

HOUSE No. 4501

The Commonwealth of Massachusetts

HOUSE OF REPRESENTATIVES, May 16, 2018.

The committee on Ways and Means, to whom was referred the Bill providing continued investment in the life sciences industry in the Commonwealth (House, No. 4432), reports, on the residue, recommending that the same ought to pass with an amendment substituting therefor the accompanying bill (House, No. 4501) [Bond Issue: General Obligation Bonds: \$462,970,000.00].

For the committee,

JEFFREY SÁNCHEZ.

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**In the One Hundred and Ninetieth General Court
(2017-2018)**

An Act providing continued investment in the life sciences industry in the Commonwealth.

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

1 SECTION 1. To provide for a program of economic development and job creation, the
2 sum set forth in section 2, for the several purposes and subject to the conditions specified in this
3 act, is hereby made available, subject to the laws regulating the disbursement of public funds;
4 provided, however, that the amounts specified in an item or for a particular project may be
5 adjusted in order to facilitate projects authorized in this act. This sum shall be in addition to any
6 amounts previously authorized and made available for these purposes.

7 SECTION 2.

8 EXECUTIVE OFFICE OF HOUSING AND ECONOMIC DEVELOPMENT

9 Massachusetts Life Sciences Center

10 7002-0015. For the Massachusetts Life Sciences Investment Fund established by section
11 6 of chapter 23I of the General Laws to achieve continued job growth through capital grants that
12 advance education, workforce development, early-stage company growth through spaces

13 dedicated to life sciences companies, advanced bio-manufacturing and scientific innovation;
14 provided, however, that not less than \$47,000,000 shall be expended for design, construction,
15 development and related infrastructure improvements, including equipment, for an integrated
16 biotechnology and precision manufacturing research and training facility at the University of
17 Massachusetts at Amherst to meet workforce demands relative to the intersecting areas of
18 medical devices, biotechnology and digital health in collaboration with industry; provided,
19 however, that said funds shall not be used for faculty salaries; provided further, that not less than
20 \$20,000,000 shall be expended for the design, construction, development and related
21 infrastructure improvements, including equipment, for a center for nursing innovation to be
22 constructed at the University of Massachusetts at Boston to provide students and practitioners
23 access to state-of-the art simulation labs and clinical training and research spaces; provided,
24 however, that said funds shall not be used for faculty salaries; provided further, that not less than
25 \$21,750,000 shall be expended for expansion and renovation of the center for advanced
26 biomanufacturing and digital health at the University of Massachusetts at Dartmouth to support
27 teaching and research in the areas of rapid prototyping and micro-fabrication, including 2digital
28 health facilities in the areas of health data visualization and bioinformatics and sequencing, as
29 well as the renovation and expansion of laboratories to enable increased enrollment; provided,
30 however, that said funds shall not be used for faculty salaries; provided further, that not less than
31 \$50,000,000 shall be expended for the renovation and related infrastructure improvements,
32 including equipment, for a joint proposal between the University of Massachusetts at Lowell and
33 the University of Massachusetts Medical School in Worcester to advance neuroscience-related
34 workforce training, research, and commercialization of devices and image-based diagnostics
35 relative to neuro-imaging and neuro-informatics across the commonwealth; provided, however,

36 that said funds shall not be used for faculty salaries; provided further, that not less than
37 \$6,000,000 shall be expended for the development and related infrastructure improvements,
38 including equipment, for the center for data-driven discovery and healthcare at the University of
39 Massachusetts Medical School in Worcester to advance mobile health and digital technologies
40 through the creation of the Massachusetts living lab which shall include a physical and virtual
41 environment to support the implementation and development of these goals through
42 collaboration with industry partners, higher education institutions and medical facilities;
43 provided, however, that said funds shall not be used for faculty salaries; provided further, that
44 not less than \$5,000,000 shall be expended for the development of a biomanufacturing platform
45 by the University of Massachusetts Medical School in Worcester for cell and gene therapies at
46 the MassBiologics SouthCoast Facility located in the city of Fall River to advance workforce
47 training and innovative processes relative to cell and gene therapy biomanufacturing; provided,
48 however, that said funds shall not be used for faculty salaries; provided further, that no funds
49 shall be transferred from this item for capital projects until the secretary of administration and
50 finance certifies in writing to the board of the Massachusetts Life Sciences Center established by
51 section 3 of said chapter 23I of the General Laws and to the house and senate committees on
52 ways and means that all sources of funding for that phase of the project have been committed
53 and are available as necessary for commencement of said capital projects; provided further, that
54 said written certification shall include copies of all business plans, letters of financial
55 commitment and other documentation as said secretary and said board deem necessary to certify
56 that all other sources of funding have been secured and provided further, that funds appropriated
57 for the design, construction, and related infrastructure improvements at the University of
58 Massachusetts Medical School in Worcester, University of Massachusetts at Amherst, University

59 of Massachusetts at Boston, University of Massachusetts at Lowell, and University of
60 Massachusetts at Dartmouth shall be transferred to the University of Massachusetts Building
61 Authority for these capital projects; provided, further, that not less than \$3,220,000 shall be
62 expended for the design, construction, development and related infrastructure improvements,
63 including equipment, for a Center for Innovation, Engineering and Energy at the Massachusetts
64 Maritime Academy to address workforce skills gaps in the areas of biotechnology and life
65 sciences; energy, including green energy; and secondary education in STEM areas; provided,
66 however, that said funds shall not be used for faculty salaries; provided, further, that not less than
67 \$10,000,000 shall be expended for construction, renovations and infrastructure improvements to
68 support the Imaging Innovation Initiative for the Marine Biological Laboratory located in Woods
69 Hole in the town of Falmouth; provided, further, that funds shall be expended annually for
70 capital grants related to diversity in the fields of life sciences and biotechnology in the
71 commonwealth, which shall include but not be limited to investments in minority-owned
72 businesses, grants to school districts and community colleges with significant minority
73 populations, and the planning and implementation of strategies to increase diversity in the
74 workforce in the fields of life sciences and biotechnology; and provided further, that the
75 department shall issue an annual report to the house and senate committees on ways and means
76 not later than February 1 on the total funds expended and the number and type of grants
77 awarded: (i) to minority-owned businesses; (ii) to school districts with significant minority
78 student populations; (iii) to University of Massachusetts colleges and private colleges and
79 universities, broken down by school; (iv) to community colleges, broken down by school; (v) for
80 existing or new initiatives to increase workforce diversity in the fields of life sciences and
81 biotechnology.....\$462,970,000

82 SECTION 3. To meet the expenditures necessary in carrying out the provisions of
83 section 2, the state treasurer shall, upon receipt of a request by the governor, issue and sell bonds
84 of the commonwealth in an amount to be specified by the governor from time to time, but not
85 exceeding, in the aggregate, \$462,970,000. All bonds issued by the commonwealth, as aforesaid,
86 shall be designated on their face, Life Sciences Center Capital Improvement Loan Act of 2018,
87 and shall be issued for a maximum term of years, not exceeding 30 years, as recommended by
88 the governor in a message to the general court dated June 19, 2017, under Section 3 of Article
89 LXII of the Amendments to the Constitution; provided, however that all such bonds shall be
90 payable not later than June 30, 2053. All interest and payments on account of principal on such
91 obligations shall be payable from the General Fund. Bonds and interest thereon issued under the
92 authority of this section shall, notwithstanding any other provisions of this act, be general
93 obligations of the commonwealth.

94 SECTION 4. Section 5 of chapter 23I of the General Laws, as appearing in the 2016
95 Official Edition, is hereby amended by striking out, in line 92, the figure “\$25,000,000” and
96 inserting in place thereof the following figure:- \$30,000,000.

97 SECTION 5. Section 6 of said chapter 23I, as so appearing, is hereby amended by
98 striking out, in lines 68 to 69, the words “fellowships, co-ops, internships” and inserting in place
99 thereof the following words:- fellowships, co-ops, high school internships, for which additional
100 consideration shall be given to minority students at schools where at least 80 per cent of the
101 student population is eligible for free or reduced lunch, college internships, for which additional
102 consideration shall be given to minority students enrolled full-time or part-time at a community
103 college.

104 SECTION 6. Said section 6 of said chapter 23I, as so appearing, is hereby further
105 amended by inserting after the word “herein”, in line 75, the following words:- ; provided
106 further, that the center shall file an annual report, not later than December 1, with the house and
107 senate committees on ways and means detailing the following: (i) the total funds expended on
108 high school internships; (ii) the total funds expended on college internships; (iii) the number of
109 students participating in the internship programs from each high school, school district, college
110 and university in the commonwealth; (iv) the percentage of high school internships awarded to
111 minority students attending schools where at least 80 per cent of the student population is
112 eligible for free or reduced lunch; (v) the percentage of college internships awarded to minority
113 students enrolled full-time or part-time at a community college; (vi) the racial and ethnic
114 composition of the high school and college internship programs; and (vii) an analysis of the
115 impact of the college internship program on the ability of its participants to enter the full-time
116 job market in the life science industries after graduation.

117 SECTION 7. Section 6 of chapter 62 of the General Laws, as so appearing, is hereby
118 amended by striking out, in line 940, the figure “\$25,000,000” and inserting in place thereof the
119 following figure:- \$30,000,000.

120 SECTION 8. Section 38CC of chapter 63 of the General Laws, as so appearing, is
121 hereby amended by striking out, in line 20, the figure “\$25,000,000” and inserting in place
122 thereof the following figure:- \$30,000,000.

123 SECTION 9. Chapter 130 of the acts of 2008 is hereby amended by striking out section
124 49 and inserting in place thereof the following section:-

125 SECTION 49. The value of any tax incentive award under the life sciences tax incentive
126 program established in subsection (d) of section 5 of chapter 23I of the General Laws, which
127 extends beyond December 31, 2028, including carry-forwards of losses or credits, shall be taken
128 into account during the year awarded and the full amount of such tax benefits potentially realized
129 in periods after December 31, 2028 shall be counted against the annual ceilings for years ending
130 prior to January 1, 2029. Tax incentives authorized pursuant to the life sciences tax incentive
131 program shall count toward the \$30,000,000 annual ceiling only if they are not otherwise
132 available to a taxpayer.

133 SECTION 10. Section 54 of said chapter 130, as most recently amended by section 57 of
134 chapter 46 of the acts of 2013, is hereby further amended by striking out the words, “December
135 31, 2018” and inserting in place thereof the following words:- December 31, 2028.

136 SECTION 11. To provide for the continued availability of a bond-funded spending
137 authorization that otherwise would expire, the balance of item 7002-0015 and any allocations
138 thereof shall be extended through June 30, 2018 for the purposes of, and subject to, the
139 conditions stated for the item in the original authorization, as amended to date.

140 SECTION 12. Notwithstanding any general or special law to the contrary, prior to
141 transferring the consolidated net surplus in the budgetary funds to the Commonwealth
142 Stabilization Fund pursuant to section 5C of chapter 29 of the General Laws, the comptroller
143 shall transfer one-half of the surplus, not to exceed \$10,000,000, to the Massachusetts Life
144 Sciences Investment Fund established in section 6 of chapter 23I of the General Laws.

145 SECTION 13. Sections 4, 7, 8 and 9 shall take effect on January 1, 2019.

146 SECTION 14. Except as otherwise specified, this bill shall take effect upon its passage.