at least 7 days before the date the agricultural
1692 event is first scheduled to begin. The local licensing authority may charge a fee for each special
1693 license granted but such fee shall not exceed \$50. A special license granted under this section
1694 shall be nontransferable to any other person, corporation or organization and shall be clearly
1695 marked “nontransferable” on its face.

1696 The commission may promulgate rules and regulations as it deems appropriate to
1697 effectuate this section.

1698 A special license under this section may be granted by the local licensing authorities for a
1699 portion of premises that are licensed under section 12; provided, however, that: (i) the holder of
1700 the special license shall document the legal basis for use of the section 12 licensed premises; (ii)
1701 the area in which the special license is to be approved shall be physically delineated from the

1702 area remaining under the control of the section 12 license holder; (iii) the holder of the special
1703 license shall be solely liable for all activities that arise out of the special license; and (iv) the
1704 holder of the special license shall not pay any consideration, directly or indirectly, to the section
1705 12 licensee for the access to or use of the section 12 licensee's premises.

1706 SECTION 74. The introductory paragraph of section 17 of said chapter 138 is hereby
1707 amended by striking out the eleventh paragraph, as so appearing.

1708 SECTION 75. Said section 17 of said chapter 138 is hereby further amended by striking
1709 out, in line 316, as so appearing, the words “sections 12, 15” and inserting in place thereof the
1710 following figure:- section 15.

1711 SECTION 76. Said section 17 of said chapter 138 is hereby further amended by striking
1712 out, in line 319, as so appearing, the figure “12,”.

1713 SECTION 77. Section 19B of said chapter 138, as so appearing, is hereby amended by
1714 striking out, in lines 108 and 109, the words “section twelve of this chapter” and inserting in
1715 place thereof the following words:- this section.

1716 SECTION 78. Said section 19B of said chapter 138, as so appearing, is hereby further
1717 amended by striking out subsection (n) and inserting in place thereof the following subsection:-

1718 (n) Notwithstanding section 17, a local licensing authority, subject to the approval of the
1719 commission, may grant a license to sell wine for consumption on the premises of a location that
1720 it deems reasonable and proper, and approves in writing, on the grounds of a farmer–winery
1721 licensed under this section and on the grounds of the vineyards operated as appurtenant and

1722 contiguous to, and in conjunction with, the farmer-winery; provided, however, that a licensee
1723 may sell, for on-premises consumption only, wines produced by the winery or produced for the
1724 winery and sold under the winery brand name. Section 15A shall apply to the granting of a
1725 license under this subsection.

1726 SECTION 78A. Section 19C of said chapter 138, as so appearing, is hereby amended by
1727 striking subsection (n) and inserting in place thereof the following subsection:-

1728 (n) Notwithstanding section 17, a local licensing authority, subject to the approval of the
1729 commission, may grant a license to sell malt beverages for consumption on the premises at any
1730 location it deems reasonable and proper, and approves in writing, on the grounds of a
1731 farmer-brewery licensed under this section and on the grounds of the farm operated as
1732 appurtenant and contiguous to and in conjunction with such farmer-brewery; provided, however,
1733 that such licensees may sell for on-premises consumption only malt beverages produced by the
1734 brewery or produced for the brewery and sold under the brewery brand name. All the procedures
1735 under section 15A of this chapter shall apply to the granting of a license under this paragraph.

1736 SECTION 79. Section 19E of said chapter 138, as so appearing, is hereby amended by
1737 striking out subsection (o) and inserting in place thereof the following subsection:-

1738 (o) Notwithstanding section 17, a local licensing authority, subject to the approval of the
1739 commission, may grant a license to sell distilled spirits for consumption on the premises on the
1740 grounds of a farmer-distillery licensed under this section and on the grounds of the farm
1741 operated as appurtenant and contiguous to, and in conjunction with, such farmer-distillery at any
1742 such location it deems reasonable and proper and approves in writing; provided, however, that

1743 such licensees may sell for on-premises consumption only distilled spirits produced by the
1744 distillery or produced for the distillery and sold under the distillery brand name. All the
1745 procedures under section 15A of this chapter shall apply to the granting of a license under this
1746 subsection.

1747 SECTION 80. Said chapter 138 is hereby amended by inserting after section 19F the
1748 following section:-

1749 Section 19H. Notwithstanding section 17, a person that holds any combination of a
1750 farmer-winery license under section 19B, a farmer-brewery license under section 19C or a
1751 farmer-distillery license under section 19E, may be granted a license under this section to sell,
1752 for on-premises consumption, any alcoholic beverages produced by its said section 19B, 19C or
1753 19E license or produced for the said section 19B, 19C or 19E licensee and sold under the
1754 licensee's brand name, on any of its premises licensed under said section 19B, 19C or 19E;
1755 provided, however, that the premises are operated appurtenant and contiguous to each other.

1756 SECTION 81. Section 33 of said chapter 138, as appearing in the 2014 Official Edition,
1757 is hereby amended by striking out, in lines 14 and 15 and lines 17 to 19, inclusive, the words "or
1758 on the day following when Christmas occurs on a Sunday, or on the last Monday in May,".

1759 SECTION 82. Said section 33 of said chapter 138, as so appearing, is hereby further
1760 amendment by striking out, in line 23, the words "on the last Monday in May,".

1761 SECTION 83. Said section 33 of said chapter 138, as so appearing, is hereby further
1762 amended by striking out, in lines 24 and 25, the words "or on the day following when Christmas
1763 occurs on a Sunday".

1764 SECTION 84. Said section 33 of said chapter 138, as so appearing, is hereby further
1765 amendment by striking out, in line 26, the words “or on the last Monday in May”.

1766 SECTION 85. Said section 33 of said chapter 138, as so appearing, is hereby further
1767 amended by striking out, in lines 27 and 28, the words “or on the day following when Christmas
1768 occurs on a Sunday”.

1769 SECTION 86. Section 44A½ of chapter 149 of the General Laws, as appearing in the
1770 2014 Official addition, is hereby amended by adding the following subsection:-

1771 (d) Minority business enterprise and women business enterprise contracting goals and
1772 workforce participation goals on the totality of state-funded design and construction contracts
1773 shall be reflective of the diverse racial, ethnic and gender makeup of the commonwealth’s
1774 population.

1775 SECTION 87. Section 30 of chapter 151A of the General Laws, as appearing in the 2014
1776 Official Edition, is hereby amended by striking out, in line 43, the word “fifteenth” and inserting
1777 in place thereof the following word:- twentieth.

1778 SECTION 88. Said section 30 of said chapter 151A, as so appearing, is hereby further
1779 amended by striking out, in line 45, the words “15 week application period shall be tolled” and
1780 inserting in place thereof the following figure:- 20-week application period shall be tolled and
1781 the circumstances under which the application may be waived for good cause.

1782 SECTION 89. Said section 30 of said chapter 151A, as so appearing, is hereby further
1783 amended by inserting after the word “denied”, in line 55, the following words:- ; provided

1784 further, that the claimant shall not be barred from applying for or commencing training beyond
1785 the expiration of the claimant's benefit year where the claim for regular benefits was denied and
1786 the reversal of said denial did not occur until after the thirty-first week of the claimant's benefit
1787 year.

1788 SECTION 90. Said section 30 of said chapter 151A, as so appearing, is hereby further
1789 amended by striking out the last paragraph and inserting in place thereof the following
1790 paragraph:-

1791 The department shall provide each claimant with written information regarding eligibility
1792 for benefits under this section in the claimant's primary language as required under section 62A,
1793 including a notification that a claimant shall submit any application for benefits under this
1794 section not later than the twentieth week after a new or continued claim unless the period is
1795 tolled by regulation or waived for good cause.

1796 SECTION 91. Section 6 of chapter 161B of the General Laws, as so appearing, is hereby
1797 amended by adding the following clause:-

1798 (r) to apply for and receive a license to engage in the business of giving instruction for
1799 hire under section 32G of chapter 90 in the operation of a commercial motor vehicle as defined
1800 in section 1 of chapter 90F.

1801 SECTION 92. Chapter 166A of the General Laws is hereby amended by adding the
1802 following section:-

1803 Section 23. All cable television operators shall locate public, educational and
1804 governmental access channels on the high definition tier. Cable television operators shall provide
1805 public, educational and governmental access channel managers with access to the electronic
1806 program guide to ensure that residents can access information about local public, educational and
1807 governmental access channels.

1808 SECTION 93. Subsection (a) of section 162M of chapter 175 of the General Laws, as
1809 appearing in the 2014 Official Edition, is hereby amended by inserting after clause (7) the
1810 following clause:-

1811 (7 ½) Travel, limited line travel insurance, as defined in section 162Z.

1812 SECTION 94. Said chapter 175 is hereby further amended by inserting after section
1813 162Y the following section:-

1814 Section 162Z. (a) As used in this section, the following words shall have the following
1815 meanings unless the context clearly requires otherwise:

1816 “Designated responsible producer” or “DRP”, a person responsible for the limited lines
1817 travel insurance producer’s compliance with the travel insurance laws, rules and regulations.

1818 “Limited lines travel insurance producer”, a (i) managing general underwriter; (ii)
1819 managing general agent or third-party administrator; or (iii) licensed insurance producer,
1820 including a limited lines producer, designated by an insurer as the travel insurance supervising
1821 entity under subsection (g).

1822 “Offer and disseminate”, to provide general information, including a description of the
1823 coverage and price, as well as processing the application, collecting premiums and performing
1824 other permitted nonlicensable activities.

1825 “Travel insurance”, insurance coverage for personal risks incidental to planned travel
1826 including, but not limited to: (i) an interruption or cancellation of trip or event; (ii) loss of
1827 baggage or personal effects; (iii) damages to accommodations or rental vehicles; or (iv) sickness,
1828 accident, disability or death occurring during travel; provided, however, that “travel insurance”
1829 shall not include major medical plans, which provide comprehensive medical protection for
1830 travelers with trips lasting not less than 6 months, including people working overseas as an
1831 expatriate or military personnel being deployed.

1832 “Travel retailer”, a business entity that makes, arranges or offers travel services and may
1833 offer and disseminate travel insurance as a service to its customers on behalf of and under the
1834 direction of a limited lines travel insurance producer.

1835 (b) (1) The commissioner may issue to an individual or business entity a limited lines
1836 travel insurance producer license if that individual or business entity has filed an application for
1837 a limited lines travel insurance producer license with the commissioner in a form and manner
1838 prescribed by the commissioner. A limited lines travel insurance producer license authorizes a
1839 limited lines travel insurance producer to sell, solicit or negotiate travel insurance through a
1840 licensed insurer.

1841 (2) A travel retailer may offer and disseminate travel insurance under a limited
1842 lines travel insurance producer license if the following conditions are met:

1843 (i) the limited lines travel insurance producer or travel retailer provides to
1844 purchasers of travel insurance: (A) a description of the material terms or the actual material
1845 terms of the insurance coverage; (B) a description of the process for filing a claim; (C) a
1846 description of the review or cancellation process for the travel insurance policy; and (D) the
1847 identity and contact information of the insurer and limited lines travel insurance producer;

1848 (ii) at the time of licensure, the limited lines travel insurance producer
1849 shall establish and maintain a register, on a form prescribed by the commissioner, of each travel
1850 retailer that offers travel insurance on the limited lines travel insurance producer's behalf;
1851 provided, however, that the register shall be maintained and updated annually by the limited lines
1852 travel insurance producer and shall include the name, address and contact information of the
1853 travel retailer and an officer or person who directs or controls the travel retailer's operations and
1854 the travel retailer's federal tax identification number; provided further, that the limited lines
1855 travel insurance producer shall submit the register to the division of insurance upon reasonable
1856 request and shall certify that the travel retailer register complies with 18 U.S.C. 1033;

1857 (iii) the limited lines travel insurance producer has designated 1 of its
1858 employees, who is a licensed individual producer, as the DRP;

1859 (iv) the DRP, president, secretary, treasurer and any other officer or person
1860 who directs or controls the limited lines travel insurance producer's insurance operations shall
1861 comply with the fingerprinting requirements applicable to insurance producers in the resident
1862 state of the limited lines travel insurance producer;

1863 (v) the limited lines travel insurance producer has paid all applicable
1864 insurance producer licensing fees;

1865 (vi) the limited lines travel insurance producer requires each employee and
1866 authorized representative of the travel retailer, whose duties include offering and disseminating
1867 travel insurance, to receive a program of instruction or training, which may be subject to review
1868 by the commissioner; provided, however, that the training material shall, at a minimum, contain
1869 instructions on the types of insurance offered, ethical sales practices and required disclosures to
1870 prospective customers; and

1871 (vii) the limited lines travel insurance producer or travel retailer provides
1872 its written consumer materials to the commissioner upon reasonable request.

1873 (3) The limited lines travel insurance producer, and those registered under its
1874 license, are exempt from the examination requirements under section 162K and the continuing
1875 education requirements under section 177E.

1876 (c) Any travel retailer offering or disseminating travel insurance shall make available to
1877 prospective purchasers, brochures or other written materials that: (i) provide the identity and
1878 contact information of the insurer and the limited lines travel insurance producer; (ii) explain that
1879 the purchase of travel insurance is not required in order to purchase any other product or service
1880 from the travel retailer; and (iii) explain that an unlicensed travel retailer is permitted to provide
1881 general information about the insurance offered by the travel retailer, including a description of
1882 the coverage and price, but is not qualified or authorized to answer technical questions about the

1883 terms and conditions of the insurance offered by the travel retailer or to evaluate the adequacy of
1884 the customer's existing insurance coverage.

1885 (d) A travel retailer's employee or authorized representative who is not licensed as a
1886 limited lines travel insurance producer shall not: (i) evaluate or interpret the technical terms,
1887 benefits and conditions of the offered travel insurance coverage; (ii) evaluate or provide advice
1888 concerning a prospective purchaser's existing insurance coverage; or (iii) hold oneself out as a
1889 licensed insurer, licensed producer or insurance expert.

1890 (e) A travel retailer, whose insurance-related activities, and those of its employees and
1891 authorized representatives, are limited to offering and disseminating travel insurance on behalf of
1892 and under the direction of a limited lines travel insurance producer, meeting the conditions stated
1893 in this section, may receive related compensation, not in the form of commissions, upon
1894 registration by the limited lines travel insurance producer as described in subsection (b).

1895 (f) Travel insurance may be provided under an individual policy or under a group or
1896 master policy.

1897 (g) As the insurer designee, the limited lines travel insurance producer is responsible for
1898 the acts of the travel retailer and shall use reasonable means to ensure compliance by the travel
1899 retailer with this section.

1900 (h) The limited lines travel insurance producer and any travel retailer offering and
1901 disseminating travel insurance under the limited lines travel insurance producer license shall be
1902 subject to the: (i) laws regarding unfair methods of competition and unfair and deceptive acts and

1903 practices in the business of insurance; and (ii) the enforcement provisions applicable to insurance
1904 producers.

1905 SECTION 95. Section 1 of chapter 176J of the General Laws, as appearing in the 2014
1906 Official Edition, is hereby amended by inserting after the word “policy”, in line 201, the first
1907 time it appears, the following words:- ; travel insurance.

1908 SECTION 96. Said section 1 of said chapter 176J, as so appearing, is hereby further
1909 amended by inserting after the definition of “Transitional reinsurance program” the following
1910 definition: -

1911 “Travel insurance”, insurance coverage for personal risks incidental to planned travel
1912 including, but not limited to: (i) interruption or cancellation of trip or event; (ii) loss of baggage
1913 or personal effects; (iii) damages to accommodations or rental vehicles; or (iv) sickness,
1914 accident, disability or death occurring during travel, provided that the health benefits are not
1915 offered on a stand-alone basis and are incidental to other types of coverage; provided, however,
1916 that “travel insurance” shall not include major medical plans, which provide comprehensive
1917 medical protection for travelers with trips lasting not less than 6 months, including people
1918 working overseas as an expatriate or military personnel being deployed.

1919 SECTION 97. Subsection (c) of section 19 of chapter 301 of the acts of 1998, as
1920 appearing in chapter 291 of the acts of 2014, is hereby further amended by striking out the last
1921 sentence and inserting in place thereof the following 5 sentences:-

1922 The preceding 3 sentences of this subsection shall not apply to any portion of the
1923 parkway. Ownership of any completed portion of the parkway, together with ownership of any

1924 associated and completed infrastructure including, but not limited to, public utilities and sewer
1925 and storm drain lines located within or adjacent to that portion, shall be transferred to the
1926 applicable town, or to the authority, not later than 30 days following the date on which that
1927 portion of the parkway is completed or October 1, 2016, whichever is later. Prior to the date on
1928 which any portion of the parkway is completed and until such date that ownership of that portion
1929 is transferred in accordance with this subsection, that portion shall remain subject to the master
1930 developer's control. On or after the date on which any portion of the parkway is completed and
1931 ownership of that portion is transferred in accordance this subsection, any applicable town or the
1932 authority may enter into a contract with a governmental entity, a nonprofit entity or a private
1933 person for the operation and maintenance of that portion, together with operation and
1934 maintenance of associated infrastructure including, but not limited to, public utilities and sewer
1935 and storm drain lines located within or adjacent to that portion. For purposes of this subsection:
1936 (i) except for that portion of the parkway constituting "Parkway-Phase 1" as defined in Article I
1937 of the Parkway financing MOA, any portion of the parkway shall be deemed completed on the
1938 date on which that portion is open and available for public use; and (ii) that portion of the
1939 parkway constituting "Parkway-Phase 1" as defined in Article I of the Parkway financing MOA
1940 shall be deemed to have been completed not later than August 19, 2013.

1941 SECTION 98. Subsection (c) of section 7 of chapter 293 of the acts of 2006 is hereby
1942 amended by striking out clauses (ii) and (iii) and inserting in place thereof the following 2
1943 clauses:-

1944 (ii) the secretary certifies that the developer has received commitments satisfactory to the
1945 department for financing sufficient, with equity or other amounts to be provided by the developer

1946 and other persons, to fund the costs of construction of the proposed economic development
1947 project exclusive of those public infrastructure improvements to be financed by the agency and
1948 shall have obtained a blanket performance bond or other security satisfactory to the secretary and
1949 payable to the agency securing the developer's obligation to complete the construction of the
1950 public infrastructure improvements included in the economic development proposal in an
1951 amount equal to or greater than the outstanding principal amount of any bonds to be issued by
1952 the agency to finance costs of public infrastructure improvements; (iii) the agency certifies that it
1953 has approved the proposal.

1954 SECTION 99. Subsection (b) of section 11 of said chapter 293, as most recently
1955 amended by section 14 of chapter 129 of the acts of 2008, is hereby further amended by striking
1956 out the following words:-

1957 ; provided, however, that notwithstanding any other general or special law to the
1958 contrary, a certified economic development project receiving financial assistance for public
1959 infrastructure improvements pursuant to this act shall not be eligible for: (i) designation as a TIF
1960 zone pursuant to section 59 of chapter 40 of the General Laws; provided, however, that a
1961 certified economic development project designated as a TIF zone pursuant to said section 59 of
1962 said chapter 40 prior to January 1, 2009 shall be eligible to receive financial assistance for public
1963 infrastructure improvements pursuant to this act; (ii) the tax credit described in section 38N of
1964 chapter 63 of the General Laws; (iii) a community development action grant pursuant to section
1965 57A of chapter 121B of the General Laws; (iv) a public works economic development program
1966 grant under clause (c) of the first paragraph of section 17 of chapter 732 of the acts of 1981; or
1967 (v) or any other economic assistance program as may be determined by the secretary or the

1968 commissioner. The ineligibility to participate in economic assistance programs as provided in
1969 clauses (i) to (v), inclusive, shall not apply to any tenant of a certified economic development
1970 project which is not an affiliate of the developer.

1971 SECTION 100. Item 7100-1000 of section 2 of chapter 258 of the acts of 2008 is hereby
1972 amended by striking out the figure “\$3”, inserted by section 66 of chapter 238 of the acts of
1973 2012, and inserting in place thereof the following figure:- \$1.

1974 SECTION 101. Section 44 of chapter 303 of the acts of 2008 is hereby amended by
1975 inserting after the figure “\$43,000,000”, in line 4, the following words:- excluding bonds issued
1976 to refinance bonds previously issued under this section.

1977 SECTION 102. Item 6121-1317 of chapter 79 of the acts of 2014, as most recently
1978 amended by chapter 359 of the acts of 2014, is hereby further amended by striking out the words
1979 “construction of the Cochituate” and inserting in place thereof the following words:- acquisition
1980 and construction of the Cochituate.

1981 SECTION 103. Section 233 of chapter 165 of the acts of 2014, as appearing in section 30
1982 of chapter 119 of the acts of 2015, is hereby amended by striking out “December 31, 2016” and
1983 inserting in place thereof the following words:- June 30, 2017.

1984 SECTION 104. A controlling business or affiliate of a controlling business which has
1985 been awarded state tax credits under chapter 19 of the acts of 1993 or sections 3A to 3H,
1986 inclusive, of chapter 23A of the General Laws and intends to claim such credits on tax filings for
1987 tax years beginning on or after January 1, 2016 shall enter into an economic development
1988 incentive program, EDIP, contract setting forth the amount of the credits awarded, the amount of

1989 credits claimed or carried over and the job creation obligations of the controlling business. A
1990 controlling business or affiliate of a controlling business that fails to enter into an EDIP contract
1991 that is in a form and contains the substance acceptable to the Massachusetts office of business
1992 development by not later than December 31, 2016 shall forfeit such credits. For purposes of this
1993 section, the terms “controlling business” and “EDIP” shall have the meanings provided in said
1994 section 3A of said chapter 23A.

1995 SECTION 105. (a) Any reference to “economic target area” or “ETA” in the General
1996 Laws shall mean an economic target area designated by the economic assistance coordinating
1997 council, EACC, established pursuant to section 3B of chapter 23A of the General Laws, and in
1998 existence on the effective date of this act or an area designated by the EACC as an economic
1999 target area in accordance with section 3G of said chapter 23A.

2000 (b) Any reference to “economic opportunity area” or “EOA” in the General Laws shall be
2001 deemed to mean an economic opportunity area designated by the EACC and in existence on the
2002 effective date of this act or an area designated by the EACC as an economic opportunity area
2003 pursuant to section 3G of chapter 23A. Existing economic target areas and economic opportunity
2004 areas designated by the EACC prior to January 1, 2017 shall remain in effect until their
2005 scheduled termination date, if any.

2006 SECTION 106. Notwithstanding any general or special law to the contrary, sections 98
2007 and 99 shall not apply to economic development projects approved by the secretary of
2008 administration and finance pursuant to subsection (c) of section 7 of chapter 293 of the acts of
2009 2006, as amended by section 6 of chapter 129 of the acts of 2008, before January 1, 2017.

2010 SECTION 107. The Massachusetts Technology Park Corporation, established in section
2011 3 of chapter 40J of the General Laws and doing business as the Massachusetts Technology
2012 Collaborative, shall, subject to appropriation, create a cybersecurity and data analytics
2013 technology development and training center of excellence, hereinafter referred to as to as the
2014 center. The center shall convene interested public and private universities, governmental bodies
2015 and industry participants to share public and private data sets to expand the commonwealth's
2016 data analytics capabilities. The center may: (i) match public and private universities with
2017 industry participants to develop cybersecurity technology and expand data analytic capabilities;
2018 (ii) provide a forum for sharing data sets for analysis; and (iii) provide skills building and
2019 workforce training in cybersecurity and data analytics.

2020 The Massachusetts Technology Park Corporation shall file a report detailing the activities
2021 of the center not later than September 1, 2017 with the clerks of the senate and house of
2022 representatives who shall forward the report to the house and senate committees on ways and
2023 means and the joint committee on economic development and emerging technologies.

2024 SECTION 108. There shall be a special commission to conduct a comprehensive study
2025 relative to the practical, economic, fiscal and health related impacts of the commonwealth
2026 remaining on eastern daylight time, 4 hours behind coordinated universal time, also known as
2027 Atlantic standard time, throughout the calendar year. The commission shall focus on the impact
2028 to local and regional economies, education, public health, transportation, energy consumption,
2029 commerce and trade if the time zone is altered. The commission shall be comprised of the
2030 following members: 3 members to be appointed by the governor, 1 of whom shall be a member
2031 of the executive office of health and human resources and 1 of whom shall be a member of the

2032 executive office of education; 3 members to be appointed by the president of the senate, 1 of
2033 whom shall have expertise in economic development and 1 of whom shall have expertise in
2034 energy; 1 member to be appointed by the senate minority leader; 3 members to be appointed by
2035 the speaker of the house of representatives, 1 of whom shall have expertise in interstate
2036 commerce and 1 of whom shall have expertise in transportation; and 1 member to be appointed
2037 by the house minority leader.

2038 The commission shall convene its first meeting not later than October 1, 2016 and shall
2039 file a report along with any recommendations for legislative reforms not later than March 31,
2040 2017 with the clerks of the senate and house of representatives who shall forward the report to
2041 the chairs of the joint committee on economic development and emerging technologies, the
2042 chairs of the joint committee on public health and the chairs of the joint committee on education.

2043 SECTION 109. There shall be a special commission to investigate and report on barriers
2044 to meeting labor market demands in the commonwealth. The commission shall examine and
2045 analyze why employer demand for workers struggles to correlate with labor supply. The
2046 commission shall review the statewide labor market and various employment fields including,
2047 but not limited to, cyber-security, high technology and biotechnology, early education and care,
2048 home care and home health. The commission shall examine issues relating to employee
2049 recruitment and retention, training and professional development and educational achievement.

2050 The special commission shall be comprised of the following members: 2 members of the
2051 senate, 1 of whom shall be appointed by the senate president and who shall serve as co-chair and
2052 1 of whom shall be appointed by the senate minority leader; 2 members of the house of
2053 representatives, 1 of whom shall be appointed by the speaker of the house of representatives and

2054 who shall serve as co-chair and 1 of whom shall be appointed by the house minority leader; the
2055 secretary of labor and workforce development or a designee; the secretary of energy and
2056 environmental affairs or a designee; the secretary of transportation or a designee; the secretary of
2057 elder affairs or a designee; the secretary of veterans' services or a designee; the secretary of
2058 public safety and security or a designee; the secretary of health and human services or a
2059 designee; the secretary of housing and economic development or a designee; the secretary of
2060 education or a designee; and 6 members to be appointed by the governor, 2 of whom shall be
2061 representatives of a labor organization from a list of 6 nominees provided by the Massachusetts
2062 AFL-CIO who shall be experienced in small business, the health care industry, education or
2063 workforce development, 1 of whom shall be a representative of business from a list of 3
2064 nominees provided by the Massachusetts Business Roundtable who shall be experienced in
2065 renewable energy, small business, the health care industry, veterans' affairs, immigration,
2066 workforce development or self-employment, 1 of whom shall be a representative of business
2067 from a list of 3 nominees provided by The Alliance for Business Leadership, Inc. who shall be
2068 experienced in renewable energy, small business, the health care industry, veterans' affairs,
2069 immigration, workforce development or self-employment, 1 of whom shall be a representative of
2070 the unemployed from 3 nominees provided by Boston Connects, Inc. and 1 of whom shall be an
2071 expert in labor economics from a state college or university.

2072 The commission shall file a report not later than September 30, 2017 detailing the results
2073 of its investigation and its recommendations with the clerks of the senate and house of
2074 representatives who shall forward the report to the chairs of the joint committee on economic
2075 development and emerging technologies and the chairs of the joint committee on labor and
2076 workforce development.

2077 SECTION 110. Notwithstanding any general or special law to the contrary, to meet the
2078 expenditures necessary in carrying out section 2A, the state treasurer shall, upon request of the
2079 governor, issue and sell bonds of the commonwealth in an amount to be specified by the
2080 governor from time to time but not exceeding, in the aggregate, \$581,500,000; provided,
2081 however, that the request by the governor shall be made not later than July 31, 2019. All bonds
2082 issued by the commonwealth, as aforesaid, shall be designated on their face “Commonwealth
2083 Economic Development Act of 2016” and shall be issued for a maximum term of years, not
2084 exceeding 30 years, as recommended by the governor in a message to the general court pursuant
2085 to Section 3 of Article LXII of the Amendments to the Constitution. All such bonds shall be
2086 payable not later than June 30, 2049. All interest and payments on account of principal on these
2087 obligations shall be payable from the General Fund. Notwithstanding any other provision of this
2088 act, bonds issued under this section and interest thereon shall be general obligations of the
2089 commonwealth.

2090 SECTION 111. Notwithstanding any general or special law to the contrary, to meet the
2091 expenditures necessary in carrying out section 2B, the state treasurer shall, upon receipt of a
2092 request by the governor, issue and sell bonds of the commonwealth in an amount to be specified
2093 by the governor from time to time but not exceeding, in the aggregate, \$7,500,000. All bonds
2094 issued by the commonwealth, as aforesaid, shall be designated on their face, Commonwealth
2095 Economic Development Act of 2016, and shall be issued for a maximum term of years, not
2096 exceeding 30 years, as the governor may recommend to the general court pursuant to Section 3
2097 of Article LXII of the Amendments to the Constitution; provided, however, that all such bonds
2098 shall be payable not later than June 30, 2049. All interest and payments on account of principal
2099 on such obligations shall be payable from the General Fund. Bonds and interest thereon issued

2100 under the authority of this section shall, notwithstanding any other provision of this act, be
2101 general obligations of the commonwealth.

2102 SECTION 112. Notwithstanding any general or special law to the contrary, to meet the
2103 expenditures necessary in carrying out section 2C, the state treasurer shall, upon request of the
2104 governor, issue and sell bonds of the commonwealth in an amount to be specified by the
2105 governor from time to time but not exceeding, in the aggregate, \$154,900,000; provided,
2106 however, that the request by the governor shall be made not later than July 31, 2019. All bonds
2107 issued by the commonwealth, as aforesaid, shall be designated on their face “Commonwealth
2108 Economic Development Act of 2016” and shall be issued for a maximum term of years, not
2109 exceeding 30 years, as recommended by the governor in a message to the general court pursuant
2110 to Section 3 of Article LXII of the Amendments to the Constitution. All such bonds shall be
2111 payable not later than June 30, 2049. All interest and payments on account of principal on these
2112 obligations shall be payable from the General Fund. Notwithstanding any other provision of this
2113 act, bonds issued under this section and interest thereon shall be general obligations of the
2114 commonwealth.

2115 SECTION 113. Not later than December 31, 2016, the tax expenditure review unit shall
2116 develop a schedule to review tax expenditures as required under subsection (a) of section 16 of
2117 chapter 12A of the General Laws and file the schedule with the clerks of the senate and house of
2118 representatives, the senate and house chairs of the joint committee on revenue and the chairs of
2119 the house and senate committees on ways and means. The schedule shall be posted on the
2120 website of the office of inspector general.

2121 SECTION 114. The first annual report required under subsection (e) of section 16 of
2122 chapter 12A of the General Laws shall be filed not later than January 31, 2018.

2123 SECTION 115. The deduction allowed pursuant to clause (19) of subsection (a) of part B
2124 of section 3 of chapter 62 of the General Laws shall apply for taxable years beginning on or after
2125 January 1, 2017 through the tax year beginning on January 1, 2021.

2126 SECTION 116. The commissioner may promulgate rules and regulations to implement
2127 and operate voluntary collection agreements under section 6 of chapter 64G of the General Laws
2128 within 6 months of the effective date of this act; provided, however, that the rules and regulations
2129 shall contain minimum standards for a hosting platform and an operator's agent to be eligible to
2130 enter into a voluntary collection agreement with the commissioner.

2131 SECTION 117. Section 53 shall take effect for tax years beginning not later than January
2132 1, 2018.

2133 SECTION 118. Sections 5 to 7, inclusive, 21 to 27, inclusive, 34, 35, 40 to 52, inclusive,
2134 54 to 66, inclusive, 67, 98, 99 and 105 shall be effective for tax years beginning on or after
2135 January 1, 2017.

2136 SECTION 119. Sections 87 to 90, inclusive, shall take effect on January 1, 2017.

2137 SECTION 120. Sections 28 to 33, inclusive, 33 to 53, inclusive, shall take effect on
2138 October 1, 2016.