HOUSE DOCKET, NO. 3510 FILED ON: 1/21/2011

HOUSE . . . . . No. 2987

The Commonwealth of Massachusetts

PRESENTED BY:

Antonio F. D. Cabral and Benjamin B. Downing

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

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

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

PETITION OF:

NAME:	DISTRICT/ADDRESS:
Antonio F. D. Cabral	*13th Bristol*
Benjamin B. Downing	*Berkshire, Hampshire, and Franklin*
David B. Sullivan	*6th Bristol*
Barry R. Finegold	☐ *[District]* ☐
Michael J. Rodrigues	☐ *[District]* ☐
Patricia A. Haddad	*5th Bristol*
Michael R. Knapik	☐ *[District]* ☐
Michael O. Moore	☐ *[District]* ☐
Robert M. Koczera	*11th Bristol*
Stephen L. DiNatale	*3rd Worcester*

Shaunna O'Connell	*3rd Bristol*
Mark C. Montigny	☐ *[District]* ☐
Harriette L. Chandler	☐ *[District]* ☐
James J. O'Day	*14th Worcester*
Christine E. Canavan	*10th Plymouth*
Marcos A. Devers	*16th Essex*
Kevin Aguiar	*7th Bristol*
Michael D. Brady	*9th Plymouth*
Angelo J. Puppolo, Jr.	*12th Hampden*
Jennifer L. Flanagan	☐ *[District]* ☐
John P. Fresolo	*16th Worcester*
Stephen R. Canessa	*12th Bristol*
Thomas M. McGee	*Third Essex and Middlesex*
Christopher N. Speranzo	*3rd Berkshire*
Geraldine M. Creedon	*11th Plymouth*
Thomas A. Golden, Jr.	*16th Middlesex*
John F. Keenan	☐ *[District]* ☐
Stephen Stat Smith	*28th Middlesex*
Benjamin Swan	*11th Hampden*
David M. Torrisi	*14th Essex*
Paul A. Schmid, III	*8th Bristol*

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By Representative Cabral of New Bedford and Senator Downing, a joint petition (accompanied by bill, House, No. 2987) of Antonio F. D. Cabral, Benjamin B. Downing and others for legislation to promote economic development and job growth in gateway cities designating residential tax abatement zones. Revenue.

The Commonwealth of Massachusetts

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

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

SECTION 1: Section 38R of Chapter 63 of the General Laws, as appearing in the 2008 Official Edition, is hereby amended by:

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

(i) The commissioner, in consultation with the Massachusetts historical commission, shall authorize annually, for the 12-year period beginning January 1, 2006, and ending December 31, 2017, under this section together with section 6J of chapter 62, an amount not to exceed $50,000,000 per year. The Massachusetts historical commission shall determine the criteria for eligibility for the credit, the criteria to be set forth in regulations promulgated under this section; but, (1) at least 25 per cent of the tax credits awarded annually shall be dedicated to projects that contain affordable housing whenever possible and consistent with the criteria, and (2) at least 10 per cent of the tax credits awarded annually shall be dedicated to forward-year funding. Forward-year funding awards must be honored where the project continues to substantially meet the criteria established pursuant to this section.

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

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

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

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

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

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

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

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

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

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

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

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

53 (w) the Executive Office of Housing and Economic Development shall provide technical
54 assistance to Gateway Cities who adopt Residential Tax Abatement Zones, as defined by Section
55 59B of Chapter 59 of the General Laws, and shall monitor the impacts of the program.

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

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

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

61 "Gateway Municipalities", as defined in section 3A of chapter 23A of the General Laws.

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

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

68 "Occupied Residential Unit", a residential unit that is presently occupied or has been
69 vacant for less than two years.

70 "Incremental improvements", an increased property value created by the construction of
71 new residential units or improvements to a property

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

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

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

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

83 (f) At the conclusion of the abatement period, Gateway Cities may offer a reduced
84 property tax rate in the Residential Tax Abatement Zone for a period of up to three years. During

85 each year of this period, Gateway Cities may incrementally increase the abatement tax rate in
86 order to ease the transition back to the full property tax burden.

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

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

91 SECTION 38CC. Gateway Cities Mill Redevelopment Incentive Program

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

94 "Gateway Municipalities", as defined in section 3A of chapter 23A of the General Laws.

95 "Secretary", the secretary of housing and economic development.

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

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

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

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

105 "Gateway Municipalities", as defined in section 3A of chapter 23A of the General Laws.

106 "Secretary", the secretary of housing and economic development.

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