

SENATE No. 2582

The Commonwealth of Massachusetts

In the Year Two Thousand Ten

An Act relative to economic development reorganization.

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 infrastructure development and improvements,
2 the sums set forth in section 2B for the several purposes and subject to the conditions specified in
3 this act, are hereby made available, subject to the laws regulating the disbursement of public
4 funds and approval thereof.

5 SECTION 2B.

6 1100-7400 For the recapitalization of the Massachusetts Growth Capital
7 Corporation.....\$20,000,00
8 0.

9 6001-0817 For the recapitalization of the grant program to provide for commercial
10 and residential transportation and infrastructure development, improvements and various capital
11 investment projects under the Growth Districts Initiative established by the executive office of
12 housing and economic development; provided, that the secretary of housing and economic
13 development, in consultation with the secretary of the Massachusetts Department of

14 Transportation, shall adopt, amend or continue regulations or guidelines regarding this program;
15 provided further, that annually not later than December 31, the secretary of housing and
16 economic development shall issue a written report to the clerks of the senate and house of
17 representatives, the chairs of senate and house committees on bonding, capital expenditures and
18 state assets, the chairs of the joint committee on transportation, the chairs of the joint committee
19 on economic development and emerging technologies, the chairs of the joint committee on state
20 administration and regulatory oversight and the chairs of the senate and house committees on
21 ways and means, which shall include detailed descriptions of infrastructure improvement
22 projects funded under this program and of all funds expended for this purpose, including, but not
23 limited to, all information required for projects under section 25 of chapter 304 of the acts of
24 2008.....\$50,000,
25 000.

26 7007-9031 For the recapitalization of the Massachusetts Technology Development
27 Corporation, established in section 2 of chapter 40G of the General
28 Laws.....\$5,000,000

29 SECTION 3. Section 16G of chapter 6A of the General Laws as is hereby amended by
30 striking out, in lines 2 and 3, as appearing in the 2008 Official Edition, the words “a department”
31 and inserting in place thereof the following words:- the Massachusetts office.

32 SECTION 4. Said section 16G of said chapter 6A is hereby further amended by striking
33 out subsections (i) and (j) , as so appearing, and inserting in place thereof the following 2
34 subsections:-

35 (i) The secretary shall establish in the executive office an office of performance
36 management and oversight. The secretary shall appoint a director to operate and administer said
37 office who shall have experience with economic development in the public or private sector.
38 The director shall establish performance measurements for all public and quasi-public entities
39 engaged in economic development or subject to section 56 of chapter 23A and any private
40 organizations under contract with the commonwealth to perform economic development services
41 in order to improve the effectiveness of the economic development efforts of the commonwealth.
42 In developing these measurements, the secretary shall seek out private sector advice and models
43 that can be adapted to the needs of the commonwealth. Clear measurements shall be developed
44 and effectuated while ensuring that no undue administrative burden is placed on agencies and
45 organizations subject to this section. The director shall prepare an annual report for publication
46 on progress to improve the effectiveness of the commonwealth's economic development efforts
47 and shall report regularly to the public on the progress the office and agencies within the office
48 are making towards achieving stated goals.

49 Agencies to which the system applies shall file an annual report with the office of
50 performance management and oversight. The annual report, which shall be in a form and
51 manner prescribed by the secretary, shall include but not be limited to:

52 a secretary approved agency plan for the year including the goals set for the year and the
53 performance measurements by which to evaluate those goals and programs or initiatives; and

54 the agency's:

55 operations and accomplishments;

56 performance on the goals and programs or initiative outlined in the agency's approved
57 plan;

58 receipts and expenditures during the agency's fiscal year; and

59 assets and liabilities at the end of the agency's fiscal year;

60 audited financial reports of the agency;

61 the number, nature and amounts of investments made and grants awarded by the agency;

62 information detailing debt or equity investment of the agency;

63 the number, nature and amounts of any loans, real estate loans, working capital loans and
64 guarantees approved by the agency;

65 other forms of financing or financial assistance that the agency provided;

66 a report of patents or products resulting from agency-funded activities; and

67 a description of technical assistance that the agency provided.

68 Performance measurements shall include at least the then-current fiscal year and the
69 previous 3 fiscal years. All information in the performance measurement system shall be a
70 public record unless otherwise exempted by law. The annual reports of each agency shall be
71 made available to the public not later than December 31 and shall be published on the official
72 website of the commonwealth and be electronically submitted to the clerks of the senate and
73 house of representatives, the chairs of the house and senate committees on ways and means and
74 the house and senate chairs of the joint committee on economic development and emerging
75 technologies.

76 (j) The office shall annually re-evaluate the goals and measures established by the office
77 and agencies within the office and monitor the results that the agencies report. The office shall
78 recommend changes to proposed goals and measures as are appropriate to align goals and
79 measures with the statewide economic development policy and plan required under this section.

80 The secretary shall use the performance measurements established under this section to
81 determine the quality of service of all private entities, including regional economic development
82 organizations that perform economic development services under contract with the office. The
83 results of such performance measures shall be criteria used in negotiating any such contracts

84 SECTION 5. Subsection (k) of said section 16G of said chapter 6A, as so appearing, is
85 hereby amended by striking out the sixth sentence.

86 SECTION 6. Said section 16G of said chapter 6A, as most recently amended by section
87 1 of chapter 56 of the acts of 2010, is hereby further amended by adding the following
88 subsection:-

89 (l) During the first year of each new gubernatorial administration, the governor shall
90 convene an economic development planning council consisting of no fewer than 12 members: 1
91 of whom shall be the secretary of housing and economic development, who shall serve as chair;
92 1 of whom shall be the secretary of administration and finance; 1 of whom shall be the secretary
93 of labor and workforce development; 1 of whom shall be the secretary of energy and
94 environmental affairs; 1 of whom shall be the secretary of transportation; 1 of whom shall be
95 appointed by speaker of the house of representatives; 1 of whom shall be appointed by the
96 president of the senate; and 5 of whom shall be appointed by the governor: 1 of whom shall be
97 the president of the University of Massachusetts or a president from a community college, 1 of

98 whom shall be a representative from Associated Industries of Massachusetts, 1 of whom shall be
99 a representative from the Massachusetts municipal association, 1 of whom shall be a
100 representative from a chamber of commerce, and 1 of whom shall be from a venture capital firm
101 with a principal place of business in the commonwealth. The governor may also appoint
102 additional members of regional and local economic development groups and members of the
103 business community to serve on the council. Members of the council shall serve for a term of 1
104 year or until an economic development policy has been approved by the governor under this
105 section.

106 The secretary of housing and economic development, with the assistance of economic
107 development planning council appointed under this section, shall develop and implement a
108 written comprehensive economic development policy for the commonwealth and a strategic plan
109 for implementing the policy. The policy shall set long term goals and measurable benchmarks
110 which are not limited to a particular gubernatorial administration and shall give consideration to
111 any impacts the plan may have on businesses employing 10 or fewer people. The strategic plan
112 shall include any major economic development initiatives and programs of the secretariat and
113 any agencies subject to this section. In developing the policy, the council shall review the
114 published economic development policy and plan in effect at the commencement of the
115 governor's term of office and may hold public hearings throughout the commonwealth.

116 Once the policy and plan have been adopted by the secretary and the council, the council
117 shall submit the policy and plan to the clerks of the senate and house of representatives and the
118 joint committee on economic development and emerging technologies. The committee shall
119 conduct a public hearing on the policy and plan prior to final approval by the governor. The

120 approved policy and plan shall be published in writing and on the official website of the
121 commonwealth not later than December 31 of that year.

122 SECTION 7. Chapter 7 of the General Laws is hereby amended by inserting after section
123 22N the following section:-

124 Section 22O. Notwithstanding any general or special law to the contrary and to the
125 extent permitted by federal law, a state agency or authority shall establish a preference for the
126 procurement of products or services by businesses, as defined in section 3A of chapter 23A, with
127 their principal place of business in the commonwealth.. In addition, the operational services
128 division within the executive office for administration and finance shall endeavor to ensure that
129 in any fiscal year no less than 15 per cent of statewide procurement contracts are entered with
130 businesses, as so defined, which (i) are independently owned and operated; (ii) have a principal
131 place of business in the commonwealth; and (iii) would be defined as a small business under
132 applicable federal law.

133 SECTION 8. Subsection (c) of section 12 of chapter 7A of the General Laws, as
134 appearing in section 4 of chapter 26 of the acts of 2009, is hereby amended by adding the
135 following paragraph:-

136 The comptroller shall publish a list of state authorities and, in the comptroller's sole
137 discretion, identify those entities within the list that shall be required under generally accepted
138 accounting principles to report to the commonwealth for financial reporting purposes in a
139 schedule and manner the comptroller deems necessary.

140 SECTION 9. Section 10 of chapter 10 of the General Laws, as appearing in the 2008
141 Official Edition, is hereby amended by adding the following paragraph:- The state treasurer

142 shall semi-annually report to the house and senate committees on ways and means and the joint
143 committee on revenue the lending and banking institutions into which the cash deposits of the
144 commonwealth are being deposited.

145 SECTION 10. Said chapter 10 is hereby amended by inserting after section 10 the
146 following section:-

147 Section 10A. The state treasurer shall whenever possible, establish a preference in the
148 deposit of the commonwealth's cash reserves to those lending and banking institutions that
149 exceed the statewide average for lending to small businesses, as defined in section 57 of chapter
150 23A; provided, however, that this shall not prohibit the treasurer from depositing and investing
151 said reserves in such a manner as to secure the highest rate of return available consistent with the
152 safety of said reserves.

153 SECTION 11. Section 35J of chapter 10 of the General Laws, as appearing in the 2008
154 Official Edition, is hereby amended by striking out, in lines 16 and 17, the words "International
155 Trade Council" and inserting in place thereof the following words:- international trade office.

156 SECTION 12. Chapter 10 of the General Laws is hereby amended by inserting after
157 section 56 the following section:-

158 Section 56A. The council shall be subject to section 16G of chapter 6A and section 56 of
159 chapter 23A.

160 SECTION 13. Section 1 of chapter 23A of the General Laws is hereby amended by
161 striking out, in lines 2 to 4, inclusive, as appearing in the 2008 Official Edition, the words
162 "department of business and technology in this chapter called the department, which shall be

163 under the control of the director of business and technology” and inserting in place thereof the
164 following words:- “Massachusetts office of business development, in this chapter referred to as
165 MOBD, which shall be under the control of the director of business development.”.

166 SECTION 14. Said section 1 of said chapter 23A is hereby further amended by striking
167 out subsection (b), as amended by section 3 of chapter 56 of the acts of 2010.

168 SECTION 15. Section 3A of said chapter 23A is hereby amended by striking out the
169 definition of “Enhanced expansion product”, inserted by section 2 of chapter 166 of the acts of
170 2009, and inserting in place thereof the following definition:-

171 “Enhanced expansion project”, a facility that in its entirety and as of the project proposal
172 date: (i) is located or will be located within the commonwealth; (ii) generates substantial sales
173 from outside of the commonwealth; and (iii) generates a net increase of at least 100 full-time
174 employees within 2 years before or after project certification, but not before January 1 of the
175 year preceding the year in which the project receives certification and which shall be maintained
176 for a period of not less than 5 years; provided, however, that in the case of a facility that as of the
177 project proposal date is already located in the commonwealth, ”enhanced expansion project”
178 shall refer only to a facility at which the controlling business has expanded or proposed to
179 expand the number of permanent full-time employees at such facility and the expansion shall
180 represent: (1) an increase in the number of permanent full-time employees employed by the
181 controlling business within the commonwealth; and (2) not a replacement or relocation of
182 permanent full-time employees employed by the controlling business at any other facility located
183 within the commonwealth; provided, further, that in the case of a facility to be located within the
184 commonwealth after the project proposal date, “enhanced expansion project” shall refer only to a

185 facility that is: (a) the first facility of the controlling business to be located within the
186 commonwealth; or (b) a new facility of such business and not a replacement or relocation of an
187 existing facility of such controlling business located within the commonwealth; or an expansion
188 of an existing facility of the controlling business that results in an increase in permanent full-time
189 employees.

190 SECTION 16. The definition of "Facility" in said section 3A of said chapter 23A, as
191 appearing in section 3 of said chapter 166, is hereby amended by inserting after the word
192 "buildings" the following words:- or locations.

193 SECTION 17. Said section 3A of said chapter 23A is hereby further amended by
194 striking out the definition of "Gateway municipality", as appearing in said section 3 of said
195 chapter 166, and inserting in place thereof the following definition:-

196 "Gateway municipality", a municipality with a population greater than 35,000 and less
197 than 250,000, a median household income below the commonwealth's average and a rate of
198 educational attainment of a bachelor's degree or above that is below the commonwealth's
199 average.

200 SECTION 18. Said section 3A of said chapter 23A is hereby further amended by
201 striking out the definition of "Manufacturing retention project", as so apperaing, and inserting in
202 place thereof the following definition:-

203 "Manufacturing retention and job growth project", a manufacturing facility that in its
204 entirety and as of the project proposal date: (i) is located or will be located within a gateway
205 municipality; (ii) retains a minimum of at least 50 permanent full-time positions or creates a
206 minimum of 25 new full-time positions; provided, however, that if the controlling business

207 increases the number of full-time positions at the facility, it shall be within 2 years after
208 certification of the project and the controlling business shall make a commitment that the
209 positions created or retained are to be maintained for at least a 5-year period; and (iii) generates
210 substantial sales from outside of the commonwealth; provided, however, that in the case of a
211 facility that as of the project proposal date is already located in the gateway municipality,
212 “manufacturing retention project” shall refer only to a facility for which there is a proposed
213 expansion or retention of the number of permanent full-time employees at such facility by the
214 controlling business, to occur after the project proposal date and the expansion shall represent a
215 retention of at least 50 permanent full-time positions or creates a minimum of 25 new full-time
216 positions employed by the controlling business within the project and shall not represent a
217 replacement or relocation of permanent full-time employees employed by the controlling
218 business at any other facility located within the commonwealth; and provided, further, that in the
219 case of a facility to be located after the project proposal date, the “manufacturing retention
220 project” shall refer only to a facility that is: (1) the first facility of the controlling business to be
221 located within the commonwealth; or (2) a new facility of such business and not a replacement or
222 relocation of an existing facility of such controlling business located within the commonwealth.

223 SECTION 19. Said section 3A of said chapter 23A is hereby further amended by
224 inserting after the definition of “Manufacturing retention project proposal”, inserted by said
225 section 3 of said chapter 166, the following definition:

226 “MOBD”, the Massachusetts office of business development established in section 1.

227 SECTION 20. The introductory paragraph of subsection (1) of section 3F of said chapter
228 23A is hereby amended by inserting after the word “retention” , inserted by section 7 of chapter
229 166 of the acts of 2009, the following words:- and job growth.

230 SECTION 21. Said subsection (1) of said section 3F of said chapter 23A is hereby
231 further amended by inserting after the word “retention” , inserted by section 8 of said chapter
232 166, the following words:- and job growth.

233 SECTION 22. Said subsection (1) of said section 3F of said chapter 23A is hereby
234 further amended by inserting after the word “retention”, inserted by section 14 of said chapter
235 166, the following words:- and job growth.

236 SECTION 23. Clause (c) of subsection (5) of said section 3F of said chapter 23A,
237 inserted by section 18 of said chapter 166, is hereby amended by inserting after the word
238 “retention” the following words:- and job growth.

239 SECTION 24. Section 3I of said chapter 23A is hereby amended by striking out, in lines
240 2 and 33, as appearing in the 2008 Official Edition, the words “the department” and inserting in
241 place thereof, in each instance, the following words:- Massachusetts office of business
242 development.

243 SECTION 25. Said chapter 23A is hereby further amended by inserting after section 3I
244 the following 3 sections:

245 Section 3J. (a) The Massachusetts office of business development shall partner with
246 regional economic development organizations to establish a plan for business development
247 which supports regionally-based efforts to grow and retain existing businesses and attract new

248 business to the commonwealth. To implement the business development plan and to provide
249 efficient and consistent response to businesses seeking assistance from the commonwealth, the
250 office shall create a regional economic development program in order to provide efficient and
251 consistent response to businesses seeking assistance from the commonwealth. To implement the
252 program the office shall contract with eligible regional economic development organizations, as
253 defined in section 3K, which shall serve as the primary points of contact in the various regions of
254 the state for businesses seeking assistance, services or information from the commonwealth. The
255 contracts and reimbursements shall be designed to support regionally-based efforts to stimulate,
256 encourage, facilitate and nurture economic growth and prosperity in the commonwealth,
257 including, but not limited to, activities related to the growth and retention of existing businesses
258 and the attraction of new businesses into the commonwealth. The contracts shall support a
259 network of partnerships between regional economic development organizations and the
260 Massachusetts office of business development.

261 The Massachusetts office of business development shall locate staff throughout the
262 regions of the commonwealth in order to establish efficient and rapid access to all state
263 government and quasi-public business services. The Massachusetts office of business
264 development shall provide information to the regional economic development organizations
265 about state economic development, business assistance, capital access and incentive programs,
266 marketing activities and programs offered by agencies, authorities and private entities.

267 (b) Each contract shall include performance criteria specific to the contracting
268 organization developed under section 16G of chapter 6A and uniform standards for the use of
269 contract funds related to accounting procedures, personnel practices, purchasing procedures and
270 conflict of interest rules. As a condition to its receipt of funds, the contracting organization shall

271 agree to follow these standards and to perform the contracted services in conformity with conflict
272 of interest rules which shall include provisions requiring that in any matter in which a person,
273 corporation or other business entity in which any partner is in any way interested, such interest
274 shall be disclosed in advance and that no partner having such an interest may participate in a
275 decision relating to such person, corporation or other business entity. The contracting
276 organization shall also agree to a biennial audit and examination of its audited financial
277 statements conducted by the auditor of the commonwealth.

278 (c) The Massachusetts office of business development shall establish standard
279 governance provisions to be required of regional economic development organizations that
280 contract with the commonwealth as provided in this section. The standards shall include the
281 participation of local government officials and a broad range of regional representatives of
282 businesses, nonprofit organizations, higher education institutions, planning professionals,
283 organizations and economic and workforce development professionals.

284 Section 3K. (a) (1) The Massachusetts office of business development shall award up to
285 12 contracts for regional business development services. Each contract shall specify the
286 municipalities which comprise the region to be served under that contract.

287 (2) Eligible organizations shall be corporations, foundations, organizations or institutions
288 that are exempt from federal taxation under section 501(c) of the Internal Revenue Code.
289 Eligible organizations shall have a primary focus on economic development. Governmental
290 regional entities which serve as regional or district planning commissions under chapter 40B,
291 regional employment boards, tourism councils under section 14 of chapter 23A or entities which

292 are a political subdivision of a municipality or wholly owned by a municipality shall not be
293 eligible.

294 (3) In order to be eligible to be a regional business development service, an applicant
295 shall demonstrate the following:

296 The applicant operates regionally and its service area or membership includes more than
297 10 contiguous cities or towns. The organization shall describe the economic interdependency of
298 its contiguous member municipalities and articulate a comprehensive vision for recognition of
299 those municipalities as a self identified region with interrelated economic assets such as
300 industrial base, public infrastructure, research, educational and financial institutions and
301 environmental characteristics.

302 The governance structure and leadership of the applicant organization complies with the
303 standards established by the Massachusetts office of business development.

304 The applicant is engaged primarily in activities intended to promote job and business
305 retention, creation and attraction across all industry sectors within its identified region.

306 The applicant has a history of collaboration with the area business community, local
307 officials, economic development organizations, higher education institutions and other public
308 and private organizations within the identified region. The applicant must describe a plan for a
309 formal program encouraging participation in activities by a wide variety of organizations,
310 governments and businesses operating in the identified region.

311 The applicant has received or has commitments to receive substantial financial and in
312 kind support from private sources or member municipalities.

313 The applicant is capable of and agrees to provide services to the entire region identified
314 in the application.

315 (b) The Massachusetts office of business development shall give preference in awarding
316 contracts to organizations that have prior experience furnishing advice and assistance to
317 businesses within or seeking to locate to the identified region, a working knowledge of the
318 region, the region's industrial base, the region's demographics and the region's strengths and
319 weaknesses and prior experience and involvement with regional governmental entities including,
320 but not limited to, regional competitiveness councils, regional planning agencies and regional
321 employment boards.

322 (c) Contracts for services entered into under this section shall include, but not be limited
323 to, the following required services to be performed by the organization on behalf of the
324 commonwealth:

325 act as the primary contact for businesses seeking assistance from state or local
326 governments, including those seeking to locate within the region or expand existing operations;

327 identify public funding sources for business activity and provide assistance in accessing
328 public tax incentive programs;

329 identify potential sites for business development and maintain an inventory of key
330 development parcels;

331 market the identified region in coordination with the Massachusetts marketing
332 partnership established under section 13A and in compliance with the marketing materials
333 developed by the partnership;

334 furnish advice and assistance to businesses and industrial prospects which may locate in
335 the region, existing businesses and industries and persons seeking to establish new businesses or
336 industries and engage in related activities;

337 establish and maintain a network of public and private expertise related to regional
338 assets, industry clusters, workforce and education opportunities and public tax and regulatory
339 incentive and capital access programs;

340 partner with the Massachusetts office of business development representative to the
341 region and representatives of quasi-public agencies and authorities engaged in economic
342 development activities to exchange information and jointly provide direct consultation with
343 businesses seeking to expand or locate to the region;

344 act as the primary contact for the region for a business seeking state assistance and
345 incentives in a location decision;

346 in partnership with the staff of the Massachusetts office of business development, assist
347 member municipalities with economic development efforts related to business attraction and
348 retention and with access to state economic development programs; and

349 submit an annual report to the Massachusetts office of business development on the
350 business development activities conducted under the contract. The report shall include: a
351 summary of the preceding year's program activities, objectives and accomplishments; a
352 description of how the programs and marketing strategy conducted under the contract align with
353 the commonwealth's overall economic development and strategies; an analysis of how the
354 contracting organization's involvement in promotion activities has generated prospective

355 business expansion and relocation clients; and a summary of its efforts to obtain funds from
356 local, private and federal sources.

357 (d) Contracts entered into under this section shall be for a term not longer than 3 years
358 and may provide for the renewal of the contract at the discretion of the Massachusetts office of
359 business development; provided, however, that the renewal shall be for a term not longer than 2
360 years. Nothing in this subsection shall preclude a regional organization from re-applying to
361 provide services under a new contract.

362 (e) The Massachusetts office of business development may cancel any contract under this
363 section upon a showing that the regional economic development organization has failed to
364 provide the necessary regional services listed in subsection (c)

365 (f) The Massachusetts office of business development shall develop a formula to
366 determine funding for contractual reimbursements. That formula shall reflect demographic and
367 economic indicators, including, but not limited to, population and the number of business
368 establishments operating in the region, as well as an assessment of regional needs and the
369 priorities of the statewide economic development plan created under section 16G of chapter 6A.
370 The formula shall also reflect the significant need for increased economic activity in regions
371 which include target areas, as defined in section 2 of chapter 40H. Renewal contracts shall also
372 provide incentives to reward reporting in compliance with performance measurements and to
373 reward achievement of specific performance goals.

374 (g) Organizations entering into contracts with the commonwealth under this section may
375 enter into additional contracts with the commonwealth to provide additional regional services
376 which do not constitute business assistance activities.

377 (h) If MOBD determines through the request for proposals process that no organization
378 meets the requirements in this section or a region is not served by any eligible regional economic
379 development organization, then MOBD may either rebid the contract or serve as the primary
380 coordinator for business development initiatives in that region and rebid the contract at its
381 discretion.

382 Section 3L. (a) The Massachusetts office of business development shall provide initial
383 assistance to a business which contacts the office requesting service. The Massachusetts office
384 of business development shall provide the business with information about the various regional
385 economic development organizations with which it has contracted and continue to serve as
386 primary contact for that business until the business has established a relationship with a
387 particular region. The Massachusetts office of business development shall notify all regional
388 economic development organizations, on a nondiscriminatory basis, of business prospects that
389 have expressed interest to the Massachusetts office of business development in moving to the
390 commonwealth.

391 (b) The Massachusetts office of business development shall coordinate activity among
392 regional economic development organizations and between regional economic development
393 organizations and the commonwealth's economic development agencies and the
394 commonwealth's initiatives: (i) to ensure that initiatives led by the commonwealth or quasi-
395 public economic development agencies receive information and advice from the regional
396 economic development organizations; and (ii) to ensure that initiatives led by the regional
397 economic development organizations receive information and advice from agencies within the
398 executive branch and from quasi-public economic development agencies.

399 (c) The Massachusetts office of business development shall support the secretary of
400 housing and economic development in the creation of the statewide economic development plan
401 under section 16G of chapter 6A.

402 SECTION 26. Section 4 of said chapter 23A, as appearing in the 2008 Official Edition,
403 is hereby amended by striking out the words “department of economic” and inserting in place
404 thereof the following words:- Massachusetts office of business.

405 SECTION 27. Said section 4 of said chapter 23A, as so appearing, is hereby further
406 amended by adding the following sentence: The Massachusetts office of business development
407 shall locate staff throughout the regions of the commonwealth in order to partner with the
408 regional economic development organizations and establish efficient and rapid access for
409 businesses and regional organizations to all state government and quasi-public business services.

410 SECTION 28. Section 5 of said chapter 23A, as so appearing, is hereby amended by
411 striking out, in line 9, the words “, in the department of economic development”.

412 SECTION 29. Section 6 of said chapter 23A, as so appearing, is hereby amended by
413 striking out, in line 2, the words “of economic development”.

414 SECTION 30. The first paragraph of said section 6 of said chapter 23A, as so appearing,
415 is hereby amended by adding the following sentence:- The director shall establish an advisory
416 council that shall assist and advise the director on matters related to the administration and
417 evaluation of the regional business development program created under section 3J.

418 SECTION 31. Section 10A of said chapter 23A, as so appearing, is hereby amended by
419 striking out, in line 20, the words, “Said department” and inserting in place thereof the following
420 words:- The Massachusetts office of business development.

421 SECTION 32. Said chapter 23A is hereby further amended by striking out sections 13A
422 and 13B, as so appearing, and inserting in place thereof the following 2 sections:-

423 Section 13A. For the purposes of sections 13A to 13Q, inclusive, the following words
424 shall have the following meanings unless the context clearly requires otherwise,:

425 “Foreign offices”, foreign offices for international trade within the international trade
426 office.

427 “Partnership”, the Massachusetts marketing partnership created in this section.

428 “Tourism”, the office of travel and tourism.

429 In order to promote common, coordinated and concerted efforts on behalf of the
430 commonwealth, there shall be within the executive office of housing and economic development,
431 but not subject to the supervision or control of the executive office, the Massachusetts marketing
432 partnership which shall coordinate marketing efforts on behalf of the commonwealth and shall
433 oversee the activities of the agencies placed within it.

434 (a) The partnership shall consist of 11 partners who shall be: the secretary of housing and
435 economic development, who shall be the chair; the director of the Massachusetts office of
436 business development or the director’s designee; the executive director of the Massachusetts
437 Convention Center Authority or the executive director’s designee; the executive director of the
438 Massachusetts Port Authority or the executive director’s designee; the executive director of the

439 Massachusetts Alliance for Economic Development, or its successor organization; and 6
440 individuals appointed by the governor for terms of 5 years, as follows: 2 persons employed by a
441 business that has a principal place of business in the commonwealth and that exports goods to
442 other countries, 1 of whom shall be selected from a list of 3 names submitted by the Associated
443 Industries of Massachusetts; 1 person who has significant experience with a public relations or
444 advertising firm doing business in the commonwealth; 1 person who shall be on the faculty of a
445 public or private business school in the commonwealth who is experienced in international
446 business; and 2 persons who shall each represent a regional tourism council in the
447 commonwealth outside of Suffolk county, Middlesex county and Norfolk county. Of the initial
448 partners appointed by the governor, 3 shall serve a term of 2 years and 3 shall serve a term of 5
449 years.

450 At least 3 of the governor's 6 appointments shall reside outside of Suffolk county,
451 Middlesex county and Norfolk county. Of the 6 gubernatorial appointments, no more than 3 shall
452 be of the same political party. Each partner shall serve without compensation but may be
453 reimbursed for actual and necessary expenses reasonably incurred in the performance of the
454 partner's duties, including reimbursement for reasonable costs of travel as deemed necessary by
455 the partnership. A person appointed to fill a vacancy in the office of a partner shall be appointed
456 in a like manner and shall serve for only the unexpired term of the former partner. A partner shall
457 be eligible for reappointment and may be removed by the governor for cause. The partnership
458 shall annually elect 1 partner to serve as vice-chair.

459 (b) Eight partners shall constitute a quorum and the affirmative vote of a majority of
460 partners present at a duly called meeting, if a quorum is present, shall be necessary for an action
461 to be taken by the partnership. An action required or permitted to be taken at a meeting of the

462 partnership may be taken without a meeting if all of the partners consent, in writing, to the action
463 and the partnership files the written consent with the records of the minutes of the meetings of
464 the partnership. Such consent shall be treated for all purposes as a vote at a meeting. Each
465 partner shall make full disclosure, under subsection (c), of the partner's financial interest, if any,
466 in matters before the partnership by notifying the state ethics commission, in writing, and the
467 partner shall abstain from voting on a matter before the board in which the partner has a financial
468 interest, unless otherwise permitted under chapter 268A. (c) Chapters 268A and 268B shall
469 apply to all ex officio partners or the partners' designees and employees of the agencies within
470 the partnership. Chapters 268A and 268B shall apply to all other partners, except that the
471 agencies within the partnership may purchase from, sell to, borrow from, loan to, contract with
472 or otherwise deal with a person, corporation or other business entity in which any partner is in
473 any way interested or involved; provided, however, that such interest or involvement is disclosed
474 in advance to the partners of the Massachusetts marketing partnership and recorded in the
475 partnership's minutes; and provided, further, that no partner having such an interest or
476 involvement may participate in a decision of the partnership relating to such person, corporation
477 or other business entity. Employment by the commonwealth or service in an agency or political
478 subdivision of the commonwealth shall not be deemed to be such an interest or involvement.

479 (d) The partnership shall bi-annually elect 1 of its partners as treasurer and 1 of its
480 partners as secretary. The secretary of the partnership shall keep a record of its proceedings and
481 shall be custodian of all books, documents and papers filed by the partnership and of its minute
482 book and seal. The secretary of the partnership shall cause copies to be made of all minutes and
483 other records and documents of the partnership and shall certify that such copies are true copies
484 and all persons dealing with the partnership may rely upon such certification. (e) Partners

485 and employees of the agencies within the partnership having access to its cash or negotiable
486 securities shall give bond to the partnership at its expense in such amounts and with such surety
487 as the partnership may prescribe. The persons required to give bond may be included in 1 or
488 more blanket or scheduled bonds. (f) Partners and officers who are not compensated
489 employees of the partnership shall not be liable to the commonwealth, the executive office of
490 housing and economic development or any other person as a result of their activities, whether
491 ministerial or discretionary, as such partners or officers except for willful dishonesty or
492 intentional violations of law. Neither members of the partnership nor a person executing bonds
493 or policies of insurance shall be personally liable on those bonds or policies or be subject to any
494 personal liability or accountability by reason of the issuance of those bonds or policies. The
495 partnership may purchase liability insurance for partners, officers and employees and may
496 indemnify the partners against claims of others.

497 (g) Upon the termination of the existence of the partnership, all right, title and interest in
498 and to all of its assets and all of its obligations, duties, covenants, agreements and obligations
499 shall vest in and be possessed, performed and assumed by the commonwealth.

500 (h) An action of the partnership may take effect immediately and need not be published
501 or posted unless otherwise provided by law. Meetings of the partnership shall be subject to
502 sections 18 to 25, inclusive of chapter 30A except that section 18 shall not apply to any meeting
503 of partners in the partnership serving ex officio in the exercise of their duties as officers of the
504 commonwealth so long as no matter relating to the official business of the partnership is
505 discussed and decided at the meeting. The partnership shall be subject to all other sections of
506 said chapter 30A and records pertaining to the administration of the partnership shall be subject

507 to section 42 of chapter 30 and section 10 of chapter 66. All moneys of the partnership shall be
508 considered to be public funds for purposes of chapter 12A.

509 (i) The partnership shall be subject to section 16G of chapter 6A and section 56 of
510 chapter 23A.

511 Section 13B. There shall be within the partnership the following offices: the office of
512 travel and tourism, the Massachusetts international trade office and the commonwealth
513 marketing office.

514 SECTION 33. Said chapter 23A is hereby further amended by striking out section 13C,
515 as amended by section 29 of chapter 25 of the acts of 2009, and inserting in place thereof the
516 following section:-

517 Section 13C. The partnership shall have the power to:

518 (1) adopt and amend by-laws, regulations and procedures for the governance of its
519 affairs and the conduct of its business for the administration and enforcement of this sections
520 13A to 13Q, inclusive; provided, however, that regulations adopted by agencies within the
521 partnership shall be adopted under chapter 30A;(2) adopt an official seal and a functional name;

522 (3) maintain offices at places within the commonwealth as it may determine and to
523 conduct meetings of the partnership in accordance with the by-laws of the partnership;

524 (4) enter into agreements and transactions with federal, state and municipal agencies and
525 other public institutions and private individuals, partnerships, firms, corporations, associations
526 and other entities on behalf of the partnership;

527 (5) sue and be sued in its own name, plead and be impleaded;

528 (6) act as the central entity and coordinating organization for marketing initiatives on
529 behalf of the commonwealth and to work in collaboration with governmental entities, regional
530 economic development organizations, bodies, centers, institutes and facilities to advance the
531 commonwealth's interests and investments in travel and tourism, international trade and
532 economic development;

533 (7) appear in its own behalf before boards, commissions, departments or other agencies
534 of municipal, state or federal government;

535 (8) obtain insurance;

536 (9) apply for and accept subventions, grants, loans, advances and contributions from any
537 source of money, property, labor or other things of value to be held, used and applied for its
538 corporate purposes;

539 (10) review and recommend changes in laws, rules, programs and policies of the
540 commonwealth and its agencies and subdivisions to further the marketing of the commonwealth
541 and economic development within the commonwealth;

542 (11) enter into agreements with public and private entities that deal primarily with
543 economic development, in order to distribute and provide leveraging of funds or services to
544 further economic development in the commonwealth and promote overall economic growth
545 within the commonwealth by fostering collaboration and investments in tourism and
546 international trade initiatives in the commonwealth;

547 (12) provide and pay for such advisory services and technical assistance as may be
548 necessary or desired to carry out the purposes of this chapter;

549 (13) establish and collect such fees and charges as the department without further
550 appropriation shall determine to be reasonable and consistent with this sections 13A to 13Q,
551 inclusive; and to receive and apply revenues from fees and charges to the purposes of the
552 department or allotment by the commonwealth or any political subdivision of the
553 commonwealth;

554 (14) disburse, appropriate, grant, loan or allocate funds for the purposes of investing in
555 economic development initiatives as directed in sections 13A to 13Q, inclusive;

556 (15) provide assistance to local entities, local authorities, public bodies, regional
557 economic development organizations, and private corporations for the purposes of maximizing
558 opportunities for economic development initiatives in the commonwealth;

559 (16) prepare, publish and distribute, with or without charge, as the department may
560 determine, such studies, reports and bulletins and other material as the department deems
561 appropriate;

562 (17) exercise any other powers of a corporation organized under chapter 156B;

563 (18) develop a common Internet portal to be used by state agencies and state authorities
564 to promote the commonwealth's programs providing business assistance and to promote
565 economic development in the commonwealth;

566 (19) take any actions necessary or convenient to the exercise of any power or the
567 discharge of any duty provided for by sections 13A to 13Q, inclusive;

568 (20) establish an advisory council to assist and advise the partnership on matters related
569 to the commonwealth's business marketing efforts;

570 (21) enter into agreements or other transactions with any person including, without
571 limitation, a public entity or other governmental instrumentality or agency in connection with the
572 powers and duties provided to the partnership under sections 13A to 13Q, inclusive; and

573 (22) delegate any of the powers under this section to a director having charge of an
574 agency within the partnership.

575 SECTION 34. Said chapter 23A is hereby further amended by striking out sections 13D
576 and 13E, as appearing in the 2008 Official Edition, and inserting in place thereof the following
577 16 sections:-

578 Section 13D. (a) The partnership and the agencies within the partnership shall, for the
579 purposes of compliance with state finance law, operate as a state agency, as defined in section 1
580 of chapter 29, and shall be subject to the laws applicable to agencies under the control of the
581 governor including, but not limited to, chapters 7, 7A, 10 and 29; provided, however, that the
582 comptroller may identify additional instructions or actions necessary for the partnership to
583 manage fiscal operations in the state accounting system and meet statewide and other
584 governmental accounting and audit standards. Unless otherwise exempted by law or the
585 applicable central service agency, the partnership shall participate in other available
586 commonwealth central services including, but not limited, to the state payroll system under
587 section 31 of chapter 29 and may purchase other goods and services provided by state agencies
588 under the direction of the comptroller. The comptroller may chargeback the partnership for the
589 transition and ongoing costs for participation in the state accounting and payroll systems and
590 may retain and expend such costs without further appropriation for the purposes of this section.
591 The partnership shall be subject to section 5D of chapter 29 and subsection (f) of section 6B of

592 said chapter 29. This section shall not apply to authorities who are serving as partners of the
593 partnership.

594 (b) The office of the attorney general shall appear for the partnership in all suits and other
595 civil proceedings in which the partnership is a party or interested or in which the official acts and
596 doings of the partnership are called into question, to the same extent and in the same manner
597 as provided to the commonwealth and state departments, officers and commissions under section
598 3 of chapter 12. The partnership shall be considered to be an agency of the commonwealth for
599 purposes of chapter 12.

600 (c) The Massachusetts office of business development may provide staff support for the
601 Massachusetts marketing partnership; provided, however, that the partnership shall contract with
602 said office or with another public authority for the performance by that authority of core
603 administrative functions, as determined by the secretary of housing and economic development
604 which may include, but shall not be limited to, human resources, financial management,
605 information technology, legal, procurement and asset management, to minimize the
606 administrative costs and expenses of the partnership.

607 Section 13E. There shall be within the partnership an office of travel and tourism which
608 shall be under the supervision and control of an executive director. The powers and duties given
609 to the executive director of the office of travel and tourism in this chapter and in any other
610 general or special law shall be exercised and discharged subject to the direction, control and
611 supervision of the partnership.

612 The executive director of the office of travel and tourism shall be appointed by the
613 governor, and serve at the pleasure of the governor. The position of executive director of the

614 office of travel and tourism shall be classified under section 45 of chapter 30 and the executive
615 director of travel and tourism shall devote full time during business hours to the duties of the
616 office of travel and tourism and shall give to the state treasurer a bond for the faithful
617 performance of those duties.

618 The executive director of travel and tourism shall be the executive and administrative
619 head of travel and tourism and shall be responsible for administering and enforcing the laws
620 relative to travel and tourism and to any administrative unit of that office. Powers and duties
621 given to an administrative unit of travel and tourism by a general or special law shall be
622 exercised subject to the direction, control and supervision of the executive director of travel and
623 tourism.

624 Section 13F. The office of travel and tourism shall serve as the principal agency for
625 promoting the recreational, cultural, historic and scenic resources of the commonwealth to
626 increase its desirability as a location for tourism, convention, travel and recreation-related
627 activities by providing informational, marketing and technical assistance to public and private
628 nonprofit entities organized for similar purposes.

629 Section 13G. The executive director of travel and tourism may, subject to appropriation
630 and with the approval of the partnership, appoint and may, with like approval, remove all such
631 employees as may be necessary to carry out the work of tourism. Unless otherwise provided by
632 law, all such appointments and removals shall be made under chapter 31. The executive director
633 may, subject to appropriation and the laws and regulations pertaining to the employment of
634 consultants, employ such consultants as the executive director may deem necessary.

635 Section 13H. There shall be an advisory commission on travel and tourism to the
636 partnership to develop budget recommendations and marketing strategies for the promotion of
637 travel and tourism to the commonwealth. The executive director of travel and tourism shall
638 convene the advisory commission quarterly. The advisory commission shall annually report its
639 recommendations to the partnership not later than November 1. The advisory commission shall
640 annually file its recommendations with the clerks of the senate and house of representatives not
641 later than November 1. The membership of the commission shall annually elect a chairperson.

642 The advisory commission shall have 30 members: 1 representative from each of the
643 following organizations: the Massachusetts Restaurant Association, the Massachusetts Lodging
644 Association, the Massachusetts Camping Ground Association, the New England Bus
645 Association, the Massachusetts cultural council and the Massachusetts historical commission; 1
646 representative of a professional sports franchise located in the commonwealth; 2 representatives
647 of the Massachusetts Visitor Industry Council; the executive director or the executive director's
648 designee of each of the following regional tourism councils: the Berkshire Hills Visitors Bureau,
649 Southeastern Massachusetts Convention and Visitors Bureau, the Cape Cod Chamber of
650 Commerce, the Franklin County Chamber of Commerce, the Greater Boston Convention and
651 Visitors Bureau, the Worcester County Convention and Visitors Bureau, the Martha's Vineyard
652 Chamber of Commerce, the Greater Merrimack Valley Convention and Visitors Bureau, the
653 Mohawk Trail Association, the North of Boston Convention and Visitors Bureau, the Greater
654 Springfield Convention and Visitors Bureau, the Plymouth County Development Council, Inc.,
655 the Nantucket Island Chamber of Commerce, the MetroWest Tourism and Visitor's Bureau, the
656 Johnny Appleseed Trail Association, Inc., the Hampshire County Tourism and Visitor's Bureau;
657 and the following individuals, who shall not serve as chair: the commissioner of conservation

658 and recreation or the commissioner's designee, the administrator for highways within the
659 Massachusetts Department of Transportation or the administrator's designee, the Massachusetts
660 state coordinator of the United States National Park Service and the house and senate chairs of
661 the joint committee on tourism, arts and cultural development.

662 Members of this commission shall receive no compensation for their services, but each
663 member shall be reimbursed the member's necessary expenses incurred while engaged in the
664 performance of the member's duties. This commission shall annually, not later than November 1,
665 make a report to the executive director and the secretary of housing and economic development,
666 and may make such special reports as the commission or the executive director of tourism may
667 deem desirable.

668 Section 13I. The office of travel and tourism may accept gifts or grants of money or
669 property from any source, which shall be held in trust for the use of tourism by the treasurer of
670 the partnership as custodian.

671 Section 13J. The following offices shall be within the office of travel and tourism: the
672 Massachusetts film office, which shall be the official and lead agency to facilitate motion picture
673 production and development within the commonwealth, and the Massachusetts sports
674 partnership, which shall be the official and lead agency to facilitate and attract major sports
675 events and championships in the commonwealth.

676 Section 13K. (a) There shall be within the partnership a Massachusetts international trade
677 office, which shall be under the supervision and control of an executive director. The executive
678 director shall be appointed by the governor and serve at the pleasure of the governor. The
679 executive director shall devote full time during business hours to the duties of the Massachusetts

680 international trade office. The executive director of the international trade office shall be the
681 executive and administrative head of the office and shall be responsible for administering and
682 enforcing the laws relative to the office and to any administrative unit of the office. The
683 executive director shall also serve as the Massachusetts international trade representative.

684 (b) The Massachusetts international trade representative shall: (1) serve as the
685 commonwealth's official point of contact with the federal government on matters related to
686 international trade; (2) work with the executive office of housing and economic development and
687 other appropriate state agencies to analyze proposed and enacted international trade agreements
688 and provide an assessment of the impact of those agreements on the commonwealth's economy;
689 (3) serve as the designated recipient of federal requests for the commonwealth to agree to be
690 bound by investment, procurement, services or any other international trade agreements,
691 including those which may infringe upon state law or regulatory authority reserved to the
692 commonwealth; (4) serve as a liaison to the general court on matters of international trade policy
693 oversight including, but not limited to, reporting to members of the general court on a regular
694 basis on the status of ongoing international trade negotiations, international trade litigation and
695 dispute settlement proceedings with implications for existing state laws, state regulatory
696 authority and international trade policy on the commonwealth's economy.

697 (c) The international trade representative shall, within 30 days of receipt, forward any
698 requests or communications received from the United States Trade Representative relative to any
699 issue of international trade, including requests seeking the commonwealth's consent to be bound
700 by international trade agreements, to the clerks of the house of representatives and the senate,
701 who shall promptly refer the communications or requests to the joint committee on economic
702 development and emerging technologies. The joint committee shall, within 30 days of receipt,

703 conduct a public hearing on any request seeking the commonwealth's consent to be bound by an
704 international trade agreement. The joint committee may issue a report within 120 days of the
705 public hearing including a resolution to the general court relative to the recommendations of the
706 committee on whether the commonwealth should consent to the international trade agreement in
707 question and memorializing the commonwealth's international trade representative and the
708 governor to take appropriate measures within their power to advise the United States Trade
709 Representative of the recommendations of the general court.

710 Section 13L. (a) There shall be within the international trade office 1 or more foreign
711 offices for international trade. The foreign offices may be located in any country that the
712 executive director of the international trade office determines to be best suited as a location for
713 the furthering of foreign trade opportunities for the businesses of the commonwealth. The foreign
714 offices shall encourage and further trade between foreign businesses and businesses in the
715 commonwealth. The foreign offices shall also promote investment opportunities in the
716 commonwealth for foreign businesses in order to encourage the location and establishment of
717 such businesses within the commonwealth. For the purposes of furthering foreign trade and
718 investment, the foreign offices, subject to appropriation and approval by the executive director of
719 the trade international office, may contract for such advertising and other communication
720 services as may be necessary. The foreign offices shall maintain an updated list of businesses in
721 the commonwealth and foreign businesses which are or might become active in the import or
722 export of their products and services. The executive director shall consult with the Massachusetts
723 office of business development and the regional economic development organizations designated
724 under section 3K in order to ensure that the businesses and assets of all regions of the
725 commonwealth are included in such lists. The foreign office may also provide additional

726 information and assistance to businesses in the commonwealth that desire to export their goods
727 and services.

728 The foreign offices shall maintain and give suitable publicity to an updated list of
729 available sites for the location of foreign based businesses in the commonwealth. The foreign
730 offices may make available technical assistance to foreign businesses interested in the
731 establishment of plants or facilities in the commonwealth.

732 (b) The foreign offices shall, on a regular basis, make all foreign trade information
733 available to the executive director of the international trade office, who shall publish and furnish
734 such information to regional economic development organizations designated under section 3K
735 and to businesses and corporations in the commonwealth which might be interested in, or benefit
736 from the utilization of such information. The executive director of the international trade office
737 may charge a fee not to exceed the actual printing costs for such information, except that no fee
738 shall be charged to regional economic development organizations designated under section 3K.

739 Section 13M. There shall be a director of each foreign office appointed by the executive
740 director of the international trade office, who shall be a person with at least 2 years of experience
741 in international trade, having had administrative or business experience in the country where the
742 office is located, who shall be fluent in at least 2 languages and who may be a foreign national.
743 The director shall not be subject to chapter 31 or section 9A of chapter 30.

744 Section 13N. The executive director of the international trade office may, subject to
745 appropriation, enter into leases for office space as may be necessary and to purchase or lease
746 equipment as may be needed for the operation of foreign offices.

747 Section 13O. The executive director of the international trade office may accept funds in
748 the name of the international trade office and the foreign offices from private and public groups,
749 agencies and persons, which shall be held in trust for use by the treasurer of the partnership as
750 custodian.

751 Section 13P. The executive director of the international trade office and the director of
752 any foreign office shall annually file a financial report with the clerks of the house of
753 representatives and the senate and the joint legislative committee on economic development and
754 emerging technologies on the operation and activities of the office. The report shall include a
755 complete evaluation of the results of the activities of the foreign offices and its effects on the
756 business economy of the commonwealth, including the areas of the export of goods and services
757 and in the location of foreign businesses in the commonwealth.

758 Section 13Q. The international trade office shall contract with the Massachusetts export
759 center to provide technical assistance to companies operating in the commonwealth that export
760 products to other countries.

761 Section 13R. The executive director of the international trade office may establish an
762 advisory council to assist and advise the director on matters related to the administration and
763 evaluation of the international trade programs provided through the international trade office.

764 Section 13S. There shall be a commission, within the international trade office, which
765 shall evaluate the continuing impacts on state laws and regulations of international trade policy
766 and international trade agreements, examine proposed international trade agreements, maintain
767 active communications with any individual or entity, as the commission deems appropriate,
768 regarding ongoing developments in international trade agreements and policy; and examine any

769 aspects of international trade, international economic integration and international trade
770 agreements that the members of the commission deem appropriate. For the purposes of this
771 section, “international trade agreement” shall include any international trade or investment
772 agreement or treaty including, but not limited to, the North American Free Trade Agreement, the
773 Central American Free Trade Agreement and agreements concluded by the World Trade
774 Organization.

775 The commission shall engage in at least 1 public hearing annually and shall report on the
776 economic and sovereignty impacts of international trade agreements on the commonwealth. The
777 report may include recommendations of support or opposition of revisions in United States trade
778 policy or commitments including, but not limited to, proposed international trade agreements.
779 The annual report shall be transmitted to the clerks of the house of representatives and the senate,
780 the governor, the attorney general, the United States trade representative and each member of the
781 commonwealth’s congressional delegation.

782 The commission shall consist of 3 members of the senate, 1 of whom shall be appointed
783 by the minority leader; 3 members of the house of representatives, 1 of whom shall be appointed
784 by the minority leader; the governor or the governor’s designee; the attorney general or the
785 attorney general’s designee; the state treasurer or the treasurer’s designee; a representative from
786 the Massachusetts international trade office; and 9 persons appointed by the governor, 1 of
787 whom shall be a representative of organized labor, 1 of whom shall represent small business, 1 of
788 whom shall be a representative from a human rights organization, 1 of whom shall represent
789 farmers, 1 of whom shall be a representative from an environmental group, 1 of whom shall be a
790 representative of the Massachusetts Municipal Association, 1 of whom shall be engaged in the
791 business of exporting goods internationally, 1 of whom shall be a faculty member of a private

792 law school in the commonwealth, with expertise in issues of constitutional federalism and 1 of
793 whom shall be a faculty member of the University of Massachusetts with experience in
794 economics or labor studies.

795 SECTION 35. Section 14 of said chapter 23A, as so appearing, is hereby amended by
796 inserting after the word “Bureau”, in line 11, the following words:- , the MetroWest Tourism and
797 Visitors Bureau, the Johnny Appleseed Trail Association, Inc., the Hampshire County Tourism
798 and Visitors Bureau.

799 SECTION 36. Said section 14 of said chapter 23A, as so appearing, is hereby amended
800 by striking out, in lines 17 and 18, the words “director of economic development” and inserting
801 in place thereof the following words:- executive director of tourism.

802 SECTION 37. Said section 14 of said chapter 23A, as so appearing, is hereby further
803 amended by striking out, in lines 55 and 56, the words “,subject to approval by the director of
804 economic development” and inserting in place thereof the following words:- of tourism.

805 SECTION 38. Sections 15 to 28, inclusive, of chapter 23A of the General Laws are
806 hereby repealed.

807 SECTION 39. Sections 46 to 55, inclusive, of said chapter 23A are hereby repealed.

808 SECTION 40. Said Chapter 23A is hereby further amended by striking out section 56, as
809 appearing in the 2008 Official Edition, and inserting in place thereof the following section:-

810 Section 56. (a) The secretary of housing and economic development shall coordinate the
811 quasi-public entities and public purpose agencies of the commonwealth as to their economic
812 development projects, programs and plans.

813 (b) The secretary shall aggregate the data submitted under subsection (i) of section 16G
814 of chapter 6A and shall, not later than December 31, submit an annual report to the secretary of
815 administration and finance, the house and senate committees on ways and means, the joint
816 committee on economic development and emerging technologies, the joint committee on labor
817 and workforce development, the joint committee on small business and community development
818 and the joint committee on higher education. The report shall include an analysis of all public
819 lending activities to businesses with an assessment of the economic impact of those activities and
820 an analysis evaluating public lending to small businesses as defined in section 57.

821 (c) In order to fully utilize all appropriate measures to provide risk capital to small
822 businesses in the commonwealth, the Massachusetts Growth Capital Corporation, the
823 Massachusetts Development Finance Agency and the Massachusetts Technology Development
824 Corporation may establish 1 or more small business investment corporations or special small
825 business investment corporations as provided by the federal Small Businesses Equity
826 Enhancement Act of 1992.

827 (d) The books and records of the quasi-public entities and public purpose agencies of the
828 commonwealth under this section shall be subject to section 12 of chapter 11 and an annual audit
829 conducted by an independent auditor. The results of both audits shall be published in
830 conjunction with the publication of audited financial statements.

831 (e) The secretary of housing and economic development shall from time to time convene
832 the Massachusetts Life Sciences Center established in chapter 23I, the Massachusetts clean
833 energy technology center established in chapter 23J, the Massachusetts Technology
834 Development Corporation established in chapter 40G, the Massachusetts Technology Park

835 Corporation established in chapter 40J, and the Massachusetts Technology Transfer Center
836 established in chapter 75 , for the purpose of ensuring that: (1) the agencies' projects, programs
837 and plans are coordinated and consistent with this section; (2) the agencies are sharing
838 administrative functions for efficiencies and cost saving measures; (3) the agencies are sharing
839 information that is beneficial to the growth and expansion of technology related companies in the
840 commonwealth; and (4) the agencies are sharing best practices related to assisting technology
841 related companies with debt and equity products and technical assistance.

842 SECTION 41. Subsection (a) of section 57 of said chapter 23A, as so appearing, is
843 hereby amended by striking out the definition of "Small business" and inserting in place thereof
844 the following definition:-

845 "Small business", a business entity, including its affiliates, that: (i) is independently
846 owned and operated; (ii) has a principal place of business in the commonwealth; and (iii) would
847 be defined as a "small business" under applicable federal law, as established in the United States
848 Code and promulgated from time to time by the United States Small Business Administration.

849 SECTION 42. Said section 57 of said chapter 23A, as so appearing, is hereby further
850 amended by striking out subsection (i) and inserting in place thereof the following 2
851 subsections:-

852 (i) No loan or loans in an aggregate principal amount in excess of \$500,000 shall be
853 provided to a borrower under the program and no small business borrower under the program
854 shall be provided a loan under the program for passive real estate purposes.

855 (j) Any financial institution desiring to become a participating financial institution shall
856 execute an agreement in such form as the agency or its agent may prescribe, which agreement

857 shall contain the terms and provisions set forth in subsections (a) to (i), inclusive and such other
858 terms and provisions as the agency or its agent may deem necessary or appropriate.

859 SECTION 43. Said chapter 23A is hereby further amended by striking out section 62, as
860 so appearing, and inserting in place thereof the following section:-

861 Section 62. There shall be a 10 person interagency permitting board within the
862 Massachusetts office of business development. The members of the board shall be comprised of
863 the state permit ombudsman who will serve as the chair of the interagency permitting board, the
864 secretary of housing and economic development, the secretary of transportation, the secretary of
865 energy and environmental affairs, the secretary of public safety and security, the director of the
866 department of housing and community development, the director of business development, the
867 director of the department of workforce development, the director of the office of consumer
868 affairs and business regulation, and the executive director of the Massachusetts Development
869 Finance Agency; or their designees. Six members shall be a quorum for the transaction of
870 business. The chair shall communicate with municipal officials responsible for local review
871 procedures to determine the municipal perspective on the proposed project, and to facilitate
872 communication between the municipality and state agencies. The interagency permitting board
873 shall consult with each regional office of the Massachusetts office of business development as
874 well as each regional planning agency and regional economic development organizations with
875 which the Massachusetts office of business development has contracted under this chapter in
876 order to better serve local businesses. At the direction of the chair, the board shall meet no fewer
877 than 8 times a year, and shall monitor the development of priority development sites under
878 chapter 43D and investigate ways in which to expedite priority development site projects. The
879 board shall evaluate state agency permit procedures and recommend changes for improved

880 efficiency. The board shall administer the technical assistance grants program established in
881 subsection (b) of section 3 of chapter 43D. The secretary of housing and economic development
882 shall work with the chair of the interagency permitting board and senior staff members to
883 develop a recommended format for an application form and procedure which shall be used by all
884 executive offices when possible.

885 SECTION 44. Sections 8 to 15, inclusive, of chapter 23D of the General Laws are hereby
886 repealed.

887 SECTION 45. Chapter 23D of the General Laws is hereby amended by striking out
888 section 16, as appearing in the 2008 Official Edition, and inserting in place thereof the following
889 section:

890 Section 16. There shall be established within the Massachusetts Growth Capital
891 Corporation a separate fund to be known as the Employee-Ownership Revolving Loan Fund, the
892 proceeds of which shall be used to provide low interest long term loans to individuals for the
893 purchase of such individual's ownership interest in an employee-owned business. The fund shall
894 consist of all monies designated for that fund by the board of directors of the Massachusetts
895 Growth Capital Corporation in consultation with the director of the industrial services program.

896 Said board shall administer the employee-ownership revolving loan fund program. The
897 application process and the terms and conditions of approving such loans shall be determined by
898 the board in consultation with the director. Said fund shall be subject to the reporting and
899 auditing requirements of section 56 of chapter 23A.

900 SECTION 46. Section 20 of said chapter 23D, as so appearing, is hereby amended by
901 striking out, in lines 10 and 11, the words "trustees of the economic stabilization trust" and

902 inserting in place thereof the following words:- directors of the Massachusetts Growth Capital
903 Corporation.

904 SECTION 47. Chapter 23F of the General Laws is hereby repealed.

905 SECTION 48. Section 1 of chapter 23G of the General Laws, as appearing in the 2008
906 Official Edition, is hereby amended by inserting after the word "bonds", in line 38, the following
907 words:- ; provided that, notwithstanding anything in this chapter to the contrary, "cost of the
908 project" and "costs" may also include any capital or operating expenditure which may legally be
909 made by any person to which the agency is authorized to provide financing, whether through the
910 issuance of bonds by the agency or otherwise, or any other type of financial assistance, or with
911 respect to any property, whether tangible or intangible, which may be developed or redeveloped
912 by the agency, and may also include any capital or operating expenditure which may legally be
913 made with respect to any property, whether tangible or intangible, for which the agency is
914 authorized to provide financing, whether through the issuance of bonds by the agency or
915 otherwise, or any other type of financial assistance, or which may be developed or redeveloped
916 by the agency.

917 SECTION 49. Said section 1 of said chapter 23G, as so appearing, is hereby further
918 amended by inserting after the definition of "Governing body" the following definition:-

919 "Hospital", a nonprofit hospital within the commonwealth licensed by the department of
920 public health; or a nonprofit health maintenance organization within the commonwealth licensed
921 by the commissioner of insurance; or an affiliated nonprofit person, which is organized and
922 operated for the benefit of, to perform any of the functions of, or to carry out any of the purposes
923 of a licensed nonprofit hospital or health maintenance organization, including operation of a

924 nursing home, comprehensive gerontology facility or congregate care facility or any other
925 nonprofit charitable person in the commonwealth not otherwise eligible to participate under this
926 chapter; provided, however, that such other nonprofit charitable person may only undertake the
927 financing and construction or acquisition of a project or undertake the financing and construction
928 or acquisition of a project or undertake the refunding or refinancing of obligations or of a
929 mortgage or of advances to the extent that such projects, obligations, mortgages, or advances
930 consist of or result from the purchase of energy or from energy conservation or related projects
931 of such other nonprofit charitable person; and provided further, that such other nonprofit
932 charitable person participates in or is a member of a group power purchasing program organized
933 and administered by or on behalf of the agency.

934 SECTION 50. Said section 1 of said chapter 23G, as so appearing, is hereby further
935 amended by striking out the definition of “Institution” and inserting in place thereof the
936 following definition:-

937 “Institution”, a hospital or a nonprofit person organized to operate a facility or facilities
938 that provide cultural or educational services; provided, however, that nothing in this definition
939 shall be construed to limit the power or authority of the agency to provide financing to a person
940 to which the agency is otherwise authorized to provide financing.

941 SECTION 50A. Said section 1 of said chapter 23G, as so appearing, is hereby further
942 amended by inserting after the definition of “Massachusetts export finance program” the
943 following definition:-

944 “Massachusetts Health and Educational Facilities Authority”, or “HEFA”. the authority
945 established under chapter 614 of the acts of 1968.

946 SECTION 51. Said section 1 of said chapter 23G, as so appearing, is hereby further
947 amended by inserting after the word “financing”, in line 188, the following words:- ; provided,
948 however, that notwithstanding anything in this chapter to the contrary, “project” may also
949 include any capital or operating expenditure which may legally be made by any person to which
950 the agency is authorized to provide financing, whether through the issuance of bonds by the
951 agency or otherwise, or any other type of financial assistance, or with respect to any property,
952 whether tangible or intangible, which may be developed or redeveloped by the agency, and the
953 property, whether tangible or intangible, produced or acquired by such expenditure, and may also
954 include any property, whether tangible or intangible, which may legally be the subject of
955 financing by the agency, whether through the issuance of bonds by the agency or otherwise, or of
956 any other type of assistance provided by the Agency, or which may be developed or redeveloped
957 by the agency.

958 SECTION 52. Subsection (b) of section 2 of said chapter 23G, as so appearing, is hereby
959 amended by striking out the first sentence and inserting in place thereof the following 2
960 sentences:- The agency shall be governed and its corporate powers exercised by a board of
961 directors consisting of the secretary of administration and finance and the secretary of housing
962 and economic development, or their respective designees, and 9 members to be appointed by the
963 governor, 1 of whom shall be experienced in real estate development, 1 of whom shall be
964 experienced in commercial or industrial credit, 1 of whom shall be experienced in mortgage
965 lending, 1 of whom shall be experienced in banking or investment banking, 1 of whom shall be
966 experienced in planning and the redevelopment of environmentally contaminated lands, 1 of
967 whom shall be experienced in health care facility financing, and 1 of whom shall be a
968 representative of organized labor. The secretary of housing and economic development shall

969 serve as chairperson of the board.

970 SECTION 53. Clause (16) of the first paragraph of section 3 of said chapter 23G, as so
971 appearing, is hereby amended by adding the following words:- ; provided, however, that the
972 agency shall publish and disseminate through its website each fiscal year a schedule of fees or a
973 methodology for determining fees to be charged to institutions under this chapter, which shall
974 result in similar charges for similarly-situated projects, regardless of the size of the participating
975 institution. Before promulgating such schedule, the agency shall hold at least 1 public hearing
976 under section 2 of chapter 30A.

977 SECTION 54. Said first paragraph of said section 3 of said chapter 23G, as so appearing,
978 is hereby further amended by adding the following clause:-

979 (34) to make loans, including working capital and contract based loans, provide
980 guarantees, loan insurance or reinsurance or otherwise provide financing or credit enhancing
981 devices for the operation of companies which have a principal place of business in the
982 commonwealth, including but not limited to loans to lending institutions under terms and
983 conditions requiring the proceeds of such loans to be used by such lending institutions for the
984 making of loans for the operation of companies.

985 SECTION 55. Subsection (k) of section 8 of said chapter 23G, as so appearing, is hereby
986 amended by adding the following sentence:- Notwithstanding any provision of this chapter to the
987 contrary, any indebtedness of the Massachusetts Health and Educational Facilities Authority may
988 be refunded under this subsection (k) if said indebtedness was subject to being refunded under
989 chapter 614 of the acts of 1968.

990 SECTION 56. Said chapter 23G is hereby further amended by striking out sections 27
991 and 28, as so appearing, and inserting in place thereof the following 2 sections:-

992 Section 27. (a) There shall be within the agency an Emerging Technology Fund, to which
993 shall be credited appropriations, bond proceeds or other monies authorized by the general court
994 and specifically designated to be credited to the fund, such additional funds as are subject to the
995 direction and control of the agency, pension funds, federal grants or loans or private investment
996 capital which may properly be applied in furtherance of the objectives of the fund, proceeds from
997 the sale of qualified investments secured or held by the fund, fees and charges imposed relative
998 to the making of qualified investments, as defined and approved under rules approved by the
999 advisory committee created in section 28 for the fund, secured or held by the fund and other
1000 monies which may be available to the agency or the advisory committee for the purposes of the
1001 fund from another source or sources. The agency shall hold the fund in an account or accounts
1002 separate from other funds or accounts and shall manage the fund on behalf of the advisory
1003 committee, under rules and policies established by the advisory committee.

1004 (b) The agency, on behalf of the advisory committee, shall invest and reinvest the fund
1005 and the income of the fund as follows:

1006 (1) in the making of qualified investments, under rules approved by the advisory
1007 committee;

1008 (2) in defraying the ordinary and necessary expenses of administration and operation
1009 associated with the fund;

1010 (3) in the investment of funds not required for immediate disbursement in the purchase of
1011 such securities as may be lawful investments for fiduciaries in the commonwealth;

1012 (4) for the payment of binding obligations associated with such qualified investments
1013 which are secured by the fund as the obligations become payable; and

1014 (5) for the payment of principal or interest on qualified investments secured by the fund
1015 or the payment of a redemption premium required to be paid when such qualified investments
1016 are redeemed prior to maturity; provided, however, that monies in the fund shall not be
1017 withdrawn at any time in such an amount as would reduce the amount of the fund to less than the
1018 minimum requirement established jointly by the agency and advisory committee, except for the
1019 purpose of paying binding obligations associated with qualified investments which are secured
1020 by the fund as the obligations become payable.

1021 (c) The fund shall be held and applied by the agency, on behalf of the advisory
1022 committee, to make qualified investments designed to advance the following public purposes:

1023 (1) to stimulate increased financing for new, renovated or improved manufacturing,
1024 research and development and related facilities and financing for the operations of emerging
1025 technology companies in the commonwealth by leveraging private financing for highly,
1026 productive state-of-the-art facilities or for the operations of emerging technology companies,
1027 which will lead to increased and more rewarding employment opportunities in the
1028 commonwealth by providing financing related to such facilities including, without limitation,
1029 financing of the construction or expansion of such facilities, including specialized real estate
1030 improvements and specialized equipment for those facilities; and financing for the operations of
1031 emerging technology companies; and

1032 (2) to make matching grants to universities, colleges, public instrumentalities, companies
1033 and other entities to induce the federal government, industry and other grant-funding sources to

1034 fund advanced research and development activities in new and emerging technologies and new
1035 application of existing technologies in the commonwealth, so as to serve to increase and
1036 strengthen the commercial and industrial base of the commonwealth and the economic
1037 development and employment opportunities related to the commercial and industrial base;

1038 (3) to provide bridge financing to universities, colleges, public instrumentalities,
1039 companies and other entities in anticipation of the receipt of grants of the type described in
1040 clause (2) awarded or to be awarded by the federal government, industry or other sources;

1041 (4) to provide low or no interest equipment loans targeted to companies within the
1042 defense technology and homeland security sector particularly those that are seeking to become
1043 more competitive against out-of-state companies;

1044 (5) to make grants to the Massachusetts Technology Transfer Center, established by
1045 section 45 of chapter 75, to fund activities that facilitate the transfer of technology from the
1046 commonwealth's research institutions to the commonwealth's emerging technology industries,
1047 for productive use by such industries and to make targeted investments in proof of concept
1048 funding for emerging technologies; and

1049 (6) to provide matching grants in the field of marine science technology for companies in
1050 the commonwealth that receive small business innovation research or small business technology
1051 transfer grants from the small business administration. The matching award amount shall be the
1052 lesser of \$20,000 or 15 per cent of the small business innovation research or small business
1053 technology transfer grant. There shall be a maximum of \$60,000 available per company,
1054 including affiliates, per calendar year allocated on a competitive basis, contingent upon the

1055 availability of funds. The matching funds shall be used for product development and
1056 commercialization.

1057 The agency shall make no such qualified investment under clause (1) of subsection (b)
1058 unless the advisory committee finds that, to the extent possible, said qualified investment is such
1059 that a definite benefit to the economy of the commonwealth may reasonably be expected as a
1060 result. In addition, the agency shall make no such qualified investment under said clause (1) of
1061 said subsection (b) unless such qualified investment complies with rules approved by the
1062 advisory committee.

1063 Said rules shall define which industries within the commonwealth shall be considered
1064 emerging technology industries for purposes of this section; provided, however, that “emerging
1065 technology industries” shall include industries employing new or state-of-the-art technology in
1066 biotechnology, marine science technology, pharmaceuticals, clean and renewable energy
1067 technology; vehicles powered by clean and renewable energy, defense and homeland security-
1068 related technologies, advanced materials, electronics, nanotechnology, environmental, medical
1069 device, information technology, plastics and polymers, telecommunications industries involved
1070 in the research and development of state-of-the-art medication delivery devices or any other
1071 technological field or industry which the advisory committee has classified or shall classify as an
1072 emerging technology. Said rules shall also set the terms and conditions for investments which are
1073 to constitute qualified investments, which may include, without limitation, loans, working capital
1074 and contract based loans, guarantees, loan insurance or reinsurance, equity investments, grants
1075 made only under clauses (2) and (5) of subsection (c), or other financing or credit enhancing
1076 devices, as made by the agency directly or on its own behalf or in conjunction with other public
1077 instrumentalities, or private institutions, or the federal government; provided, however, that said

1078 rules shall provide that each such qualified investment made under clause (1) of said subsection
1079 (c) shall involve a transaction with the participation of at least 2 at-risk private parties.

1080 Said rules shall, in addition, set forth the terms, procedures, standards and conditions
1081 which the agency shall employ to identify qualified applications, process applications, make
1082 investment determinations, safeguard the fund, advance the objective of increasing employment
1083 opportunities, oversee the progress of qualified investments and secure the participation of other
1084 public instrumentalities, private institutions or the federal government in such qualified
1085 investments; provided, however, that said rules shall provide that each recipient of a qualified
1086 investment shall be required to pay a fee as a condition of such receipt, which fee may take the
1087 form of points, an interest rate premium or a contribution of warrants or other form of equity or
1088 consideration to the fund as prescribed by the advisory committee; and provided, further, that
1089 said rules shall provide for negotiated agreements between the agency and each recipient of a
1090 qualified investment regarding the terms and conditions by which the fund's support of a
1091 recipient could be reduced or withdrawn.

1092 (d) The agency may solicit investments by private institutions or investors in the
1093 activities of the fund and may reach agreements with such private institutions or investors
1094 regarding the terms of such investments including, without limitation, the rights of such investors
1095 to participate in the income or appropriation of the fund. To help secure investments by private
1096 institutions or investors in the activities of the fund, the advisory committee may develop a
1097 proposal relative to the creation of a separate investment entity which would allow for the
1098 commingling of the resources of the fund with the maximum participation by such private
1099 institutions or investors in a manner which is consistent with the public purpose of the fund and
1100 under terms and conditions calculated to protect and preserve the assets of the fund; provided,

1101 however, that if the creation or operation of such a separate entity as proposed by the advisory
1102 committee would require additional or clarifying amendments to this chapter, said proposal shall
1103 include proposed statutory language.

1104 (e) Copies of the approved rules and modifications to the rules shall be submitted to the
1105 chairs of the house and senate committees on ways and means and the joint committee on
1106 economic development and emerging technologies and the clerks of the house of representatives
1107 and the senate.

1108 (f) Qualified investment transactions undertaken by the agency on behalf of the advisory
1109 committee under this section shall not, except as specified in this section, be subject to chapter
1110 175, and shall be payable solely from the fund and shall not constitute a debt or pledge of the
1111 faith and credit of the commonwealth, the agency or any subdivision of the commonwealth.

1112 (g) The agency, on behalf of the advisory committee, shall not make an expenditure from
1113 or commitment of the assets of the fund, including, without limitation, the making of qualified
1114 investments secured by the fund, if making such a qualified investment would reduce the
1115 amount of the fund below the minimum requirement established by law, unless the agency, at the
1116 time of making of such qualified investment, deposits in the fund from the proceeds of that
1117 qualified investment or from any fees and charges imposed relative to the making of qualified
1118 investments, or otherwise, an amount which, together with the amount in the fund, shall not be
1119 less than the minimum requirement; provided, however, that at no time shall the minimum
1120 requirement of the fund be less than the maximum amount of principal and interest becoming
1121 due in the current and succeeding fiscal year of the agency on all outstanding bonds and other

1122 obligations which are secured by the fund or such greater amount as may be set forth in the rules
1123 governing the fund.

1124 Section 28. (a) There shall be an advisory committee to the Emergency Technology Fund
1125 established in section 27 which shall consist of the director of the Massachusetts office of
1126 business development, the director of the John Adams Innovation Institute, the president of the
1127 Massachusetts Technology Development Corporation, 3 persons to be appointed by the
1128 governor, 1 of whom shall be a representative of an emerging technology industry, 1 of whom
1129 shall have knowledge of financing of emerging technology companies and 1 of whom shall have
1130 knowledge of technology transfer and commercialization activities at research institutions, and 3
1131 persons to be appointed by the board of the agency, 1 of whom shall be a representative of an
1132 emerging technology industry, 1 of whom shall have knowledge of financing of emerging
1133 technology companies and 1 of whom shall be a member of the agency's board of directors;
1134 provided, however, that the director of the John Adams Innovation Institute and the president of
1135 the Massachusetts Technology Development Corporation may designate another person to act in
1136 such member's place for a particular purpose, including the right to attend and vote at a meeting
1137 of the advisory committee. The executive director of the Massachusetts Technology Transfer
1138 Center or the executive director's designee shall serve as an ex-officio and nonvoting member of
1139 the advisory committee.

1140 Each appointed member of the advisory committee shall serve for a term of 3 years or
1141 until such member's successor is appointed; provided, however, that 1 of the governor's initial
1142 appointees and 1 of the board of the agency's initial appointees shall serve for a term of 1 year, 1
1143 of the governor's initial appointees and 1 of the board of the agency's initial appointees shall
1144 serve for a term of 2 years, and 1 of the governor's initial appointees and 1 of the board of the

1145 agency's initial appointees shall serve for a term of 3 years. A person appointed to fill a vacancy
1146 on the advisory committee shall be appointed in a like manner and shall be eligible for
1147 reappointment. A member of the advisory committee appointed by the governor may be removed
1148 by the governor for cause. A member of the advisory committee appointed by the board of the
1149 agency may be removed by the board of the agency for cause.

1150 (b) The members shall annually elect a chairman and vice chairman and shall adopt by-
1151 laws governing the affairs of the advisory committee. Five members of the advisory committee
1152 shall constitute a quorum and the affirmative vote of a majority of the members present and
1153 eligible to vote at a meeting shall be necessary for an action to be taken by the advisory
1154 committee; provided, however, that no vacancy in the membership of the advisory committee
1155 shall impair the right of a quorum to exercise the powers of the advisory committee.

1156 (c) The members shall serve without compensation, but each member shall be entitled to
1157 reimbursement for actual and necessary expenses incurred in the performance of official duties.

1158 (d) The advisory committee may meet as often as the members shall decide; provided,
1159 however, that it shall meet at least once in each calendar quarter and its approval shall be
1160 necessary for an expenditure from, or commitment of, the assets of the fund or entry into
1161 contracts of the type specified in subsection (g).

1162 (e) The advisory committee may, by majority vote, elect, in its discretion, to delegate
1163 some or all of the committee's approval rights to the board or the staff of the agency; provided,
1164 that, any such delegation may be revoked at any time by majority vote of the advisory
1165 committee.

1166 (f) The agency shall manage the qualified investments made from the fund on behalf of
1167 the advisory committee including, without limitation, the closing, servicing, monitoring,
1168 underwriting and where appropriate, the enforcement of rights with respect to such management
1169 and shall provide such staff and supporting assistance as deemed appropriate by the board of
1170 directors of the agency to enable the advisory committee to discharge its duties in a manner
1171 consistent with its public purpose. Subsection (d), subsections (f) to (i), inclusive and subsection
1172 (l) of section 2 of this chapter shall also apply to the members and affairs of the advisory
1173 committee.

1174 (g) The advisory committee and the agency may award 1 or more contracts with regard to
1175 the management of the fund, which may provide performance-based incentives, with regard to
1176 such management.

1177 SECTION 57. Said chapter 23G is hereby further amended by adding the following
1178 section:-

1179 Section 44. The agency shall be subject to section 16G of chapter 6A and section
1180 56 of chapter 23A.

1181 SECTION 58. Section 4 of chapter 23I of the General Laws, as appearing in the 2008
1182 Official Edition, is hereby amended by inserting after the word “document”, in line 35, the
1183 following words:- ; provided, however, that the center shall contract with another public
1184 authority for the performance by that authority of core administrative functions, as determined by
1185 the secretary of housing and economic development which may include, but shall not be limited
1186 to, human resources, financial management, information technology, legal, procurement and
1187 asset management, to minimize the administrative costs and expenses of the center.

1188 SECTION 59. Section 6 of said chapter 23I, as so appearing, is hereby amended by
1189 inserting after the figure “75”, in line 82, the following words:- to fund activities that facilitate
1190 the transfer of technology from the commonwealth’s research institutions to the
1191 commonwealth’s life science industries, for productive use by such industries and to make
1192 targeted investments in proof of concept funding for emerging technologies.

1193 SECTION 60. Section 12 of said chapter 23I, as so appearing, is hereby amended by
1194 striking out, in line 9, the words “his designee,” and inserting in place thereof the following
1195 words:- the secretary’s designee, the executive director of the Massachusetts Technology
1196 Transfer Center and.

1197 SECTION 61. Said chapter 23I is hereby further amended by adding the following
1198 section:

1199 Section 18. The center shall be subject to section 16G of chapter 6A and section 56 of
1200 chapter 23A.

1201 SECTION 62. Chapter 23J of the General Laws is hereby amended by adding the
1202 following section:-

1203 Section 9. The center shall be subject to section 16G of chapter 6A and section 56 of
1204 chapter 23A.

1205 SECTION 63. Section 11F of chapter 25A of the General Laws, as appearing in the 2008
1206 Official Edition, is hereby amended by striking out, in line 141, the figure “2” and inserting in
1207 place thereof the following figure:- 6.

1208 SECTION 64. Section 1 of chapter 29 of the General Laws is hereby amended by striking
1209 out the definition of “State authority”, as amended by section 31 of chapter 25 of the acts of
1210 2009, and inserting in place thereof the following definition:-

1211 “State authority” a body politic and corporate constituted as a public instrumentality of
1212 the commonwealth and established by an act of the General Court to serve an essential
1213 governmental function; provided, however, that “state authority” shall not include: (1) a state
1214 agency; (2) a city or town; (3) a body controlled by a city or town; or (4) a separate body politic
1215 where the governing body is elected, in whole or in part, by the general public or by
1216 representatives of member cities or towns.

1217 SECTION 65. Section 1 of chapter 30A of the General Laws, as so appearing, is hereby
1218 amended by inserting after paragraph (4) the following paragraph:-

1219 (4A) “Proposed regulation”, a proposal by an agency to adopt, amend or repeal an
1220 existing regulation.

1221 SECTION 66. Said section 1 of said chapter 30A of the General Laws, as appearing in
1222 the 2008 Official Edition, is hereby further amended by inserting after paragraph (5) the
1223 following paragraph:-

1224 (5A) “Small business”, a business entity or agriculture operation, including its affiliates,
1225 that: (i) is independently owned and operated; (ii) has a principal place of business in the
1226 commonwealth; and (iii) would be defined as a “small business” under applicable federal law, as
1227 established in the United States Code and promulgated from time to time by the United States
1228 Small Business Administration.

1229 SECTION 67. Section 2 of said chapter 30A, as so appearing, is hereby amended by
1230 inserting after the third paragraph the following 2 paragraphs:-

1231 The notice shall also include a small business impact statement considering the impact of
1232 the proposed regulation on small business with the state secretary. Notwithstanding the
1233 provisions of section 6, the state secretary shall include the statement of small business
1234 consideration on the electronic website of the state secretary; provided, however, that the full text
1235 of the small business impact statement may be inspected and copied in the office of the state
1236 secretary during business hours.

1237 That small business impact statement shall include, but not be limited to, the following:

1238 (1) an estimate of the number of small businesses subject to the proposed regulation;

1239 (2) projected reporting, recordkeeping and other administrative costs required for
1240 compliance with the proposed regulation;

1241 (3) the appropriateness of performance standards versus design standards;

1242 (4) an identification of regulations of the promulgating agency, or of another agency or
1243 department of the commonwealth, which may duplicate or conflict with the proposed regulation;

1244 and

1245 (5) an analysis of whether the proposed regulation is likely to deter or encourage the
1246 formation of new businesses in the commonwealth;

1247 SECTION 68. Section 3 of said chapter 30A, as so appearing, is hereby amended by
1248 inserting after the third paragraph the following 2 paragraphs:-

1249 The notice shall also include a small business impact statement considering the impact of
1250 the proposed action on small businesses with the state secretary. Notwithstanding the provisions
1251 of section 6, the state secretary shall include the small business impact statement on the
1252 electronic website of the state secretary; provided, however, that the full text of the small
1253 business impact statement may be inspected and copied in the office of the state secretary during
1254 business hours.

1255 That small business impact statement shall include, but not be limited to, the following:

1256 (1) an estimate of the number of small businesses subject to the proposed regulation;

1257 (2) projected reporting, recordkeeping and other administrative costs required for
1258 compliance with the proposed regulation;

1259 (3) the appropriateness of performance standards versus design standards;

1260 (4) an identification of regulations of the promulgating agency, or of another agency or
1261 department of the commonwealth, which may duplicate or conflict with the proposed regulation;
1262 and

1263 (5) an analysis of whether the proposed regulation is likely to deter or encourage the
1264 formation of new businesses in the commonwealth;

1265 SECTION 69. The second paragraph of section 5 of said chapter 30A, as so appearing, is
1266 hereby amended by striking out the third sentence and inserting in place thereof the following
1267 sentence:- The requirements to file small business impact statements under this section and
1268 sections 2, 3 and 5A shall be enforceable by a civil action for mandamus relief, but the

1269 sufficiency of the statement filed shall not be grounds for invalidating or staying the effect of the
1270 regulation.

1271 SECTION 70. Said section 5 of said chapter 30A, as so appearing, is hereby further
1272 amended by inserting after the second paragraph the following paragraph:-

1273 Prior to the adoption of a proposed regulation, an agency shall file an amended small
1274 business impact statement, which considers, without limitation, whether any of the following
1275 methods of reducing the impact of the proposed regulation on small businesses would hinder
1276 achievement of the purpose of the proposed regulation:

1277 (1) establishing less stringent compliance or reporting requirements for small businesses;

1278 (2) establishing less stringent schedules or deadlines for compliance or reporting
1279 requirements for small businesses;

1280 (3) consolidating or simplifying compliance or reporting requirements for small
1281 businesses;

1282 (4) establishing performance standards for small businesses to replace design or
1283 operational standards required in the proposed regulation;

1284 (5) an analysis of whether the proposed regulation is likely to deter or encourage the
1285 formation of new businesses in the commonwealth; and

1286 (6) minimizing adverse impact on small businesses by using alternative regulatory
1287 methods.

1288 SECTION 71. Said chapter 30A is hereby amended by inserting after section 5, as so
1289 appearing, the following section:-

1290 Section 5A. Rules and regulations shall be reviewed at least once every 12 years after
1291 their publication as the final rules or regulations to ensure that those rules and regulations
1292 minimize economic impact on small businesses in a manner consistent with the stated objectives
1293 of applicable statutes.

1294 In reviewing a rule or regulation to minimize economic impact of the rule or regulation
1295 on small businesses, the agency shall file a small business impact statement which considers the
1296 following factors:

1297 (1) the continuing need for the rule or regulation;

1298 (2) the nature of complaints or comments received concerning the rule or regulation from
1299 the public;

1300 (3) the complexity of the rule or regulation;

1301 (4) the extent to which the rule or regulation overlaps, duplicates or conflicts with other
1302 federal, state and local governmental rules and regulations;

1303 (5) the length of time since the rule or regulation has been enacted, changed, amended or
1304 modified; and

1305 (6) the degree to which technology, economic conditions or other factors have changed in
1306 the subject areas affected by the rule or regulation.

1307 SECTION 72. Chapter 30B of the General Laws is hereby amended by adding the
1308 following section:-

1309 Section 22. (a) Notwithstanding any general or special law to the contrary and to the
1310 extent permitted by federal law, a governmental body may, by a majority vote, establish a
1311 preference for the procurement of products or services by businesses, as defined in section 3A of
1312 chapter 23A, with their principal place of business in the commonwealth.

1313 (b) If a governmental body establishes such a preference, the procurement officer
1314 responsible for procuring products and services on behalf of the governmental body shall
1315 effectuate such preference for the procurement in: (i) advertising for bids, contracts or otherwise
1316 and making reasonable efforts to facilitate the purchase of such products or services; and (ii)
1317 purchasing products or services by businesses, as defined in said section 3A of said chapter 23A,
1318 with their principal place of business in the commonwealth, unless the price of such goods or
1319 services exceed, by more than 10 per cent, the price of such goods or services produced by
1320 businesses with their principal place of business outside of the commonwealth.

1321 SECTION 73. Section 23 of chapter 32 of the General Laws is hereby amended by
1322 inserting after the word “however”, in line 361, as appearing in the 2008 Official Edition, the
1323 following words:-, that consistent with sound investment policy and in accordance with the
1324 procedures and processes employed to oversee the allocation of traditional investment of funds,
1325 the director shall whenever reasonably possible ensure that funds are invested in banks or
1326 financial institutions which directly or through any subsidiary may make loans to small
1327 businesses, as defined in clause (a) of subdivision (7), and that when electing to make such
1328 investments the board shall review the guidelines for investing in small businesses contained in

1329 said subdivision (7) and monies shall be invested as much as reasonably possible in such banks,
1330 financial institutions or companies which provide capital to small businesses under those
1331 guidelines so long as such use is consistent with sound investment policy; provided further.

1332 SECTION 74. Said section 23 of said chapter 32, as so appearing, is hereby further
1333 amended by adding the following subdivision:-

1334 (7) The guidelines for investing in small businesses with a principal place of business in
1335 the commonwealth shall be:

1336 For the purposes of this section small business shall be a business entity, including its
1337 affiliates, that: (i) is independently owned and operated; (ii) has a principal place of business in
1338 the commonwealth; and (iii) would be defined as a 'small business' under applicable federal law,
1339 as established in the United States Code and promulgated from time to time by the United States
1340 Small Business Administration.

1341 Investments shall be made by banks or financial institutions with demonstrated
1342 experience making capital available to small businesses with good management, which are fast
1343 growing and identify the potential to use increased capital to create jobs and which are
1344 experiencing difficulty in accessing capital.

1345 Capital shall be provided to small businesses in a variety of financial instruments,
1346 including but not limited to: working capital and expansion loans to businesses, both secured and
1347 non-secured; provide lines of credit; capital expenditure loans; term loans; project finance loans;
1348 grants; loan guarantees; and mezzanine and structured finance loans.

1349 Capital shall not be provided unless financial and managerial advisory services are also
1350 provided to the business that is served.

1351 SECTION 75. Section 59 of chapter 40 of the General Laws, as so appearing, is hereby
1352 amended by striking out clause (iii) and inserting in place thereof the following clause:-

1353 (iii) authorizes tax increment exemptions from property taxes, under clause Fifty-first of
1354 section 5 of chapter 59, for a specified term not to exceed 20 years, for any parcel of real
1355 property which is located in the TIF zone and for which an agreement has been executed with the
1356 owner of the real property under clause (v); provided, however, that the TIF plan shall specify
1357 the level of the exemptions expressed as exemption percentages, not to exceed 100 per cent to be
1358 used in calculating the exemptions for the parcel, and for personal property situated on that
1359 parcel, as provided under said clause Fifty-first of said section 5 of said chapter 59; provided,
1360 further, that the exemption for each parcel of real property shall be calculated using an
1361 adjustment factor for each fiscal year of the specified term equal to the product of the inflation
1362 factors for each fiscal year since the parcel first became eligible for an exemption under this
1363 clause; provided, further that the inflation factor for each fiscal year shall be a ratio;

1364 (a) the numerator of which shall be the total assessed value of all parcels of commercial
1365 and industrial real estate that are assessed at full and fair cash value for the current fiscal year
1366 minus the new growth adjustment for the current fiscal year attributable to the commercial and
1367 industrial real estate as determined by the commissioner of revenue under subsection (f) of
1368 section 21C of chapter 59; and

1369 (b) the denominator of which shall be the total assessed value for the preceding fiscal
1370 year of all the parcels included in the numerator; provided, however, that the ratio shall not be
1371 less than 1;.

1372 SECTION 76. Said section 59 of said chapter 40, as so appearing, is hereby further
1373 amended by adding the following clause:-

1374 (viii) requires of an owner of a parcel pursuant to clause (v) to submit to the city or town
1375 clerk and the economic assistance coordinating council a report detailing the status of the
1376 construction laid out in the plan; the current value of the property; and the number of jobs
1377 created to date as a result of the plan; provided, however, that a report shall be filed every 5 years
1378 for the term of the tax increment exemption allowed under clause Fifty-first of section 5 of
1379 chapter 59; and provided further, that a final report shall be filed in the final year of the
1380 exemption.

1381 SECTION 77. Clause (iii) of subsection (a) of section 60 of said chapter 40, as so
1382 appearing, is hereby amended by striking out the introductory paragraph and inserting in place
1383 thereof the following introductory paragraph:-

1384 authorize tax increment exemptions from property taxes, under clause Fifty-first of
1385 section 5 of chapter 59, for a specified term not to exceed 20 years, for any parcel of real
1386 property which is located in the UCH-TIF zone and for which an agreement has been executed
1387 under clause (v); provided, however, that the UCH-TIF plan shall specify the level of exemptions
1388 expressed as exemption percentages, not to exceed 100 per cent to be used in calculating the
1389 exemptions for the parcel, and for personal property situated on that parcel, as provided under
1390 said clause Fifty-first of said section 5 of said chapter 59; provided, further, that the exemption

1391 for each parcel of real property shall be calculated using an adjustment factor for each fiscal year
1392 of the specified term equal to the product of the inflation factors for each fiscal year since the
1393 parcel first became eligible for such exemption under this clause; provided, further, that the
1394 inflation factor for each fiscal year shall be a ratio:.

1395 SECTION 78. Clause (iii) of subsection (a) of section 60A of said chapter 40, as so
1396 appearing, is hereby amended by striking out the introductory paragraph and inserting in place
1397 thereof the following introductory paragraph: -

1398 authorize tax increment exemptions from property taxes, under clause Fifty-first of
1399 section 5 of chapter 59, for a specified term not to exceed 20 years, for any parcel of real
1400 property which is located in the MWT-TIF zone and for which an agreement has been executed
1401 with the owner of the parcel under clause (iv); provided, however, that the MWT-TIF plan shall
1402 specify the level of exemptions expressed as exemption percentages, not to exceed 100 per cent,
1403 to be used in calculating the exemptions for the parcel, and for personal property situated on that
1404 parcel, as provided under said clause Fifty-first of said section 5 of said chapter 59; provided,
1405 further, that the exemption for each parcel of real property shall be calculated using an
1406 adjustment factor for each fiscal year of the specified term equal to the product of the inflation
1407 factors for each fiscal year since the parcel first became eligible for such exemption pursuant to
1408 this clause; provided, further, that the inflation factor for each fiscal year shall be a ratio:

1409 SECTION 79. Section 3 of chapter 40A of the General Laws is hereby amended by
1410 inserting after the word “more”, in line 25, as so appearing, the following words:- or to parcels 2
1411 acres or more if the sale of products produced from the agriculture, aquaculture, silviculture,

1412 horticulture, floriculture or viticulture use on the parcel annually generates at least \$1,000 per
1413 acre based on gross sales dollars.

1414 SECTION 80. Section 24 of chapter 40B of the General Laws is hereby amended by
1415 striking out, in line 17, as so appearing, the words “director of” and inserting in place thereof the
1416 following words: secretary of housing and.

1417 SECTION 81. Chapter 40E of the General Laws is hereby repealed.

1418 SECTION 82. Section 2 of chapter 40G of the General Laws, as appearing in the 2008
1419 Official Edition, is hereby amended by striking out, in lines 19 and 20, the words “eleven
1420 directors: the director of economic development, the secretary of administration, one” and
1421 inserting in place thereof the following words:- 11 directors: the secretary of housing and
1422 economic development, who shall serve as chair, the secretary of administration and finance, 1.

1423 SECTION 83. The fifth paragraph of said section 2 of said chapter 40G, as so appearing,
1424 is hereby amended by striking out the fourth sentence.

1425 SECTION 84. Section 3 of said chapter 40G, as so appearing, is hereby amended by
1426 inserting after the word “business”, in line 8, the following words:- ; provided, however, that the
1427 MTDC shall contract with another public authority for the performance by that authority of core
1428 administrative functions, as determined by the secretary of housing and economic development,
1429 which may include, but shall not be limited to, human resources, financial management,
1430 information technology, legal, procurement and asset management, to minimize the
1431 administrative costs and expenses of the MTDC.

1432 SECTION 85. Chapter 40G of the General Laws is hereby further amended by adding the
1433 following section:-

1434 Section 11. The MTDC shall be subject to section 16G of chapter 6A and section 56 of
1435 chapter 23A.

1436 SECTION 86. Section 2 of chapter 40H of the General Laws, as appearing in the 2008
1437 Official Edition, is hereby amended by striking out the definition of “CDC” and inserting in
1438 place thereof the following definition:-

1439 “CDC” or “Community Development Corporation”, a non-profit corporation organized
1440 under chapter 180, and exempt from taxation under section 501(c) of the Internal Revenue Code
1441 and which:

1442 (a) focuses a substantial majority of the corporation’s efforts on serving 1 or more
1443 specific neighborhoods or municipalities, a region of the commonwealth or a constituency that is
1444 economically disadvantaged;

1445 (b) has as the corporation’s purpose to engage local residents and businesses to work
1446 together to undertake community development programs, projects and activities which develop
1447 and improve urban, rural and suburban communities in sustainable ways that create and expand
1448 economic opportunities for low and moderate income people;

1449 (c) demonstrates to the department of housing and community development that the
1450 corporation’s constituency, including low and moderate income people, is meaningfully
1451 represented on the board of directors of the corporation; provided, however, that in making this
1452 determination, the department shall consider the following criteria: (1) the percentage, if any, of

1453 the board that is elected by the general membership; (2) the percentage of the board members
1454 that are residents of the service area; (3) the percentage of board members that are people of low
1455 or moderate income; (4) the racial and ethnic composition of the board in comparison to the
1456 racial and ethnic composition of the community being served; (5) other mechanisms, including
1457 committees, membership meetings, that the organization uses to ensure that their constituency
1458 has a meaningful role in the governance and direction of the organization; and (6) other criteria
1459 as determined by the department.

1460 SECTION 87. The definition of “Eligible organization” in section 2 of said chapter 40H,
1461 as so appearing, is hereby amended by striking out the second sentence.

1462 SECTION 88. Said section 2 of said chapter 40H, as so appearing, is hereby amended by
1463 striking out the definition of “Target area” and inserting in place thereof the following
1464 definition:-

1465 “Target area”, a contiguous geographic area in which the project is located and is: (1) an
1466 economic target area designated under section 3D of chapter 23A; (2) the service area of
1467 community development corporation; or (3) a zip code whose current unemployment rate
1468 exceeds the state unemployment rate by at least 25 per cent or whose mean household income is
1469 at or below 80 per cent of the state mean household income as of the most recent decennial
1470 census.

1471 SECTION 89. Chapter 40H of the General Laws is hereby amended by inserting after
1472 section 2 the following section:-

1473 Section 2A (a) The director of housing and community development shall establish and
1474 maintain a list of organizations that have been certified as CDCs consistent with this chapter and

1475 develop a process for certifying those organizations; provided, however, that the organizations
1476 shall be recertified at least once every 4 years. The process shall include an analysis of the
1477 organization's governance and a determination of whether the organization's constituency,
1478 including low and moderate income persons, is meaningfully represented on the board of
1479 directors of the organization. In making such determination, the director shall consider the
1480 following criteria: (i) the percentage, if any, of the board that is elected by the general
1481 membership; (ii) the percentage of the board members who are residents of the service area; (iii)
1482 the percentage of board members that are persons of low or moderate income; (iv) the racial and
1483 ethnic composition of the board in comparison to the racial and ethnic composition of the
1484 community that the organization serves; (v) other mechanisms, including committees,
1485 membership meetings and others that the organization uses to ensure that the organization's
1486 constituency has a meaningful role in the governance and direction of the organization; and (vi)
1487 other criteria as determined by the director of housing and community development.

1488 (b) The director of housing and community development shall file an annual report on
1489 December 15 with the speaker of the house of representatives, the president of the senate, the
1490 chairs of the house and senate committees on ways and means, the chairs of the joint committee
1491 on housing, and the chairs of the joint committee on community development and small business
1492 providing:

1493 a list of certified CDCs in the commonwealth; and

1494 a summary of programs, initiatives or partnerships operated by the executive office of
1495 housing and economic development, its agencies and quasi-public agencies organized under the
1496 executive office, that are designed to build the capacity of CDCs, provide training or technical

1497 assistance to CDC employees or board members, provide funding to support CDCs and their
1498 programs, projects and initiatives and otherwise help CDCs to engage local residents and
1499 businesses to work together to undertake programs, projects and activities which develop and
1500 improve urban, rural and suburban communities by creating and expanding economic
1501 opportunities for low and moderate income persons together with recommendations for action to
1502 enhance the ability of CDCs to advance those activities.

1503 SECTION 90. Section 3 of said chapter 40H, as appearing in the 2008 Official Edition, is
1504 hereby amended by striking out, in line 13, the words “nine directors, four” and inserting in place
1505 thereof the following words:- 9 directors, 1 of whom shall be the secretary of the housing and
1506 economic development, who shall serve as chair, 3.

1507 SECTION 91. Subsection (b) of said section 3 of said chapter 40H, as so appearing, is
1508 hereby amended by striking out the sixth sentence.

1509 SECTION 92. Said chapter 40H is hereby amended by adding the following section:-

1510 Section 9. CEDAC shall be subject to section 16G of chapter 6A and section 56 of
1511 chapter 23A.

1512 SECTION 93. The third paragraph of section 3 of chapter 40J of the General Laws, as
1513 appearing in section 15 of chapter 158 of the acts of 2009, is hereby amended by striking out the
1514 first sentence and inserting in place thereof the following 2 sentences:- The secretary of housing
1515 and economic development or the secretary’s designee shall serve as chairperson. The board
1516 shall annually elect from among its members a vice-chairperson and may designate a treasurer
1517 and a secretary, who need not be members of the board.

1518 SECTION 94. Section 6A of said chapter 40J is hereby amended by striking out, in line
1519 16, as so appearing, the words “undersecretary of business” and inserting in place thereof the
1520 following words:- secretary of housing and economic.

1521 SECTION 95. Section 6B of said chapter 40J, as so appearing, is hereby amended by
1522 striking out, in line 32, the words “or his designee” and inserting in place thereof the following
1523 words:- , who shall serve as chair.

1524 SECTION 96. Subsection (c) of said section 6B of said chapter 40J, as so appearing, is
1525 hereby further amended by striking out the second sentence.

1526 SECTION 97. The second paragraph of subsection (b) of section 6D of said chapter 40J,
1527 as so appearing, is hereby amended by striking out the first sentence and inserting in place
1528 thereof the following sentence:- The council shall consist of 9 members; 1 of whom shall be the
1529 secretary of health and human services, who shall serve as the chair; 1 of whom shall be the
1530 secretary of administration and finance, or the secretary’s designee; 1 of whom shall be the
1531 executive director of the health care quality and cost council; 1 of whom shall be the director of
1532 the office of Medicaid; 1 of whom shall be the secretary of housing and economic development
1533 or the secretary’s designee; 4 of whom shall be appointed by the governor, of whom at least 1
1534 shall be an expert in health information technology, 1 shall be an expert in law and health policy
1535 and 1 shall be an expert in health information privacy and security.

1536 SECTION 98. Said chapter 40J is hereby further amended by adding the following
1537 section:-

1538 Section 13. The corporation shall be subject to section 16G of chapter 6A and section 56
1539 of chapter 23A.

1540 SECTION 99. Section 1 of chapter 40Q of the General Laws, as appearing in the 2008
1541 Official Edition, is hereby amended by striking out the definition of “Base date” and inserting in
1542 place thereof the following 2 definitions:-

1543 “Adjustment factor”, for each fiscal year of the term of a given development program, the
1544 product of the inflation factors for each fiscal year subsequent to the first fiscal year immediately
1545 following the base date.

1546 “Base date”, the last assessment date of the real property tax immediately preceding the
1547 creation of the district.

1548 SECTION 100. The definition of “Development program” in said section 1 of said
1549 chapter 40Q, as so appearing, is hereby amended by striking out clause (8) and inserting in place
1550 thereof the following clause:-

1551 (8) the duration of the program which shall not exceed the longer of: (i) 30 years from the
1552 date of designation of the district; or (ii) 30 years from project stabilization, as defined in the
1553 development program.

1554 SECTION 101. Said section 1 of said chapter 40Q, as so appearing, is hereby further
1555 amended by striking out the definition of “Inflation factor” and inserting in place thereof the
1556 following definition:-

1557 "Inflation factor", a ratio: (1) the numerator of which shall be the total assessed value of
1558 all parcels of residential, commercial and industrial real estate that are assessed at full and fair
1559 cash value for the current fiscal year minus the new growth adjustment factor for the current
1560 fiscal year attributable to the residential, commercial and industrial real estate as determined by

1561 the commissioner of revenue under paragraph (f) of section 21C of chapter 59; and (2) the
1562 denominator of which shall be the total assessed value for the preceding fiscal year of all the
1563 parcels included in the numerator; provided, however, the ratio shall not be less than 1; provided,
1564 further, that if the proposed Invested Revenue District does not include residential property, the
1565 assessed value attributable to residential property shall not be included in either the numerator or
1566 the denominator in calculating the inflation factor.

1567 SECTION 102. Said section 1 of said chapter 40Q, as so appearing, is hereby further
1568 amended by striking out, in line 59, the word “and”.

1569 SECTION 103. Said section 1 of said chapter 40Q, as so appearing, is hereby further
1570 amended by inserting after the word ”located”, in line 61, the following clause:- ; and (8) if
1571 applicable, a statement of the city or town electing that the original assessed value not be
1572 increased by the adjustment factor.

1573 SECTION 104. Said section 1 of said chapter 40Q, as so appearing, is hereby further
1574 amended by striking out the definition of “Original assessed value” and inserting in place thereof
1575 the following definition:- “Original assessed value”, the aggregate assessed value of the
1576 invested revenue district as of the base date; provided, however, that if the city or town has not
1577 included an election statement in its investment district development program, the original
1578 assessed value in any year shall be equal to the original assessed value as of the base date
1579 multiplied by the adjustment factor for that fiscal year.

1580 SECTION 105. The General Laws are hereby amended by inserting after chapter 40U the
1581 following 2 chapters:-

1582 CHAPTER 40V.

1583 HOUSING DEVELOPMENT INCENTIVE PROGRAM.

1584 Section 1. As used in this chapter, the following words shall, unless the context clearly
1585 requires otherwise, have the following meanings:-

1586 “Certified housing development project”, a housing development project that has been
1587 approved by the department for participation in the housing development incentive program.

1588 ”Department”, the department of housing and community development as established by
1589 chapter 23B.

1590 “Gateway municipality”, gateway municipality as defined in section 3A of chapter 23A.

1591 “Housing development incentive program” or “HDIP”, a program designed to promote
1592 increased residential growth, expanded diversity of housing supply, neighborhood stabilization,
1593 and economic development within housing development zones in gateway municipalities.

1594 “Housing development project”, a multi-unit residential rehabilitation project that is
1595 located in a gateway municipality and once rehabilitated, shall contain at least 80 per cent market
1596 rate units.

1597 “Housing development zone” or “HD zone”, a zone designated by a gateway
1598 municipality which shall be characterized by a need for multi-unit market rate residential
1599 properties.

1600 “Market rate residential unit”, a residential unit priced for households above 110 per cent
1601 of the area’s household median income.

1602 “Qualified substantial rehabilitation expenditure”, the cost of substantial rehabilitation
1603 meeting the following criteria: (i) an initial certification by the department that the structure
1604 meets the definition of certified housing development project; (ii) a second certification by the
1605 department, to be issued prior to construction, certifying that if completed as proposed, the
1606 rehabilitation work meets the standards required for a certified rehabilitation; and (iii) a final
1607 certification by the department, issued when the property is leased or sold by the taxpayer.

1608 “Sponsors”, sponsors, as defined in section 25 of chapter 23B.

1609 “Substantial rehabilitation” and ”substantially rehabilitated”, the needed major
1610 redevelopment, repair and renovation of a property, excluding the purchase of the property, as
1611 determined by the department of housing and community development.

1612 Section 2. The department may from time to time designate 1 or more areas of a gateway
1613 municipality as an HD Zone and take any and all actions necessary or appropriate to such a
1614 designation, upon receipt of a municipal application requesting such designation and
1615 representing in its application that the municipality, based on its own independent investigation,
1616 has determined that the area proposed for designation has a need for multi-unit residential
1617 properties. The application shall include a plan which shall include a detailed description of the
1618 construction, reconstruction, rehabilitation and related activities, public and private,
1619 contemplated for such zone as of the date of the adoption of the zone plan.

1620 Section 3. Under section 5M of chapter 59, the department may approve a municipality’s
1621 application for a tax exemption for a housing development project located within an approved
1622 housing development zone.

1623 Section 4. (a) A project may be eligible to be a certified housing development project
1624 under this chapter; provided, however, that the proposed project:

1625 contains 2 or more residential units; provided, however, the project may be a mixed-use
1626 development that includes commercial uses in addition to residential units;

1627 contains not more than 50 market rate residential units;

1628 is located in a designated or proposed HD zone;

1629 contains at least 80 per cent market rate units upon completion of the rehabilitation, to be
1630 sold or leased;

1631 has received from the municipality a property tax exemption under section 5M of chapter
1632 59; and

1633 is a substantial rehabilitation of an existing property.

1634 (b) The department may from time to time approve 1 or more housing development
1635 projects, located in HD zones designated as certified projects under section 2 and take any and
1636 all actions necessary or appropriate to such a designation, upon compliance with the following:

1637 (i) receipt of a project proposal for such a designation requesting such designation
1638 from the municipality, submitted in a timely manner, in such form and with such information as
1639 the department prescribes, supported by independently verifiable information and signed under
1640 the penalties of perjury by a person authorized to bind the sponsors;

1641 (ii) receipt of an executed agreement by the municipality which contains a tax
1642 exemption under section 5M of chapter 59 and this section so long as the municipality has

1643 determined and incorporated in a formal written determination, based on the information
1644 submitted with the project proposal and such additional investigation as the municipality shall
1645 make, that the project as described in the proposal and all documentation submitted with the
1646 proposal:

1647 is consistent with and can reasonably be expected to benefit significantly from the
1648 gateway municipality's plans relative to the project property tax exemption;

1649 together with all other projects previously certified and located in the same project HDIP
1650 zone, shall not overburden the municipality's supporting resources; and

1651 together with the municipal resources committed to the project, shall, if certified, have a
1652 reasonable chance of increasing residential growth, diversity of housing supply, supporting
1653 economic development and promoting neighborhood stabilization in 1 of the municipality's
1654 housing development zones of the municipality as advanced in the proposal; and

1655 (iii) receipt with such written approval by the municipality of a request for a
1656 designation of the project as a certified project for a specified number of years, which shall be
1657 not less than 5 years and not more than 20 years.

1658 (c) The department shall evaluate and either grant or deny any project proposal not later
1659 than 90 days from the date of its receipt of a complete project proposal and failure to do so by the
1660 department shall result in approval of such project for a term of 20 years. Approval of a project
1661 due to the department's failure to act within 90 days shall not constitute approval by the
1662 department of any tax incentives provided under chapter 62 or 63.

1663 (d) The department may impose a fee for the processing of applications for the
1664 certification of any project under this section.

1665 (e) The department shall review such certified project at least once every 2 years. A
1666 certified project shall retain its certification for the period specified by the department in its
1667 certification decision unless such certification is revoked prior to the expiration of the specified
1668 period. The certification of a project may be revoked only by the department and only upon: (i)
1669 the petition of the municipality that approved the project proposal, if the petition satisfies the
1670 authorization requirements for a municipal application or the petition of the director of the
1671 department; and (ii) the independent investigation and determination of the department that
1672 representations made by the sponsors in its project proposal are materially at variance with the
1673 conduct of the sponsors subsequent to the certification and such variance is found to frustrate the
1674 public purposes that such certification was intended to advance. Upon such a revocation, the
1675 commonwealth and the municipality, may bring a cause of action against the sponsors for the
1676 value of any economic benefit received by the sponsors prior to or subsequent to such
1677 revocation.

1678 Under this section, revocation shall take effect on the first day of the tax year in which
1679 the department determines that a material variance commenced. The commissioner of revenue
1680 may, as of the effective date of the revocation, disallow any credits, exemptions or other tax
1681 benefits allowed by the original certification under this section. The commissioner shall issue
1682 regulations to recapture the value of any credits, exemptions or other tax benefits allowed by the
1683 certification under this section.

1684 Annually, on or before the first Wednesday in December, the department shall file a
1685 report detailing its findings of the review of all certified projects that it evaluated in the prior
1686 fiscal year to the commissioner of revenue, to the joint committee on revenue and the joint
1687 committee on housing and community development.

1688 Section 5. The department may award to a sponsor of a certified project tax credits
1689 available under subsection (q) of section 6 of chapter 62 and section 38BB of chapter 63 not to
1690 exceed 10 per cent of the cost of qualified substantial rehabilitation expenditures of the market
1691 rate units in the project. The amount and duration of the credit awarded shall be based on the
1692 following factors:

1693 the need for residential development and diversity of housing supply in the gateway
1694 municipality;

1695 the extent to which the project will encourage residential development, expansion of
1696 diversity of housing supply, support neighborhood stabilization, and promote economic
1697 development in the zone; and

1698 the percentage of market rate units contained in the project.

1699 (b) The department may, limit any incentive or credit available to a project under
1700 subsection (q) of section 6 of chapter 62 and section 38BB of chapter 63 to a dollar amount or in
1701 any other manner deemed appropriate by the department.

1702 CHAPTER 40W.

1703 MASSACHUSETTS GROWTH CAPITAL CORPORATION

1704 Section 1. For the purposes of this chapter the following words and terms shall, except
1705 where the context clearly indicates otherwise, have the following meanings:

1706 “Capital participation instruments”, purchase of stock, both common and preferred,
1707 convertible securities, warrants, subscriptions, options to acquire, capital loans, and working
1708 capital or inventory loans, royalties, and other lawful derivations of the foregoing.

1709 “Community development corporation” or “CDC”, a certified community development
1710 corporation, as defined in section 2 of chapter 40H.

1711 “Corporation” or “GCC”, the Massachusetts Growth Capital Corporation established in
1712 section 2.

1713 “Equity investment”, any of the following types of investment activity: (a) a purchase of
1714 stock; (b) a purchase of a partnership interest; (c) a purchase of a limited liability company
1715 membership interest; or (d) a loan made on such terms that it has sufficient characteristics of
1716 equity.

1717 “Financial products”, loans, equity investments and other similar financing activities
1718 including, but not limited to, the purchase of loans originated by a certified community
1719 development financial institution, the provision of loan guarantees, or the provision of surety
1720 bond guarantees.

1721 “Project”, (a) the act of making available financial products to small businesses and
1722 nonprofit corporations; (b) manufacturing, wholesale, retail, service, or other business activity;
1723 (c) economic development activity involving the financing of commercial, industrial or other real
1724 estate activity; or (d) other activity from which a community will derive economic benefit.

1725 “Small business”, a business entity, including its affiliates, that (a) is independently
1726 owned and operated; (b) has a principal place of business in the commonwealth; and (c) would
1727 be defined as a ‘small business’ under applicable federal law, as established in the United States
1728 Code and promulgated from time to time by the United States Small Business Administration.

1729 Section 2. (a) There is hereby established a body politic and corporate to be known as the
1730 Massachusetts Growth Capital Corporation. The GCC is hereby constituted a public
1731 instrumentality and the exercise by the GCC of the powers conferred by this chapter shall be
1732 deemed to be the performance of an essential governmental function.

1733 The GCC shall be placed within the executive office of housing and economic
1734 development but shall not be subject to the supervision and control of an executive office,
1735 department, division, commission, board, bureau or agency except to the extent and in the
1736 manner provided by law.

1737 (b) The corporation shall be governed and its corporate powers exercised by a board of
1738 directors, which shall consist of 12 directors; 1 of whom shall be the secretary of housing and
1739 economic development, who shall serve as chair; 1 of whom shall be the secretary of
1740 administration and finance, or the secretary’s designee; and 10 of whom shall be appointed by
1741 the governor. Of the 10 directors appointed by the governor; 3 shall be persons who together
1742 shall be experienced in small business financing, other financial instruments, turnarounds of
1743 troubled businesses and the organization and operation of employee owned businesses; provided,
1744 however, that each such director shall be experienced and knowledgeable in at least 1 such area;
1745 1 shall be a representative of an organization of small businesses or manufacturing companies in
1746 the commonwealth; 1 shall be a representative of a community bank in the commonwealth and

1747 nominated by the Massachusetts Bankers Association; 1 shall be experienced in community
1748 economic development and employed by a CDC or a representative of the Massachusetts
1749 Association of Community Development Corporations; 1 shall be a current or retired certified
1750 public accountant or chief financial officer; 1 shall be a practicing or retired attorney with a
1751 business financing experience; 1 shall be a small business owner; and 1 shall be a representative
1752 of organized labor. Each member appointed by the governor shall serve a term of 5 years, except
1753 that in making the governor's initial appointments the governor shall appoint 2 members to serve
1754 for a term of 1 year, 2 members to serve for a term of 2 years, 2 members to serve for a term of 3
1755 years, 2 members to serve for a term of 4 years and 2 members to serve for a term of 5 years.

1756 (c) A person appointed to fill a vacancy in the office of a director shall be appointed in a
1757 like manner and shall serve for only the unexpired term. A director shall be eligible for
1758 reappointment. A director may only be removed from the director's appointment by the governor
1759 for good cause. The directors shall annually elect 1 director as vice-chair and designate a
1760 secretary-treasurer who need not be a director. The secretary-treasurer shall keep a record of the
1761 proceedings of the corporation and shall be the custodian of all books, documents and papers
1762 filed with the corporation, the minute books of the corporation and of its official seal.

1763 (d) Six of the directors of the corporation shall constitute a quorum and 6 affirmative
1764 votes shall be necessary for the transaction of business or the exercise of a power or function of
1765 the corporation. Each director shall be entitled to reimbursement for the director's actual and
1766 necessary expenses incurred in the performance of the director's official duties.

1767 (e) The corporation, its directors, officers and employees shall be subject to sections 1 to
1768 4, inclusive, of chapter 268A except that the corporation may purchase from, sell to, borrow

1769 from, loan to, contract with or otherwise deal with a person in which a director of the corporation
1770 is interested or involved; provided, however, that such interest or involvement is disclosed in
1771 advance to the directors and recorded in the minutes of the corporation; provided, further, that no
1772 director having such an interest or involvement may participate in a decision of the directors
1773 relating to such person. Employment by the commonwealth or service in an agency of the
1774 commonwealth shall not be deemed to be such an interest or involvement.

1775 (f) The directors shall appoint the president of the corporation and shall establish the
1776 president's salary. The president shall be the chief administrative and operational officer of the
1777 corporation and shall direct and supervise administrative affairs and the general management of
1778 the corporation. The president may employ such other employees as shall be designated by the
1779 directors, shall attend meetings of the directors, shall cause copies to be made of all minutes and
1780 other records and documents of the corporation and shall certify that such copies are true copies
1781 and all persons dealing with the corporation may rely upon such certification.

1782 (g) All officers and employees of the corporation having access to its cash and negotiable
1783 securities shall give bond to the corporation at its expense in such amounts and with such surety
1784 as the directors may prescribe. The persons required to give bond may be included in 1 or more
1785 blanket or scheduled bonds.

1786 (h) Directors shall not be liable to the commonwealth, to the agency or to any other
1787 person as a result of the director's activities, whether ministerial or discretionary, as such
1788 directors, except for willful dishonesty or intentional violations of the law. The corporation may
1789 purchase liability insurance for directors, officers, and employees and may indemnify said
1790 persons against claims of others.

1791 (i) Documentary materials, data or conversations made or received by a director or
1792 employee of the corporation and consisting of, or to the extent that such materials, data or
1793 conversations consist of, trade secrets or commercial or financial information regarding the
1794 operation of a business conducted by an applicant for assistance which the corporation is
1795 empowered to render or regarding the competitive position of such applicant in a particular field
1796 of endeavor, shall not be public records of the corporation and shall not be subject to section 10
1797 of chapter 66. A discussion or consideration of such trade secrets or commercial or financial
1798 information may be held by the directors in executive session closed to the public
1799 notwithstanding chapter 30A, but the purpose of such an executive session shall be set forth in
1800 the official minutes of the corporation and no business which is directly related to such purpose
1801 shall be transacted nor shall a vote be taken in such an executive session.

1802 Section 3. The GCC shall have the power to:

1803 (a) adopt by-laws for the regulation of its affairs and the conduct of its business;

1804 (b) adopt an official seal;

1805 (c) sue and be sued in its own name;

1806 (d) make and execute contracts and all other instruments necessary or convenient for the
1807 exercise of its power and functions;

1808 (e) acquire, hold and dispose of personal property for its corporate purposes;

1809 (f) enter into agreements or other transactions with federal and state agencies;

1810 (g) acquire real property, or an interest in real property, by purchase or foreclosure, if
1811 such acquisition is necessary or appropriate to protect or secure an investment or loan in which

1812 the agency has an interest; to sell, transfer and convey such property to a buyer and in the event
1813 such sale, transfer or conveyance cannot be effected with reasonable promptness or at a
1814 reasonable price, to lease such property to a tenant;

1815 (h) invest funds held in reserves or sinking funds, or funds not required for immediate
1816 disbursement, in such investments as may be lawful for fiduciaries in the commonwealth;

1817 (i) borrow money by the issuance of debt obligations whether tax exempt or taxable and
1818 secure such obligations by the pledge of its revenues or of the revenues, mortgages and notes of
1819 others; provided, however, that the corporation shall not issue debt obligations if the principal
1820 amount of those debt obligations, when added to the principal amount of existing debt
1821 obligations issued by the corporation, excluding debt obligations previously refunded or to be
1822 refunded by the corporation, would exceed 30 million dollars;

1823 (j) employ and fix the compensation of a president, who shall be the chief executive
1824 officer of the corporation and such other agents, employees, professional and business advisers
1825 as may be necessary in the judgment of the directors; provided, however, that the president,
1826 professional advisers and business advisers shall not be subject to chapter 31 or section 9A of
1827 chapter 30;

1828 (k) appear in its own behalf before boards, commissions, departments or other agencies
1829 of municipal, state or federal government;

1830 (l) procure insurance against any loss in connection with its property in such amounts,
1831 and from such insurers, as may be necessary or desirable;

1832 (m) consent, subject to any contract with noteholders or bondholders, whenever it deems
1833 it necessary or desirable in the fulfillment of the purposes of this chapter, to the modification,
1834 with respect to rate of interest, time of payment of an installment of principal or interest, or other
1835 terms, of a mortgage, mortgage loan, mortgage loan commitment, contract or other agreement to
1836 which the GCC is a party;

1837 (n) do any and all things necessary or convenient to carry out its purposes and exercise
1838 the powers expressly given and granted in this chapter;

1839 (o) receive and accept from federal and state agencies and public or private entities
1840 grants, loans or advances for or in aid of the purposes of this chapter and to receive and accept
1841 contributions from a source of either money, property, labor or other things of value, to be held,
1842 used and applied for the purposes of this chapter;

1843 (p) create, issue, buy and sell stock and other capital participation instruments; to hold
1844 such stock and capital participation instruments and to underwrite the creation of a capital market
1845 for these securities;

1846 (q) provide advisory services, technical assistance and training programs to small
1847 businesses as may be necessary or desirable to carry out the purposes of this chapter;

1848 (r) exercise other powers, rights or responsibilities of a corporation organized under
1849 chapter 156B;

1850 (s) create and issue shares which a person, firm or corporation may purchase; provided,
1851 however, that each share issued shall be in the form of non-voting common stock with each share

1852 having a par value of \$10; provided, further, that the total value of the shares issued shall not
1853 exceed \$25,000,000;

1854 (t) make loans or grants to, or otherwise finance or invest in, a business to further the
1855 purposes of this chapter; provided, further, that such loans or grants may be made to certified
1856 community development corporations or other community based nonprofit entities for the
1857 purpose of such corporations or entities providing financing to businesses;

1858 (u) provide loan guarantees to public or private entities for the purpose of causing such
1859 entities to provide financing to a business;

1860 (v) establish and collect such fees, charges and interest rates as the corporation
1861 determines to be reasonable; and

1862 (w) require, by contract in a financing agreement, or otherwise, specific operational
1863 activities, financial actions or management changes, as conditions for the receipt of a loan,
1864 financing or investment by the corporation.

1865 No debt obligation issued under clause (i), stock or capital participation instrument
1866 created under clause (p) or share issued under clause (s) shall be or become an indebtedness or
1867 obligation of the commonwealth, and it shall be plainly stated on the face of each bond, capital
1868 participation instrument, share or other evidence of indebtedness that it does not constitute an
1869 indebtedness or obligation of the commonwealth but is payable solely from the revenues or
1870 income of the Massachusetts Growth Capital Corporation.

1871 Section 4. The corporation shall contract with another public authority for the
1872 performance by that authority of core administrative functions, as determined by the secretary of

1873 housing and economic development which may include, but shall not be limited to, human
1874 resources, financial management, information technology, legal, procurement and asset
1875 management, to minimize the administrative costs and expenses of the corporation.

1876 Section 5.

1877 The corporation may participate in a project; provided that, the corporation shall find and
1878 incorporate in the official records of the corporation that the project will be of a public benefit
1879 such that the project is reasonably expected to:

1880 support or promote economic development, revitalization or stability;

1881 promote employment opportunities for residents of the commonwealth;

1882 promote the creation or retention of jobs; or,

1883 support the creation or expansion of a business sector whose success would enhance the
1884 economic development of the commonwealth, enhance the quality of life of residents of the
1885 commonwealth or enhance the employment opportunities for residents of the commonwealth.

1886 The corporation shall not participate in a project unless it determines, in writing, that its
1887 participation is necessary because funding for the project is not available in the traditional capital
1888 markets or that credit has been offered on terms that would preclude the success of the project.

1889 The corporation shall endeavor to participate in projects each year that provide financial
1890 products, which in the aggregate total not less than 30 percent of the total capital committed by
1891 the corporation over a 3 year period, to projects which enhance the economic development of a
1892 target area, as defined in section 2 of chapter 40H, or enhance the quality of life and promote
1893 employment opportunities for low and moderate income residents of the commonwealth. If a

1894 certified CDC requests that the corporation participate in a project, the corporation shall make a
1895 determination of whether the project: (i) is likely to provide employment opportunities to low
1896 and moderate income residents of the commonwealth; (ii) is likely to enhance the quality of life
1897 of low and moderate income residents of the commonwealth; or (iii) supports the creation or
1898 expansion of the business sector in the region served by the CDC. If the corporation enters into
1899 an agreement to participate in such a project, the terms of the financial products made available
1900 shall favorably reflect the economic and social benefits which inures to the commonwealth from
1901 the project.

1902 Each contract shall include a requirement for adequate reporting of financial and other
1903 data to the corporation. The contract shall require that a business receiving financial products
1904 shall participate in financial and managerial consulting services and the contract shall include a
1905 requirement for an annual or other periodic audit of the project books.

1906 Section 6. The corporation shall endeavor to participate in projects each year that provide
1907 financial products, which in the aggregate total not less than 20 percent of the total capital
1908 committed by the corporation in that year, to minority-owned or women-owned contractors
1909 notwithstanding the conditions described in section 5, except that the corporation shall have
1910 determined, in writing; (a) that the project plans conform to applicable environmental, zoning,
1911 building, planning and sanitation laws; (b) that there is a reasonable expectation that the project
1912 will be successful; and (c) that the participation of the corporation is necessary for the successful
1913 completion of the proposed project because funding for the project is unavailable in the
1914 traditional capital markets, or that credit has been offered on terms that would preclude the
1915 success of the project.

1916 Section 7. (a) The GCC may establish or invest in the capital stock of 1 or more
1917 corporations organized to increase capital available to small businesses or to engage local
1918 residents and businesses to work together to undertake programs, projects and activities which
1919 develop and improve urban, rural and suburban communities by creating and expanding
1920 economic opportunities for low and moderate income people. Without limitation, such a
1921 corporation may:

1922 (1) serve as a financial intermediary between entities undertaking projects and small
1923 businesses and public or private sources of capital including, without limitation, direct lenders,
1924 guarantors or grant makers. Any corporation so organized may accomplish its purposes by means
1925 of (i) investing in the equity capital of; (ii) making direct loans to; or (iii) issuing loan guarantees
1926 to entities undertaking projects or to small businesses; and

1927 (2) provide financial and managerial consulting services to entities undertaking projects,
1928 small businesses and minority-owned or women-owned contractors.

1929 (b) The GCC may have a controlling or a minority interest in such a corporation, as the
1930 directors of the GCC shall determine in the board's discretion; provided, however, that at least 1
1931 director of the GCC shall sit on the board of directors of the corporation.

1932 (c) A corporation established under this section or in which the GCC has invested under
1933 this section shall, prior to making an investment in the capital stock of, or loans or loan
1934 guarantees to, entities undertaking projects or to small businesses, make the following findings:

1935 (1) that such action is consistent with the objectives of this section and may reasonably be
1936 expected to contribute to the redevelopment and economic well-being of the commonwealth, will
1937 create or retain jobs or will assist minority or women-owned businesses;

1938 (2) that the funds provided by the GCC will be used solely in connection with the costs of
1939 the project or the operation of the small business;

1940 (3) that the contract for participation in a project requires adequate reporting of financial
1941 data from the small business or project to such corporation, that the contract requires that a
1942 business receiving financial products shall participate in financial and managerial consulting
1943 services and that the contract includes a requirement for an annual or other periodic audit of the
1944 books of the project or the small business;

1945 (4) that its participation is necessary to the successful completion of the proposed project
1946 or to the success of the small business because funding for the project or small business is
1947 unavailable in the traditional capital markets or that credit has been offered on terms that would
1948 preclude the success of the project or the small business; and

1949 (d) Should the GCC desire to sell or otherwise dispose of stock received under a contract
1950 under this section, the small business or entity undertaking a project, or the small business or
1951 entity's nominee, shall within 120 days have the right of first refusal upon the sale and the right
1952 to meet a subsequent bona fide offer by a third party.

1953 (e) The GCC shall not, nor shall the GCC in combination with a corporation established
1954 or invested in by the GCC under this section, own more than 49 percent of the voting stock in a
1955 small business.

1956 (f) Upon the request of the GCC, the commissioner of banks shall examine the books of a
1957 corporation established or invested in by the GCC under this section if such examination is a
1958 condition of the particular investment, lending, loan guaranty or grant program administered by
1959 such corporation.

1960 Section 8. (a) The corporation shall establish a program to support the provision of
1961 financial and managerial consulting and technical assistance to eligible companies which receive
1962 financial assistance from the commonwealth or any of the commonwealth's public authorities.
1963 Services supported may include, but shall not be limited to, procurement of investment capital,
1964 management, administration, production, product marketing, assisting business in securing
1965 federal contracts and business expansion, renovation and diversification. The program shall
1966 include: (i) referrals to technical assistance provided without charge to eligible companies by
1967 public and private small business support organizations; (ii) financial support to engage private
1968 consultants; and (iii) a directory of organizations, experts and consultants available to be engaged
1969 to offer financial or managerial consulting services.

1970 (b) The corporation shall coordinate the program with the United State Small Business
1971 Administration, the Massachusetts Small Business Development Center Network and other
1972 private for profit and nonprofit providers of consulting and technical assistance to small
1973 businesses. The corporation shall consult with the commonwealth's public authorities, private
1974 business associations and regional economic development organizations in administering the
1975 program.

1976 (c) The corporation may provide matching grants to fund consulting and technical
1977 assistance to small businesses who receive financial assistance from the commonwealth or any of
1978 the commonwealth's public authorities. The grants shall be used by the recipient businesses to
1979 pay for mandated small business consulting and technical assistance services. Prior to awarding
1980 a grant, the corporation shall have determined that the financial or managerial consulting services
1981 mandated as a condition of financial support of the small business are not available without
1982 charge from an entity participating in the program and that procuring such services creates a

1983 hardship and impedes the likelihood of success of a project. Grants awarded shall require a 100
1984 percent match by the recipient.

1985 Section 9. (a) The GCC may establish an economic stabilization program for the
1986 following purposes:

1987 (1) To provide flexible high risk financing necessary to implement a change of
1988 ownership, a corporate restructuring or a turnaround plan for an economically viable, but
1989 troubled business which faces the likelihood of a large employment loss, plant closure or failure
1990 without such a change of ownership, corporate restructuring or turnaround plan. The program
1991 shall provide assistance to firms in specific mature industries for the purpose of technological
1992 investment or upgrading of management operations in order for the business to maintain future
1993 economic stability. The financial participation of the GCC shall aim to supplement private
1994 financial institutions and public economic development agencies when such institutions are
1995 unable to provide all the financing or bear all of the risk necessary to transfer ownership,
1996 restructure or turnaround a business in a situation where the business might otherwise fail or
1997 greatly reduce its employment.

1998 (2) To provide flexible high risk financing in connection with the start-up of employee-
1999 owned businesses or the implementation of employee-ownership projects. The financial
2000 participation of the GCC shall aim to supplement private financial institutions and public
2001 economic development agencies when such institutions are unable to provide all the financing or
2002 bear all of the risk necessary to start-up an employee-owned business or implement an employee-
2003 ownership project.

2004 (b) The GCC shall endeavor to direct at least 10 percent of the financing provided by the
2005 economic stabilization program to businesses that are employee-owned businesses in order to
2006 fulfill the purposes of this section.

2007 (c) The GCC may participate in projects under this section; provided, that, the
2008 corporation shall find and incorporate in the official records of the corporation that the project
2009 will be of a public benefit and:

2010 (1) when providing assistance in connection with the purchase of a troubled business, the
2011 directors shall determine and incorporate in the minutes of a meeting of the directors that:

2012 (i) the business is likely to experience a large loss of employment, plant closure, or
2013 failure without the loan financing or investment by corporation;

2014 (ii) the business within a specific mature industry requires assistance for the purpose of
2015 technological investment or upgrading of management operations in order for the business to
2016 maintain future economic stability;

2017 (iii) the business or person seeking to purchase the business has taken or shall take such
2018 actions as the directors deem necessary to ensure the business has a reasonable chance to
2019 continue as a successful business, including, but not limited to, changes in its operations,
2020 financing, or management and that said actions are included as a condition for financing by the
2021 corporation in the financing agreement; and

2022 (iv) the business or person seeking to purchase the business has made diligent efforts to
2023 obtain the financing necessary to continue its operations or transfer ownership of the business
2024 from private financial institutions and public economic development agencies and such financing

2025 is unavailable or has been offered on terms that would prevent the successful continuation or
2026 change in ownership of the business; or

2027 (2) when providing assistance in connection with an employee-owned business or an
2028 employee-ownership project, the directors shall determine and incorporate in the minutes of a
2029 meeting of the directors that:

2030 (i) the business or person seeking assistance has taken or shall take such actions as the
2031 directors deem necessary to ensure that the employee-ownership project has a reasonable chance
2032 to succeed; and

2033 (ii) except with respect to assistance for pre-feasibility and feasibility studies, that such
2034 business or person has made diligent efforts to obtain the financing necessary to institute or
2035 implement the employee-ownership project from private financial institutions and public
2036 economic development agencies, and such financing is unavailable or has been offered on terms
2037 that would prevent the successful institution or implementation of the project.

2038 Section 10. The GCC shall be subject to section 16G of chapter 6A and section 56 of
2039 chapter 23A.

2040 SECTION 106. Section 92 of chapter 41 of the General Laws, as appearing in the 2008
2041 Official Edition, is hereby amended by striking out, in line 13, and in lines 14 and 15, the words
2042 “two thousand five hundred dollars”, and inserting in place thereof, in each instance, the
2043 following figure:- \$7,000.

2044 SECTION 107. The General Laws are hereby amended by inserting after chapter 43D the
2045 following chapter:-

2046 CHAPTER 43E.

2047 EXPEDITED STATE PERMITTING

2048 Section 1. As used in this chapter, the following words shall, unless the context clearly
2049 requires otherwise, have the following meanings:—

2050 “Growth district”, a district designated from time to time by the secretary of housing and
2051 economic development, with the approval of the secretary of energy and environmental affairs,
2052 to participate in the growth district initiative.

2053 “Growth district initiative”, a program established by the executive office of housing and
2054 economic development and section 2C of chapter 303 of the acts of 2008 to provide for
2055 commercial and residential transportation and infrastructure development, improvements and
2056 various capital investment projects.

2057 “Issuing authority”, a state agency, commission, department or other state entity that is
2058 responsible for issuing permits, granting approvals or otherwise involved in land use
2059 development including redevelopment of existing buildings and structures.

2060 “Permit”, a permit, formal determination, order of conditions, license, certificate,
2061 authorization, registration or other approval or determination with respect to the use or
2062 development of land, buildings or structures required by an issuing authority. “Permit” shall not
2063 include the decision of an agency to dispose of property under its management or control or
2064 permits granted by the Massachusetts Water Resources Authority or permits or approvals issued
2065 by the department of public utilities or the Energy Facilities Siting Board under chapter 40A and
2066 chapter 164 or requests for variances or waivers from state laws or regulations.

2067 “Priority development site”, priority development site as defined in section 2 of chapter
2068 43D.

2069 “Project”, project as defined in section 62 of chapter 30.

2070 “Site”, a privately or publicly owned property that is zoned for commercial or industrial
2071 use.

2072 Section 2. (a) Issuing authorities shall complete permit reviews and final decisions within
2073 180 days, or 210 days for permit processes requiring a public comment period, subject to an
2074 extension under section 5, for projects that are in: (i) priority development sites designated under
2075 chapter 43D; (ii) located within a growth district; (iii) provided the applicant has received a
2076 certificate indicating the completion of the process under sections 61 to 62H, inclusive, of
2077 chapter 30; and (iv) provided neither the project nor any portion of the project shall be in a
2078 wetland as defined by section 40 of chapter 131, tidelands as defined by section 1 of chapter 91,
2079 priority habitat as delineated by the division of fisheries and wildlife under chapter 131A or an
2080 area of critical environmental concern as designated by the secretary of energy and
2081 environmental affairs.

2082 (b) The time period to complete reviews and issue permit decisions shall begin the day
2083 after the issuing authority issues notice that the application materials necessary for the permit are
2084 complete. The issuing authority shall notify the applicant in writing within 20 business days
2085 from receipt of the completed form of additional information needed or requirements that it may
2086 have. The issuing authority may provide for pre-application conferences to facilitate this process.

2087 (c) The resubmission of the application or the submission of such additional information
2088 required by the issuing authority shall commence a new 30-day period for review of the
2089 additional information.

2090 Section 3. Failure by any issuing authority to take final action on a permit or approval
2091 within the 180-day or 210-day period or extended time, if applicable, shall be considered a grant
2092 of the permit requested of that authority. In that event, within 3 days after the date of expiration
2093 of the time period, the applicant shall file a notice with the issuing authority, attaching the
2094 application, setting forth the facts giving rise to the grant and stating that notice of the grant has
2095 been mailed, by certified mail, to all parties to the proceedings and all persons entitled to notice
2096 of hearing in connection with the application.

2097 Section 4. The grant shall not occur if: (1) the issuing authority has made a timely
2098 determination that the application is not complete in accordance with its requirements, properly
2099 notified the applicant and the applicant has not made a timely response to complete the
2100 application; (2) the issuing authority has determined that the final application contained false or
2101 misleading information; or (3) the issuing authority has determined that substantial changes to
2102 the project affect the information required to process the permit application have occurred since
2103 the filing of the application.

2104 Section 5. The 180 or 210 day time period may be waived or extended for good cause
2105 upon written request of the applicant with the consent of the issuing authority or upon written
2106 request of the issuing authority with the consent of the applicant. The 180 or 210 day time period
2107 shall be extended without consent of the applicant if the issuing authority determines either: (1)
2108 that action by another federal, state or municipal government agency is required before the

2109 issuing authority may act; (2) that judicial proceedings affect the ability of the issuing authority
2110 or applicant to proceed with the application; or (3) that enforcement proceedings that could result
2111 in revocation of an existing permit for that facility or activity and denial of the application have
2112 been commenced. In those circumstances, the issuing authority shall provide written notification
2113 to the applicant and send a copy to the secretary of housing and economic development. When
2114 the reason for the extension is no longer applicable, the issuing authority shall immediately
2115 notify the applicant and shall complete its decision within the time period specified in this
2116 section, beginning the day after the notice is issued. An issuing authority shall not deny a permit
2117 exclusively due to a lack of time for review if the applicant has provided a complete application
2118 and met all other obligations under this chapter.

2119 Section 6. The commencement of the time period for an administrative or judicial appeal
2120 of a grant under section 3 shall be the date the applicant files notice of the grant under said
2121 section 3. The 180 or 210 day timeline shall not apply to an administrative appeal following the
2122 issuance of a permit.

2123 Section 7. Nothing in this chapter shall be construed to alter the substantive jurisdictional
2124 authority of issuing authorities. Nothing in this chapter shall be construed to modify any
2125 requirement of the State Implementation Plan or other requirement of law that is necessary to
2126 retain federal delegation to, or assumption by, the commonwealth of the authority to implement a
2127 federal law or program.

2128 Section 8. The secretary of housing and economic development shall promulgate rules
2129 and regulations to implement this chapter with the approval of the secretary of energy and

2130 environmental affairs. Any agency issuing permits under this chapter may issue rules and
2131 regulations to tailor this chapter to the specific permits issued by such agency.

2132 SECTION 108. Clause Sixteenth of section 5 of chapter 59 of the General Laws is
2133 hereby amended by striking out paragraph (3), as amended by section 4 of chapter 173 of the acts
2134 of 2008, and inserting in place thereof the following paragraph:-

2135 (3) In the case of (i) a manufacturing corporation or a research and development
2136 corporation, as defined in section 42B of chapter 63, or (ii) a limited liability company that; (a)
2137 has its usual place of business in the commonwealth; (b) is engaged in manufacturing in the
2138 commonwealth and whose sole member is a manufacturing corporation as defined in section 42B
2139 of chapter 63 or is engaged in research and development in the commonwealth and whose sole
2140 member is a research and development corporation as defined in said section 42B; and (c) is a
2141 disregarded entity, as defined in paragraph 2 of section 30 of chapter 63, all property owned by
2142 the corporation or the limited liability company other than real estate, poles and underground
2143 conduits, wires and pipes; provided, however, that no property, except property entitled to a
2144 pollution control abatement under clause forty-fourth or a cogeneration facility, shall be exempt
2145 from taxation if it is used in the manufacture or generation of electricity and it has not received a
2146 manufacturing classification effective on or before January 1, 1996. For the purposes of this
2147 section, a cogeneration facility shall be an electrical generating unit having power production
2148 capacity which, together with any other power generation facilities located at the same site, is not
2149 greater than 30 megawatts and which produces electric energy and steam or other form of useful
2150 energy utilized for industrial, commercial, heating or cooling purposes. For purposes of this
2151 paragraph, in determining whether the sole member of a limited liability company treated as a
2152 disregarded entity is a manufacturing corporation or a research and development corporation, the

2153 attributes and activities of the limited liability company shall be taken into account by the
2154 member along with the member's other attributes and activities. This clause as it applies to a
2155 research and development corporation, as defined in section 42B of said chapter 63, and as it
2156 applies to a limited liability company that is a disregarded entity and whose sole member is a
2157 manufacturing corporation or a research and development corporation shall take effect only upon
2158 its acceptance by the city or town in which the real estate, poles and underground conduits, wires
2159 and pipes are located.

2160 SECTION 109. Said section 5 of said chapter 59, as appearing in the 2008 Official
2161 Edition, is hereby amended by striking out clause Fifty-first and inserting in place thereof the
2162 following clause:-

2163 Fifty-first, the value of a parcel of real property which is included within an executed
2164 agreement under clause (v) of section 59, clause (v) of subsection (a) of section 60 or clause (iv)
2165 of subsection (a) of section 60A of chapter 40, and the value of personal property situated on that
2166 parcel, but taxes on real and personal property eligible for exemption under this clause shall be
2167 assessed only on that portion of the value of the property that is not exempt under section 59,
2168 section 60 or section 60A of chapter 40, and this exemption shall be for a term not longer than
2169 the period specified for the exemption in the agreement. The amount of the exemption under this
2170 clause for a parcel of real property shall be the exemption percentage adopted under clause (iii)
2171 of section 59, subsection (a) of section 60 or of section 60A of said chapter 40 multiplied by the
2172 amount by which the parcel's value exceeds the product of its assessed value for the last fiscal
2173 year before it became eligible for exemption under this clause multiplied by the adjustment
2174 factor determined under said section 59, section 60 or section 60A of said chapter 40. The
2175 amount of the exemption under this clause for personal property shall be the exemption

2176 percentage adopted under clause (iii) of section 59, subsection (a) of section 60 or of section 60A
2177 of said chapter 40 multiplied by the fair cash valuation of the personal property. Taxes on
2178 property eligible for exemption under this clause shall be assessed only on that portion of the
2179 value of the property that is not exempt under this clause.

2180 SECTION 110. Said chapter 59 is hereby further amended by inserting after section 5L
2181 the following section:-

2182 Section 5M. A gateway municipality, as defined in section 1 of chapter 40V, may, by
2183 vote of its legislative body, subject to the charter of the municipality, establish an exemption in
2184 an amount not less than 10 per cent and not more than 100 per cent of the incremental value of
2185 the market rate units contained in a certified housing development project within a housing
2186 development zone under chapter 40V, for a period of not less than 5 years and not more than 20
2187 years. For the purposes of this section, “market rate residential unit” shall mean a market rate
2188 residential unit as defined in section 1 of chapter 40V. Such exemption shall be approved by the
2189 department of housing and community development, as established in chapter 23B. The
2190 department shall promulgate applicable rules and regulations to carry out this section.

2191 SECTION 111. Section 4 of chapter 62 of the General Laws, as appearing in the 2008
2192 Official Edition, is hereby amended by inserting after the words “paragraph (b)”, in line 32, the
2193 following words:- , excepting Part C taxable income derived from the sale of investments which:
2194 (1) are in a corporation which is domiciled in the commonwealth with a date of incorporation on
2195 or after January 1, 2011 which has less than \$50 million in assets at the time of investment and
2196 complies with subsections (e)(1), (e)(2), (e)(5), and (e)(6) of Section 1202 of the Internal
2197 Revenue Service Code; and (2) are held for 3 years or more, which shall be taxed at a rate of 3

2198 per cent; provided, however, that in order to qualify for the 3 per cent rate, such investments
2199 shall be made within 5 years of the date of incorporation and, to the extent consistent with the
2200 provisions of this subsection, shall be in stock in a corporation that satisfies the requirements
2201 for treatment as "qualified small business stock" under section 1202(c) of the federal Internal
2202 Revenue Code, without regard to the requirement that the corporation be a C corporation.

2203 SECTION 112. Subsection (g) of section 6 of chapter 62 of the General Laws, inserted
2204 by section 21 of chapter 166 of the acts of 2009, is hereby amended by striking out paragraph (1)
2205 and inserting the following paragraph:

2206 (1) A credit shall be allowed against the tax liability imposed by this chapter, to the
2207 extent authorized by the economic assistance coordinating council established in section 3B of
2208 chapter 23A, up to an amount equal to 50 per cent of such liability in any taxable year; provided,
2209 however, that the 50 per cent limitation shall not apply where the credit is refundable under
2210 paragraph (5): (i) for certified expansion projects and certified enhanced expansion projects, as
2211 defined in sections 3A and 3F of said chapter 23A, an amount up to 10 per cent, and (ii) for
2212 certified manufacturing retention projects, as defined in said sections 3A and 3F of said chapter
2213 23A, an amount up to 40 per cent of the cost of property that would qualify for the credit allowed
2214 by section 31A of chapter 63 if the property were purchased by a manufacturing corporation or a
2215 business corporation engaged primarily in research and development and used exclusively in a
2216 certified project as defined in said sections 3A and 3F of said chapter 23A. A lessee may be
2217 eligible for a credit pursuant to this subsection for real property leased pursuant to an operating
2218 lease. If such property is disposed of or ceases to be in qualified use within the meaning of
2219 section 31A or ceases to be used exclusively in a certified project before the end of the certified
2220 project's certification period, or if a certified project's certification is revoked, the recapture

2221 provisions of subsection (e) of section 31A shall apply. If such property is disposed of after the
2222 certified project's certification period but before the end of such property's useful life, the
2223 recapture provisions of subsection (e) of section 31A shall apply. The expiration of a certified
2224 project's certification shall not require the application of the recapture provisions of subsection
2225 (e) of section 31A.

2226 The total amount of credits that may be authorized by the economic assistance
2227 coordinating council in a calendar year pursuant to this section and section 38N of chapter 63
2228 shall not exceed an annual cap equal to \$25,000,000 minus the credits granted and carryforwards
2229 of credits from prior years pursuant to subsection (q)(5) of section of 6 of this chapter and
2230 section 38BB(5) of said chapter 63, and shall include: (1) refundable credits granted during the
2231 year pursuant to this section or said section 38N of said chapter 63; (2) nonrefundable credits
2232 granted during the year pursuant to this section or said section 38N of said chapter 63, to the
2233 extent that such nonrefundable credits are estimated by the commissioner to offset tax liabilities
2234 during the year; and (3) carryforwards of credits from prior years under this section or said
2235 section 38N of said chapter 63, to the extent that such credit carryforwards are estimated by the
2236 commissioner to offset tax liabilities during the year. Of these allowable credits, the economic
2237 assistance coordinating council may award not more than \$5,000,000 in a calendar year to
2238 certified enhanced expansion projects as defined in sections 3A and 3F of chapter 23A, and not
2239 more than \$10,000,000 for certified manufacturing retention projects as defined in said sections
2240 3A and 3F of said chapter 23A. Any portion of the annual cap not awarded by the economic
2241 assistance coordinating council in a calendar year shall not be applied to awards in a subsequent
2242 year. The economic assistance coordinating council shall provide the commissioner of revenue
2243 with any documentation that the commissioner deems necessary to confirm compliance with the

2244 annual cap and the commissioner shall provide a report confirming compliance with the annual
2245 cap to the secretary of administration and finance and the secretary of housing and economic
2246 development.

2247 As used in this paragraph, “EACC” shall mean the economic assistance coordinating
2248 council established in section 3B of chapter 23A. A credit allowed under this section may be
2249 taken only after the taxpayer completes a report signed by an authorized representative of the
2250 corporation and files the report with the EACC within 2 years after the initial project certification
2251 by the EACC and annually thereafter. The report shall contain pertinent employment data needed
2252 to determine whether the taxpayer has reasonably satisfied the employment projections set forth
2253 in its original project proposal granted pursuant to section 3F of said chapter 23A. Paragraph (3)
2254 of section 3F of said chapter 23A shall apply to tax benefits awarded under this section. Nothing
2255 in this section shall limit the authority of the commissioner to make adjustments to a
2256 corporation’s liability upon audit.

2257 SECTION 113. Paragraph (1) of subsection (j) of said section 6 of said chapter 62, as
2258 appearing in the 2008 Official Edition, is hereby amended by striking out the figure “2011” and
2259 inserting in place thereof the following figure:- 2013.

2260 SECTION 114. Said paragraph (1) of said subsection (j) of said section 6 of said chapter
2261 62, as so appearing, is hereby further amended by striking out the figure “2012” and inserting in
2262 place thereof the following figure:- 2014.

2263 SECTION 115. Said section 6 of said chapter 62 is hereby further amended by adding the
2264 following subsection: -

2265 (q) (1) A credit shall be allowed against the tax liability imposed by this chapter, to the
2266 extent awarded by the department of housing and community development established in chapter
2267 23B, hereinafter referred to as “DHCD”, for a certified housing development project, as defined
2268 in chapter 40V, in an amount up to ten per cent of the cost of qualified substantial rehabilitation
2269 expenditures of the market rate units within the projects, as defined in section 1 of chapter 40V.
2270 The credit under this subsection shall be allowed for the taxable year in which department of
2271 housing and community development gives the commissioner written notification of completion
2272 of the certified housing development project.

2273 (2) Taxpayers eligible for the this credit may, with prior notice to and under regulations
2274 adopted by the commissioner of revenue, transfer the credits, in whole or in part, to any
2275 individual or entity, and the transferee shall be entitled to apply the credits against the tax with
2276 the same effect as if the transferee had incurred the qualified rehabilitation expenditures itself. If
2277 the sponsor of the certified housing development project is a partnership or a limited liability
2278 company taxed as a partnership, the credit, if transferred must be transferred by the partnership
2279 or the limited liability company. If the credits allowed to a partnership, a limited liability
2280 company taxed as a partnership or multiple owners of property are not transferred they shall be
2281 passed through to the persons designated as partners, members or owners, respectively, pro rata
2282 or pursuant to an executed agreement among the persons designated as partners, members or
2283 owners documenting an alternative distribution method without regard to their sharing of other
2284 tax or economic attributes of the entity. Credits passed through to individual partners and
2285 members are not transferable.

2286 (3) If the credit allowable for any taxable year exceeds the taxpayer’s tax liability for that
2287 tax year , the taxpayer may carry forward and apply in any subsequent taxable year, the portion,

2288 as reduced from year to year , of those credits which exceed the tax for the taxable year;
2289 provided, however, that in no event shall the taxpayer apply the credit to the tax for any taxable
2290 year beginning more than 5 years after the taxable year in which department of housing and
2291 community development gives the commissioner written notification of completion of the
2292 certified housing development project If the credit is transferred by the taxpayer, the carry over
2293 provisions applicable to the transferee apply.

2294 A transferee shall use the credit in the year it is transferred. If the credit allowable for any
2295 taxable year exceeds the transferee's tax liability for that tax year, the transferee may carry
2296 forward and apply in any subsequent taxable year, the portion, as reduced from year to year, of
2297 those credits which exceed the tax for the taxable year; provided, however, that in no event shall
2298 the transferee apply the credit to the tax for any taxable year beginning more than 5 years after
2299 the taxable year in which DHCD gives the commissioner written notification of completion of
2300 the certified housing development project.

2301 (4) For any certified housing development project, qualified rehabilitation expenditures
2302 applicable to this credit shall be treated for purposes of this subsection as made on the date that
2303 DHCD gives the Commissioner written notification of completion of the certified housing
2304 development project.

2305 (5) The total amount of credits that may be authorized by DHCD in a calendar year
2306 pursuant to this subsection and section 38BB of chapter 63 shall not exceed \$5,000,000 and shall
2307 include: (1) credits granted during the year pursuant to this subsection or said section 38BB of
2308 said chapter 63; (2) carry forwards of credits from prior years pursuant to this subsection or said
2309 section 38BB of said chapter 63, to the extent that such credit carry forwards are estimated by the

2310 commissioner to offset tax liabilities during the year. Any portion of the \$5,000,000 annual cap
2311 not awarded by the DHCD in a calendar year shall not be applied to awards in a subsequent
2312 year. The DHDC shall provide the commissioner of revenue with any documentation that the
2313 commissioner deems necessary to confirm compliance with the annual cap and the commissioner
2314 shall provide a report confirming compliance with the annual cap to the secretary of
2315 administration and finance and the secretary of housing and economic development.(6) The
2316 commissioner, in consultation with the DHDC, shall prescribe regulations necessary to carry out
2317 this subsection.

2318 SECTION 116. Section 6I of chapter 62 of the General Laws, as appearing in the 2008
2319 Official Edition, is hereby amended by striking out, in lines 70 and 71, the words “, if allocated a
2320 federal low income housing tax credit with respect to a project,”.

2321 SECTION 117. Said section 6I of said chapter 62 is hereby further amended by striking
2322 out, in line 72, as so appearing, the words “the same” and inserting in place thereof the
2323 following word:- a.

2324 SECTION 118. Section 1 of chapter 62C, as amended by section 39 of chapter 131 of the
2325 acts of 2010, is hereby further amended by striking out the definition of “Tax credit program”
2326 and inserting in place thereof the following definition:-

2327 “Tax credit program”, (i) the tax credit in subsection (j) of section 6 of chapter 62 and
2328 section 38Q of chapter 63; (ii) the dairy farmer tax credit in subsection (o) of said section 6 of
2329 said chapter 62 and the dairy farm tax credit in section 38Z of said chapter 63; (iii) the
2330 U.S.F.D.A. user fees credit in section 31M of said chapter 63 and subsection (n) of said section 6
2331 of said chapter 62; (iv) the film tax credit in subsection (b) of section 38X of said chapter 63 and

2332 subsection (l) of said section 6 of said chapter 62; (v) the historic rehabilitation tax credit in
2333 section 38R of said chapter 63 and section 6J of said chapter 62; (vi) the life sciences investment
2334 tax credit in section 38U of said chapter 63 and subsection (m) of said section 6 of said chapter
2335 62; (vii) the low-income housing tax credit in section 31H of said chapter 63 and section 6I of
2336 said chapter 62; (viii) the medical device tax credit in section 31L of said chapter 63 and section
2337 6 1/2 of said chapter 62; (ix) the refundable research credit in subsection (j) of section 38M of
2338 said chapter 63; (x) the economic development incentive program in subsection (g) of said
2339 section 6 of said chapter 62 and section 38N of said chapter 63; and (xi) any transferrable or
2340 refundable credits under chapter 62 and 63 established on or after July 1, 2010.

2341 SECTION 119. Subsection (b) of section 21 of chapter 62C of the General Laws, as
2342 amended by section 34 of chapter 27 of the acts of 2009, is hereby further amended by adding
2343 the following clause:-

2344 (26) the disclosure to members of the Joint Enforcement Task Force on the Underground
2345 Economy and Employee Misclassification, established by Executive Order 499, of information
2346 relating to the classification by a business entity of individuals providing services to such
2347 business entity as employees or independent contractors, including but not limited to information
2348 relating to the business entity's withholding or failure to withhold personal income tax pursuant
2349 to chapter 62B with respect to payments to particular individuals and the amount of any such
2350 payments or withholding.

2351 SECTION 120. Subparagraph (b) of paragraph 5 of section 30 of chapter 63 of the
2352 General Laws, as appearing in the 2008 Official Edition, is hereby amended by striking out the
2353 last sentence and inserting in place thereof the following 2 sentences:- Losses sustained in any

2354 taxable year prior to January 1, 2010, may be carried forward for not more than 5 years and may
2355 not be carried back. Losses sustained in any taxable year beginning on January 1, 2010 may be
2356 carried forward for not more than 20 years and may not be carried back.

2357 SECTION 121. Clause (c) of said paragraph 5 of said section 30 of said chapter 63, as so
2358 appearing, is hereby amended by striking out subclause (iii).

2359 SECTION 122. Said paragraph 5 of said section 30 of said chapter 63, as so appearing, is
2360 hereby further amended by adding the following 2 clauses:-

2361 (d) A business corporation that incurs losses before the corporation becomes subject to
2362 tax liability in the commonwealth shall not be allowed to carry those losses forward under this
2363 section.

2364 (e) Notwithstanding any other provision of this section, when a corporation is allowed to
2365 carry forward net operating losses under this section, the loss shall be determined and carried
2366 forward by multiplying the loss by the corporation's apportionment percentage as determined
2367 under this chapter for the taxable year in which the loss is sustained, with respect to the business
2368 that generated the loss and is to be deducted by the corporation from its taxable net income
2369 allocated or apportioned to the commonwealth. The commissioner shall adopt rules or
2370 regulations to implement this section and to coordinate the application of this section with the
2371 other provisions of this chapter.

2372 SECTION 123. Paragraph (1) of subsection (c) of section 31H of said chapter 63, as
2373 appearing in the 2008 Official Edition, is hereby amended by striking out the words “, if
2374 allocated a federal low income housing tax credit with respect to a project,”.

2375 SECTION 124. Said paragraph (1) of said subsection (c) of said section 31H of said
2376 chapter 63, as so appearing, is hereby further amended by striking out the words “the same” and
2377 inserting in place thereof the following word:- a.

2378 SECTION 125. Paragraph (3) of subsection (c) of section 32B of said chapter 63, as
2379 appearing in the 2008 Official Edition, is hereby amended by adding the following clause:-

2380 (iv) Where a combined group determines its taxable net income or loss on a water’s edge
2381 basis, an item of income of a corporation that is organized outside of the United States shall not
2382 be included in the combined group’s taxable income to the extent that such item is exempt from
2383 United States federal income tax by virtue of a federal income tax treaty. Any items of expense
2384 and apportionment factors related to such item of exempt income shall be excluded in the
2385 determination of taxable net income or loss to the extent provided in regulations issued by the
2386 commissioner. However, any such item of exempt income shall be taken into account to
2387 determine whether the corporation is included in the water’s edge group under clause (ii) or (iii).
2388 If a corporation organized outside of the United States is included in a water’s edge combined
2389 group and has an item of income that is exempt from United States federal income tax by virtue
2390 of a federal tax treaty, the corporation shall be considered to be included in the combined group
2391 under that clause only with regard to any items of income described in that clause that are not so
2392 exempt, taking into account items of expense and apportionment factors associated with such
2393 items of non-exempt income to the extent provided by regulations issued by the commissioner.
2394 Nothing in this clause shall prevent the commissioner from adjusting, under sections 31I, 31J,
2395 31K or 39A of this chapter, section 3A of chapter 62C, or any other provision of law, any
2396 deduction claimed by the payer for amounts that are excluded from the combined group’s taxable
2397 income under this clause. The commissioner may require the reporting of the amounts of such

2398 excluded income and the documentation of any claimed treaty exemption as conditions to be met
2399 by a payer claiming a deduction of such payments.

2400 SECTION 126. Section 38N of said chapter 63 is hereby amended by striking out
2401 subsection (a), as appearing in section 23 of chapter 166 of the acts of 2009, and inserting in
2402 place thereof the following subsection:

2403 (a) A corporation subject to tax under this chapter that participates in a certified project,
2404 as defined in sections 3A and 3F of chapter 23A, may take a credit against the excise imposed by
2405 this chapter to the extent authorized by the economic assistance coordinating council established
2406 by section 3B of said chapter 23A, in an amount not to exceed 50 per cent of such liability in a
2407 taxable year; provided, however, that the 50 per cent limitation shall not apply if the credit is
2408 refundable under subsection (b): (i) for certified expansion projects and certified enhanced
2409 expansion projects, as defined in said sections 3A and 3F of said chapter 23A, an amount up to
2410 10 per cent; and (ii) for certified manufacturing retention projects, as defined in said sections 3A
2411 and 3F of said chapter 23A, an amount up to 40 per cent of the cost of any property that would
2412 qualify for the credit allowed by section 31A if the property were purchased by a manufacturing
2413 corporation or a business corporation engaged primarily in research and development and is used
2414 exclusively in a certified project, as defined in said sections 3A and 3F of said chapter 23A. A
2415 lessee may be eligible for a credit under this subsection for real property leased under an
2416 operating lease.

2417 The total amount of credits that may be authorized by the economic assistance
2418 coordinating council in a calendar year under subsection (g) of section 6 of chapter 62 and this
2419 section shall not exceed an annual cap equal to \$25,000,000 minus the credits granted and

2420 carryforwards of credits from prior years under subsection (5) of section 38BB of this chapter
2421 and paragraph (5) of subsection (q) of section 6 of chapter 62 and shall include: (1) refundable
2422 credits granted during the year under said subsection (g) of said section 6 of said chapter 62 or
2423 this section; (2) nonrefundable credits granted during the year under said subsection (g) of said
2424 section 6 of said chapter 62 or this section, to the extent that such nonrefundable credits are
2425 estimated by the commissioner to offset tax liabilities during the year; and (3) carryforwards of
2426 credits from prior years under said subsection (g) of said section 6 of said chapter 62 or this
2427 section, to the extent that such credit carryforwards are estimated by the commissioner to offset
2428 tax liabilities during the year. Of these allowable credits, the economic assistance coordinating
2429 council may award not more than \$5,000,000 in a calendar year to certified enhanced expansion
2430 projects, as defined in sections 3A and 3F of chapter 23A, and not more than \$5,000,000 for
2431 certified manufacturing retention projects, as defined in said sections 3A and 3F of said chapter
2432 23A. Any portion of the annual cap not awarded by the economic assistance coordinating
2433 council in a calendar year shall not be applied to awards in a subsequent year. The economic
2434 assistance coordinating council shall provide the commissioner with any documentation that the
2435 commissioner deems necessary to confirm compliance with the annual cap and the commissioner
2436 shall provide a report confirming compliance with the annual cap to the secretary of
2437 administration and finance and the secretary of housing and economic development.

2438 The credit allowed under this section may be taken by an eligible corporation; provided,
2439 however, that the credit allowed by section 31A or section 31H shall not be taken by such
2440 corporation. For purposes of this paragraph, the corporation need not be a manufacturing
2441 corporation or a business corporation engaged primarily in research and development. If such
2442 property is disposed of or ceases to be in qualified use within the meaning of section 31A or

2443 ceases to be used exclusively in a certified project before the end of the certified project's
2444 certification period, or if a certified project's certification is revoked, the recapture provisions of
2445 subsection (e) of section 31A shall apply. If such property is disposed of after the certified
2446 project's certification period but before the end of such property's useful life, the recapture
2447 provisions of subsection (e) of section 31A shall apply. The expiration of a certified project's
2448 certification shall not require the application of the recapture provisions of subsection (e) of
2449 section 31A.

2450 As used in this paragraph, "EACC" shall mean the economic assistance coordinating
2451 council established in section 3B of chapter 23A. A credit allowed under this section may be
2452 taken only after the taxpayer completes a report signed by an authorized representative of the
2453 corporation and files the report with the EACC within 2 years after the initial project certification
2454 by the EACC and annually thereafter. The report shall contain pertinent employment data needed
2455 to determine whether the taxpayer has reasonably satisfied the employment projections set forth
2456 in its original project proposal granted pursuant to section 3F of said chapter 23A. Paragraph (3)
2457 of section 3F of said chapter 23A shall apply to tax benefits awarded under this section. Nothing
2458 in this section shall limit the authority of the commissioner to make adjustments to a
2459 corporation's liability upon audit.

2460 SECTION 127. Section 38Q of said chapter 63, as appearing in the 2008 Official Edition,
2461 is hereby amended by striking out, in line 3, the figure "2011" and inserting in place thereof the
2462 following figure:- 2013.

2463 SECTION 128. Said section 38Q of said chapter 63, as so appearing, is hereby further
2464 amended by striking out, in line 8, the figure “2012” and inserting in place thereof the following
2465 figure:- 2014.

2466 SECTION 129. Said chapter 63 is hereby further amended by inserting after section
2467 38AA the following section: -

2468 Section 38BB. (1) A credit shall be allowed against the tax liability imposed by this
2469 chapter, to the extent awarded by the department of housing and community development, in this
2470 section referred to as “DHCD”, established in chapter 23B, for a certified housing development
2471 project, as defined in chapter 40V, in an amount up to 10 per cent of the cost of qualified
2472 substantial rehabilitation expenditures of the market rate units within the project, as defined in
2473 section (1) of chapter 40V. The credit under this section shall be allowed for the taxable year in
2474 which DHCD gives the commissioner of revenue written notification of completion of the
2475 certified housing development project.

2476 (2) Taxpayers eligible for the this credit may, with prior notice to and under regulations
2477 adopted by the commissioner of revenue transfer the credits, in whole or in part, to any
2478 individual or entity, and the transferee shall be entitled to apply the credits against the tax with
2479 the same effect as if the transferee had incurred the qualified rehabilitation expenditures itself.

2480 (3) If the credit allowable for any taxable year exceeds the taxpayer’s tax liability for that
2481 tax year, the taxpayer may carry forward and apply in any subsequent taxable year, the portion,
2482 as reduced from year to year, of those credits which exceed the tax for the taxable year;
2483 provided, however, that in no event shall the taxpayer apply the credit to the tax for any taxable
2484 year beginning more than 5 years after the taxable year in which DHCD gives the commissioner

2485 written notification of completion of the certified housing development project. If the credit is
2486 transferred by the taxpayer, the carry over provisions applicable to the transferee shall apply.

2487 A transferee shall use the credit in the year it is transferred. If the credit allowable for any
2488 taxable year exceeds the transferee's tax liability for that tax year, the transferee may carry
2489 forward and apply in any subsequent taxable year, the portion, as reduced from year to year, of
2490 those credits which exceed the tax for the taxable year; provided, however, that in no event shall
2491 the transferee apply the credit to the tax for any taxable year beginning more than 5 years after
2492 the taxable year in which DHCD gives the commissioner of revenue written notification of
2493 completion of the certified housing development project.

2494 (4) For any certified housing development project, qualified rehabilitation expenditures
2495 applicable to this credit shall be treated for purposes of this section as made on the date that
2496 DHCD gives the commissioner of revenue written notification of completion of the certified
2497 housing development project.

2498 (5) The total amount of credits that may be authorized by DHCD in a calendar year under
2499 this section and subsection (q) of section (6) of chapter 62 shall not exceed \$5,000,000 and shall
2500 include: (1) credits granted during the year under this section or said subsection (q) of section (6)
2501 of chapter 62; (2) carry forwards of credits from prior years under this section or said subsection
2502 (q) of section (6) of chapter 62, to the extent that such credit carry forwards are estimated by the
2503 commissioner of revenue to offset tax liabilities during the year. Any portion of the \$5,000,000
2504 annual cap not awarded by DHCD in a calendar year shall not be applied to awards in a
2505 subsequent year. DHCD shall provide the commissioner of revenue with any documentation that
2506 the commissioner deems necessary to confirm compliance with the annual cap and the

2507 commissioner shall provide a report confirming compliance with the annual cap to the secretary
2508 of administration and finance and the secretary of housing and economic development.

2509 (6) The commissioner of revenue, in consultation with DHCD, shall adopt regulations
2510 necessary to carry out this section.

2511 SECTION 130. Section 45 of chapter 75 of the General Laws, as appearing in the 2008
2512 Official Edition, is hereby amended by striking out, in line 15, the words “director of business
2513 and technology” and inserting in place thereof the following words:- secretary of housing and
2514 economic development.

2515 SECTION 131. Said section 45 of said chapter 75, as so appearing, is hereby further
2516 amended by striking out, in line 19, the words, “department of business technology” and
2517 inserting in place thereof the following words:- Massachusetts office of business development.

2518 SECTION 132. Said section 45 of said chapter 75, as so appearing, is hereby further
2519 amended by striking out, in lines 25 to 27, inclusive, the words “director of business and
2520 technology, or his designee, the director of science and technology within the department of
2521 business and technology and 7” and inserting in place thereof the following words:- secretary of
2522 housing and economic development, who shall serve as chair, the executive director of the
2523 Massachusetts development finance agency, the president of the Massachusetts life sciences
2524 center, the executive director of the Massachusetts clean energy center, the director of the John
2525 Adams Innovation Institute, the president of the Massachusetts Technology development
2526 corporation and 8.

2527 SECTION 133. Said chapter 75 is hereby further amended by inserting after section 45
2528 the following section:-

2529 Section 45A. The center shall be subject to section 16G of chapter 6A and section 56 of
2530 chapter 23A.

2531 SECTION 134. Section 184B of chapter 94 of the General Laws, as appearing in the
2532 2008 Official Edition, is hereby amended by striking out the definition of “Food department” and
2533 inserting in place thereof the following definition:-

2534 ‘Food department’, any seller other than a food store or warehouse club with any grocery
2535 item section, area, or display and which sells one hundred or more different food items for
2536 consumption off the seller’s premises at least in part to individuals for their own personal,
2537 family, or household use; provided, however, that any food section which is within a larger
2538 business and is the functional equivalent of a supermarket with its own separate checkout, may
2539 be deemed a food store by the director of standards.

2540 SECTION 135. Said section 184B of said chapter 94, as so appearing, is hereby further
2541 amended by striking out the definition of “Food store” and inserting in place thereof the
2542 following definition:-

2543 ‘Food store’, any store, shop, supermarket, grocer, convenience store, or other seller
2544 whose primary business is selling either food for consumption off the seller’s premises alone or
2545 in combination with grocery items or other nondurable items typically found in a supermarket,
2546 and such items are sold at least in part to individuals for their own personal, family, or household
2547 use. For purposes of this section and sections 184C to 184E, a warehouse club shall not be
2548 considered a food store.

2549 SECTION 136. The definition of “Food store” in said section 184B of said chapter 94 is
2550 hereby amended by striking out the words ‘For purposes of this section and sections 184C to
2551 184E, a warehouse club shall not be considered a food store, inserted by section 135 .

2552 SECTION 137. Section 184B of said chapter 94, as so appearing, is hereby further
2553 amended by adding the following definition:-

2554 ‘Warehouse club’, a retail store in which customers pay annual membership fees in order
2555 to purchase items at member-only prices.

2556 SECTION 138. The definition of “Warehouse club” in said section 184B of said chapter
2557 94 is hereby repealed.

2558 SECTION 139. Section 12 of said chapter 138, as so appearing, is hereby amended by
2559 inserting after the first paragraph the following paragraph:-

2560 The local licensing authority of any city or town wherein the granting of licenses under
2561 this section is authorized, notwithstanding any limitation on the number of licenses the city or
2562 town is authorized to grant in section 17, may grant a license to the holder of a farmer-winery
2563 license under section 19B or from any other state for service to travelers, strangers, and other
2564 patrons and customers who are at least 21 years of age, such wine to be served and drunk on the
2565 premises of the winery at such locations on the premises of the farm as the local licensing
2566 authority may deem reasonable and proper. For purposes of this section, a farm shall have the
2567 meaning ascribed to it in section 1A of chapter 128.

2568 SECTION 140. Section 15 of said chapter 138, as so appearing, is hereby amended by
2569 inserting after the figure “19C”, in line 18, the following words:- , or to an applicant licensed to
2570 operate as a farmer-winery under said section 19B or in any other state.

2571 SECTION 141. Said section 15 of said chapter 138, as so appearing, is hereby further
2572 amended by inserting after the word “fee”, in line 47, the following words:- and nothing shall
2573 prohibit the local licensing authority from establishing reduced fees for special licenses issued
2574 under section 15F.

2575 SECTION 142. Said chapter 138 is hereby further amended by inserting after section
2576 15A the following section:-

2577 Section 15F. Notwithstanding any other provision of chapter 138, in any city or town
2578 wherein the granting of licenses to sell wine is authorized under this chapter, the local licensing
2579 authority may issue to an applicant authorized to operate a farmer-winery under section 19B or
2580 in any other state, a special license for the sale of wine produced by or for the licensee in sealed
2581 containers for off-premise consumption at an indoor or outdoor agricultural event. All sales of
2582 wine shall be conducted by an agent, representative, or solicitor of the licensee to customers who
2583 are at least 21 years of age. A licensee under this section may provide, without charge, samples
2584 of wine to prospective customers at an indoor or outdoor agricultural event. All samples of wine
2585 shall be served by an agent, representative, or solicitor of the licensee to individuals who are at
2586 least 21 years of age and all samples shall be consumed in the presence of such agent,
2587 representative, or solicitor of the licensee; provided, however, that no sample shall exceed one
2588 (1) ounce of wine and no more than 5 samples shall be served to an individual prospective

2589 customer. For the purposes of this section, the term “agricultural event” shall be limited to those
2590 events certified by the department of agricultural resources as set forth in this section.

2591 An applicant for a special license under this section shall first submit a plan to the
2592 department of agricultural resources that shall demonstrate that the event is an agricultural event.
2593 The plan shall include a description of the event, the date, time and location of the event, a copy
2594 of the operational guidelines or rules for the event, written approval that the prospective licensee
2595 has been approved as a vendor at the event, including the name and contact information of the
2596 on-site manager, and a plan depicting the premises and the specific location where the license
2597 will be exercised.

2598 Upon review of the plan, the department may certify that the event is an agricultural
2599 event; provided, however, that in making that determination, the department shall consider the
2600 following factors: (i) operation as a farmers’ market or agricultural fair approved or inspected by
2601 the department; (ii) frequency and regularity of the event, including dates, times and locations;
2602 (iii) number of vendors; (iv) terms of vendor agreements; (v) presence of an on-site manager;
2603 (vi) training of the on-site manager; (vii) operational guidelines or rules, which shall include
2604 vendor eligibility and produce source; (viii) focus of event on local agricultural products grown
2605 or produced within the market area; (ix) types of shows or exhibits, including those which are
2606 described in clause (f) of the first paragraph of section 2 of chapter 128; and (xi) sponsorship or
2607 operation by an agricultural or horticultural society organized under the laws of the
2608 commonwealth, or by a local grange organization and/or association whose primary purpose is
2609 the promotion of agriculture and its allied industries. The department of agricultural resources
2610 may promulgate rules and regulations necessary for the operation, oversight, approval, and
2611 inspection of agricultural events under this section.

2612 An applicant for a license under this section shall file with the local licensing authority
2613 along with its application proof of certification from the department of agricultural resources that
2614 tge event is an agricultural event. A special license under this section shall designate the specific
2615 premises, and dates and times covered. A special license may be granted for an indoor or
2616 outdoor agricultural event which takes place on multiple dates and/or times during a single
2617 calendar year but no special license shall be granted for an agricultural event that will not take
2618 place within 1 calendar year. The special license shall be displayed conspicuously by the
2619 licensee at the licensed premises. A copy of a special license granted by the local licensing
2620 authority shall be submitted by the authority to the commission at least 7 days prior to the date
2621 the agricultural event is first scheduled to begin. The local licensing authority may charge a fee
2622 for each special license granted, but such fee shall not exceed fifty \$50. A special license
2623 granted under this section shall be nontransferable to any other person, corporation, or
2624 organization and shall be clearly marked nontransferable on its face.

2625 The commission may promulgate rules and regulations it deems appropriate to effectuate
2626 the purposes of this section.

2627 SECTION 143. Section 17 of said chapter 138, as so appearing, is hereby amended by
2628 adding the following paragraph:

2629 In addition to the number of licenses otherwise authorized to be granted pursuant to this
2630 section, a city or town may grant additional licenses under sections 12, 15 or 15F to the holder of
2631 a farmer-winery license under section 19B or in any other state for the sale of wine produced by
2632 or for the applicant. A license granted by a city or town under said section 12, 15 or 15F shall
2633 not be include as a license for purposes of determining the number of licenses allowed to be

2634 granted by a city or town under this section. A license granted pursuant to this paragraph shall be
2635 nontransferable to any other person, corporation or organization and shall be clearly marked
2636 nontransferable on its face.

2637 SECTION 144. Section 19B of said chapter 138, as so appearing, is hereby amended by
2638 inserting after the word “section”, in line 97, the following words:- 15, 15F or

2639 SECTION 145. Said section 19B of said chapter 138, as so appearing, is hereby further
2640 amended by striking out, in line 99, the word “and”, the second time it appear.

2641 SECTION 146. Said section 19B of said chapter 138, as so appearing, is hereby amended
2642 by inserting after the word “country” in line 100,, the following word:-

2643 (5) at retail by the glass or bottle to be consumed on the premises prescribed by a license
2644 issued by local authority pursuant to section twelve of this chapter.

2645 SECTION 147. Said section 19B of said chapter 138, as so appearing, is hereby further
2646 amended by striking out subsection (h) and inserting in place thereof the following words:-

2647 (h) A winegrower shall not sell at retail to consumers any wine or winery product not
2648 produced by or for the winery and sold under the winery brand name. All retail sales shall be
2649 made on the winery premises, except where a winegrower obtains additional licenses for the sale
2650 of wine to consumers at additional locations off the winery premises at locations authorized by a
2651 license issued pursuant to sections 15 and 15F.

2652 SECTION 148. Section 52C of chapter 149 of the General Laws, as appearing in the
2653 2008 Official Edition, is hereby amended by striking out the fifth paragraph and inserting in
2654 place thereof the following paragraph: -

2655 An employer shall notify an employee within 10 days of the employer placing in the
2656 employee’s personnel record any information to the extent that the information is, has been used
2657 or may be used, to negatively affect the employee’s qualification for employment, promotion,
2658 transfer, additional compensation or the possibility that the employee will be subject
2659 to disciplinary action. An employer receiving a written request from an employee shall provide
2660 the employee with an opportunity to review such employee’s personnel record within 5 business
2661 days of such request. The review shall take place at the place of employment and during normal
2662 business hours. An employee shall be given a copy of the employee’s personnel record within 5
2663 business days of submission of a written request for such copy to the employer. An employer
2664 shall not be required to allow an employee to review the employee’s personnel record on more
2665 than 2 separate occasions in a calendar year; provided, however, that the notification and review
2666 caused by the placing of negative information in the personnel record shall not be deemed to be 1
2667 of the 2 annually permitted reviews.

2668 SECTION 149. Section 1H of chapter 164 of the General Laws, as so appearing, is
2669 hereby amended by striking out the definition of the word “department” and inserting in place
2670 thereof the following definition:-

2671 “Department”, the department of public utilities.

2672 SECTION 150. Section 14 of chapter 167 of the General Laws, as so appearing, is hereby
2673 amended by striking out, in line 22, the words “and 30” and inserting in place thereof the
2674 following words:- , 30 and 30A.

2675 SECTION 151. Said section 2 of said chapter 167F, as so appearing, is hereby amended
2676 by inserting after paragraph 30 the following paragraph: --

2677 30A. To participate in the activities of the Massachusetts Growth Capital Corporation
2678 created under chapter 40W by making capital available to the corporation by making an
2679 investment or deposit in or grant to said corporation, an affiliate or subsidiary of said corporation
2680 or any fund managed by said corporation.

2681 SECTION 152. The first paragraph of section 168 of chapter 175 of the General Laws,
2682 as so appearing, is hereby amended by inserting after the sixth sentence the following sentence:-

2683 Any insurance policy procured under this section shall contain the following disclosure
2684 notice to the policyholder: This policy is insured by a company which is not admitted to transact
2685 insurance in the commonwealth, is not supervised by the commissioner of insurance and, in the
2686 event of an insolvency of such company, a loss shall not be paid by the Massachusetts Insurers
2687 Insolvency Fund under chapter 175D. The commissioner may by regulation amend the
2688 foregoing disclosure notice.

2689 SECTION 153. Said section 168 of said chapter 175, as so appearing, is hereby further
2690 amended by striking out, in line 61, the word "or".

2691 SECTION 154. Said section 168 of said chapter 175, as so appearing, is hereby further
2692 amended by inserting after the figure "20A," in line 65, the following words:- ; or (c) such
2693 company is an eligible alien unauthorized insurer, as defined in section 168A.

2694 SECTION 155. Said chapter 175 is hereby further amended by inserting after section
2695 168 the following section:-

2696 Section 168A. (a) As used in this section "eligible alien unauthorized insurer" shall mean
2697 a company formed under the laws of any government or state other than the United States or 1 of

2698 its states or its territories that has filed an application with the commissioner under clause (4) of
2699 subsection (c), which application has been approved by the commissioner.

2700 (b) Notwithstanding any general or specific law to the contrary, a special broker
2701 licensed by the commissioner pursuant to section 168 of this chapter may procure insurance from
2702 any company formed under the laws of any government or state other than the United States or
2703 one of its states or its territories that is not authorized to transact business in the commonwealth
2704 if:

2705 (1) such company has been determined by the commissioner to be an eligible alien
2706 unauthorized insurer pursuant to clause (4) of subsection (c);

2707 (2) the special broker has executed and filed an affidavit with the commissioner within 20
2708 days after procuring such insurance stating that the full amount or type of insurance
2709 cannot be obtained from among companies admitted to transact insurance in the
2710 commonwealth after a diligent effort has been made to do so and that the amount of
2711 insurance procured in such company is only the excess over the amount so procurable
2712 from admitted companies;

2713 (3) the procured policy contains the disclosure notice required by section 168; and

2714 (4) all other requirements of this section and section 168 that are not inconsistent with
2715 this subsection have been met.

2716 Insurance procured under this section shall be valid and enforceable as to all parties.

2717 Nothing in this section shall be deemed to amend or modify any of the provisions of, or
2718 any of the exemptions specified in, section 168 that are inconsistent with this section.

2719 (c) No company shall be determined to be an eligible alien unauthorized insurer unless it:

2720 (1) has provided satisfactory evidence to the commissioner of its good reputation and
2721 financial integrity;

2722 (2) has capital and surplus or its equivalent under the laws of its domiciliary jurisdiction
2723 in an amount not less than \$20,000,000;

2724 (3) has in force a United States trust fund of not less than the greater of:

2725 (i) \$5,400,000; or

2726 (ii) a percentage of its United States surplus lines gross liabilities arising from business
2727 written on or after January 1, 1998, excluding aviation, wet marine, transportation insurance and
2728 direct procurement placements, such percentage to equal to the percentage and subject to any cap
2729 employed by the International Insurers Department of the National Association of Insurance
2730 Commissioners, as of December 31 next preceding the date of determination, where: (A) the
2731 liabilities are maintained in an irrevocable trust account in the United States in a qualified
2732 financial institution, on behalf of United States policyholders consisting of cash, securities,
2733 letters of credit or other investments of substantially the same character and quality as those
2734 which are eligible investments under this chapter for the capital and statutory reserves of
2735 admitted insurers to write like kinds of insurance in the commonwealth; provided, however, that
2736 the trust fund, which shall be included in any calculation of capital and surplus or its equivalent,
2737 shall satisfy the requirements of the Standard Form Trust Agreement required for listing with the
2738 International Insurers Department of the National Association of Insurance Commissioners; (B)
2739 the company may request approval from the commissioner to use the trust fund to pay valid
2740 surplus lines claims; provided, however, that the balance of the trust fund shall never be less than

2741 the minimum amount required by this subsection; and (C) in calculating the trust fund amount
2742 required by this subsection, credit shall be given for surplus lines deposits separately required
2743 and maintained for a particular state or territory of the United States, not to exceed the amount
2744 of the company's loss and loss adjustment reserves in that particular state or territory; and

2745 (4) has submitted to the commissioner an application evidencing the company's
2746 compliance with the requirements of this section that has been approved by the commissioner.

2747 (d) The application required by clause (4) of subsection (c) shall be on forms issued or
2748 approved by the commissioner and shall include the following information regarding the alien
2749 unauthorized insurer applicant:

2750 (1) evidence that the unauthorized alien insurer has been listed by the International
2751 Insurers Department of the National Association of Insurance Commissioners;

2752 (2) a certified audited financial statement of the eligible alien unauthorized insurer
2753 reflecting information as of a date not more than 12 months prior to the submission of the
2754 application evidencing compliance with the capital and surplus requirements of clause (2) of
2755 subsection (c) and an actuarial opinion as to the adequacy of and methodology used to determine
2756 the insurer's loss reserves;

2757 (3) a copy, certified by the trustee, of the United States trust agreement required by clause
2758 (3) of subsection (c) prepared in accordance with the National Association of Insurance
2759 Commissioner's Standard Form Trust Agreement for Alien Excess or Surplus Lines Insurers;

2760 (4) a copy, certified by the trustee, of the most recent quarterly statement of account or
2761 list of assets in the trust account required by clause (3) of subsection (c) evidencing that the alien

2762 unauthorized insurer has in force, as of the end of the most recent quarter, assets in the amounts
2763 required by said clause (3) of said subsection (c);

2764 (5) a certified copy of the eligible alien unauthorized insurer's current license or
2765 certificate of authority issued by its domiciliary jurisdiction indicating that the company is
2766 authorized to insure the types of risks in its domiciliary jurisdiction that it proposes to insure in
2767 the commonwealth;

2768 (6) a certificate of good standing or substantially similar documentation issued by the
2769 eligible alien unauthorized insurer's domiciliary jurisdiction;

2770 (7) biographical affidavits, on forms promulgated by the National Association of
2771 Insurance Commissioners or approved by the commissioner for all executive officers, directors
2772 and senior management personnel of the eligible alien unauthorized insurer, prepared not more
2773 than 12 months prior to the submission date of the application required by clause (4) of
2774 subsection (c); and

2775 (8) such additional information as the commissioner may require in order to determine
2776 that the eligible alien unauthorized insurer complies with the requirements of this section.

2777 (e) The commissioner may refuse to approve an application under this section if the
2778 commissioner determines that such refusal will be in the public interest. In reviewing an
2779 application, the commissioner may consider:

2780 (1) the length of time the insurer has been authorized in its domiciliary jurisdiction and
2781 elsewhere;

2782 (2) the unavailability of the particular coverages from authorized insurers or unauthorized
2783 insurers meeting the requirements of this section and section 168;

2784 (3) the size of the company as measured by its assets, capital and surplus, reserves,
2785 premium writings, insurance in force or other appropriate criteria;

2786 (4) the kinds of business the company writes, its net exposure and the extent to which the
2787 company's business is diversified among several lines of insurance and geographic locations; and

2788 (5) the past and projected trend in the size of the company's capital and surplus
2789 considering such factors as premium growth, operating history, loss and expense ratios or other
2790 appropriate criteria

2791 (f) The commissioner may revoke a company's status as an eligible alien unauthorized
2792 insurer in accordance with the terms and conditions of section 5 the commissioner has
2793 determined that the insurer:

2794 (1) is in unsound financial condition or has acted in an untrustworthy manner;

2795 (2) no longer meets the standards in subsection (c);

2796 (3) has willfully violated the laws of the commonwealth; or

2797 (4) does not conduct a proper claims practice.

2798 SECTION 156. Section 21 of chapter 218 of the General Laws, as so appearing, is hereby
2799 amended by striking out, lines 6 and 35, the following words, "two thousand dollars" and
2800 inserting in place thereof, in each instance, the following figure:- \$7,000.

2801 SECTION 157. Section 22 of said chapter 218, as so appearing, is hereby amended by
2802 adding the following paragraph:-

2803 The procedure shall include the beginning of actions with an entry fee of \$30 for claims
2804 of \$500 or less, \$40 for claims of greater than \$500 but less than or equal to \$2000, \$90 for
2805 claims of greater than \$2000 but less than or equal to \$5000, and \$140 for claims greater than
2806 \$5000, plus the surcharge required by section four C of chapter two hundred and sixty-two, but
2807 without summons and complaint and without requirement, except by special order of court, of
2808 any pleading other than a concise written statement of the claim.

2809 SECTION 158. Chapter 465 of the acts of 1956 is hereby amended by inserting after
2810 section 21 the following section:-

2811 Section 21A. The authority shall be subject to section 16G of chapter 6A and section 56
2812 of chapter 23A of the General Laws.

2813 SECTION 159. The fourth paragraph of section 15 of chapter 701 of the acts of 1960, as
2814 most recently amended by chapter 167 of the acts of 1990, is hereby amended by striking out, in
2815 line 4, the word ‘ten’ and inserting in place thereof the figure:- 25.

2816 SECTION 160. Section 3 of chapter 614 of the acts of 1968 is hereby amended by
2817 inserting before the definition of ‘Authority’, the following definition:-

2818 ‘Agency’, the Massachusetts Development Finance Agency established by chapter 23G,
2819 as amended.

2820 SECTION 161. Subsection (a) of section 4 of chapter 614 of the acts of 1968, as
2821 amended by section 6 of chapter 454 of the acts 1969,, is hereby further amended by striking out

2822 the fourth, fifth, sixth, seventh and eighth sentences and inserting in place thereof the following
2823 sentence:- Said authority shall be governed by the board of the Massachusetts Development
2824 Finance Agency as established by section 2 of chapter 23G and the board members of the agency
2825 shall serve as trustees for any existing authority trust.

2826 SECTION 162. Section 4 of said chapter 614 of the acts of 1968 is hereby repealed.

2827 SECTION 163. Subsection (b) of said section 4 of said chapter of chapter 614 of the acts
2828 of 1968, as amended is hereby further amended by adding the following sentence: The executive
2829 director, assistant executive director, and any other employees of the Authority who act as
2830 trustees for any trust established under the authority granted by this chapter shall not approve
2831 matters in their capacity as trustees without first receiving approval from the board.

2832 SECTION 164. Chapter 190 of the acts of 1982 is hereby amended by inserting after
2833 section 40 the following section:-

2834 Section 40A. The Authority shall be subject to section 16G of chapter 6A and section 56
2835 of chapter 23A of the General Laws.

2836 SECTION 165. Section 6 of chapter 528 of the acts of 1990, as amended by section of
2837 chapter 131 of the acts of 2010, is hereby further amended by striking out the words “August
2838 1,2010” and inserting in place thereof the following “September 30, 2010.”

2839 SECTION 166. Section 64 of chapter 365 of the acts of 1996, as amended by chapter 352
2840 of the acts of 2004, is hereby amended by adding the following sentence:-

2841 The corporation shall be subject to section 16G of chapter 6A and section 56 of chapter
2842 23A of the General Laws.

2843 SECTION 167. Notwithstanding any general or special law to the contrary, within 4
2844 years of the effective date of this act, each agency shall review the agency’s rules and regulations
2845 currently existing to determine whether such rules and regulations should be continued without
2846 change or should be amended or rescinded to minimize economic impact of those rules and
2847 regulations on small businesses in a manner consistent with the stated objective of applicable
2848 statutes. If the head of the agency determines that completion of the review of existing rules is
2849 not feasible by the established date the agency shall publish a statement certifying that
2850 determination. The agency may extend the completion date by 1 year at a time for a total of not
2851 more than 5 years.

2852 SECTION 168. The state secretary shall immediately notify all agencies required to file
2853 rules or regulations under section 5 of chapter 30A of the General Laws of the new requirements
2854 regarding small business impact statements.

2855 SECTION 169. Notwithstanding any other general or special law to the contrary a stock
2856 purchase agreement between the commonwealth and Community Development Finance
2857 Corporation in existence on the effective date of this act which contains outstanding obligations
2858 on the part of the commonwealth and which has been pledged as security for the payment of debt
2859 obligations issued by the Community Development Finance Corporation which are also
2860 outstanding on the effective date of this act shall continue to constitute a general obligation of the
2861 commonwealth for which the faith and credit of the commonwealth remains pledged for the
2862 benefit of the Community Development Finance Corporation and of the holders of said debt
2863 obligations of the Community Development Finance Corporation until the terms of said debt
2864 obligations are satisfied.

2865 SECTION 170. The secretary of housing and economic development, in consultation
2866 with the economic assistance coordinating council, shall promulgate regulations that reflect the
2867 changes implemented in section 74A of this act.

2868 SECTION 171. Notwithstanding any other general or special law to the contrary, the
2869 pension reserves investment management board established under section 23 of chapter 32 of the
2870 General Laws shall review its investment portfolio and to the extent it is reasonably possible it
2871 shall invest not less than \$25,000,000 and not more than \$50,000,000 in banks or financial
2872 institutions which make capital available to small businesses under the guidelines of subdivision
2873 (7) of section 23 of chapter 32 of the General Laws and shall make such investment a priority of
2874 the portfolio as long as such investment is consistent with sound investment policy.

2875 SECTION 172. To meet the expenditures necessary in carrying out section 2B, the state
2876 treasurer shall, upon request of the governor, issue and sell bonds of the commonwealth in an
2877 amount to be specified by the governor from time to time but not exceeding, in the aggregate,
2878 \$75,000,000. All such bonds issued by the commonwealth shall be designated on their face, Job
2879 Creation by Small Business Act of 2010, and shall be issued for a maximum term of years, not
2880 exceeding 30 years, as the governor may recommend to the general court under section 3 of
2881 Article LXII of the Amendments to the Constitution. The bonds shall be payable not later than
2882 June 30, 2045. All interest and payments on account of principal on these obligations shall be
2883 payable from the General Fund. Bonds and interest thereon issued under this section shall,
2884 notwithstanding any other provisions of this act, be general obligations of the commonwealth.

2885 SECTION 173. Notwithstanding any general or special law to the contrary, certain
2886 regulatory approvals are hereby extended as provided in this section.

2887 (a) For purposes of this section, the following words shall, unless the context clearly
2888 requires otherwise, have the following meanings:

2889 “Approval” except as otherwise provided in subsection (b), any permit, certificate, order,
2890 excluding enforcement orders, license, certification, determination, exemption, variance, waiver,
2891 building permit, or other approval or determination of rights from any municipal, regional or
2892 state governmental entity, including any agency, department, commission, or other
2893 instrumentality of the municipal, regional or state governmental entity, concerning the use or
2894 development of real property, including certificates, licenses, certifications, determinations,
2895 exemptions, variances, waivers, building permits, or other approvals or determination of rights
2896 issued or made under chapter 21, chapter 21A excepting section 16, chapter 21D, sections 61 to
2897 62H, inclusive, of chapter 30, chapters 30A, 40, 40A to 40C, inclusive, 40R, 41, 43D, section 21
2898 of chapter 81, chapter 91, chapter 131, chapter 131A, chapter 143, sections 4 and 5 of chapter
2899 249, or chapter 258, of the General Laws or chapter 665 of the acts of 1956, or any local by-law
2900 or ordinance.

2901 “Development”, division of a parcel of land into 2 or more parcels, the construction,
2902 reconstruction, conversion, structural alteration, relocation or enlargement of a building or other
2903 structure or facility, or any grading, soil removal or relocation, excavation or landfill or any use
2904 or change in the use of any building or other structure or land or extension of the use of land.

2905 “Tolling period”, the period beginning August 15, 2008, and continuing through August
2906 15, 2010.

2907 (b) (1) Notwithstanding any general or special law to the contrary, an approval in effect
2908 or existence during the tolling period shall be extended for a period of 2 years, in addition to the
2909 lawful term of the approval.

2910 (2) Nothing in this section shall be deemed to extend or purport to extend:

2911 (i) a permit or approval issued by the government of the United States or an agency or
2912 instrumentality of the government of the United States or to a permit or approval, of which the
2913 duration of effect or the date or terms of its expiration are specified or determined by or under
2914 law or regulation of the federal government or any of its agencies or instrumentalities;

2915 (ii) a comprehensive permit issued by a board of appeals under sections 20 to 23,
2916 inclusive, of chapter 40B of the General Laws; or;

2917 (iii) a permit, license, privilege or approval issued by the division of fisheries and wildlife
2918 under chapter 131 for hunting, fishing or aquaculture.

2919 (3) Nothing in this section shall affect the ability of a municipal, regional or state
2920 governmental entity, including an agency, department, commission or other instrumentality of a
2921 municipal, regional or state governmental entity to revoke or modify a specific permit or
2922 approval or extension of a specific permit or approval under this section, when that specific
2923 permit or approval or the law or regulation under which the permit or approval was issued
2924 contains language authorizing the modification or revocation of the permit or approval.

2925 (4) In the event that an approval tolled under this section is based upon the connection to
2926 a sanitary sewer system, the approval's extension shall be contingent upon the availability of
2927 sufficient capacity, on the part of the treatment facility, to accommodate the development whose

2928 approval has been extended. If sufficient capacity is not available, those permit holders whose
2929 approvals have been extended shall have priority with regard to the further allocation of
2930 gallonage over those approval holders who have not received approval of a hookup prior to the
2931 effective date of this section. Priority regarding the distribution of further gallonage to a permit
2932 holder who has received the extension of an approval under this section shall be allocated in
2933 order of the granting of the original approval of the connection.

2934 (5) In the case when an owner or petitioner sells or otherwise transfers a property or
2935 project, in order for an approval to receive an extension, all commitments made by the original
2936 owner or petitioner under the terms of the permit must be upheld by the new owner or petitioner.
2937 If the new owner or petitioner does not meet or abide by those commitments then the approval
2938 shall not be extended under this section.

2939 (6) Nothing in this section shall be construed or implemented in such a way as to modify
2940 a requirement of law that is necessary to retain federal delegation to, or assumption by, the
2941 commonwealth of the authority to implement a federal law or program.

2942 SECTION 174. Notwithstanding any general or special law to the contrary, for the days
2943 of August 14, 2010 and August 15, 2010, an excise shall not be imposed upon nonbusiness sales
2944 at retail of tangible personal property, as defined in section 1 of chapter 64H of the General
2945 Laws. For the purposes of this act, tangible personal property shall not include
2946 telecommunications, tobacco products subject to the excise imposed by chapter 64C of the
2947 General Laws, gas, steam, electricity, motor vehicles, motorboats, meals or a single item the
2948 price of which is in excess of \$2,500.

2949 SECTION 175. Notwithstanding any general or special law to the contrary, for the days
2950 of August 14, 2010 and August 15, 2010, a vendor shall not add to the sales price or collect from
2951 a nonbusiness purchaser an excise upon sales at retail of tangible personal property, as defined in
2952 section 1 of chapter 64H of the General Laws. The commissioner of revenue shall not require a
2953 vendor to collect and pay excise upon sales at retail of tangible personal property purchased on
2954 August 14, 2010 and August 15, 2010. An excise erroneously or improperly collected during the
2955 days of August 14, 2010 and August 15, 2010, shall be remitted to the department of revenue.
2956 This section shall not apply to the sale of telecommunications, tobacco products subject to the
2957 excise imposed by chapter 64C of the General Laws, gas, steam, electricity, motor vehicles,
2958 motorboats, meals or a single item the price of which is in excess of \$2,500.

2959 SECTION 176. Reporting requirements imposed upon vendors of tangible personal
2960 property, by law or by regulation, including, but not limited to, the requirements for filing returns
2961 required by chapter 62C of the General Laws, shall remain in effect for sales for the days of
2962 August 14, 2010, and August 15, 2010.

2963 SECTION 177. On or before December 31, 2010, the commissioner of revenue shall
2964 certify to the comptroller the amount of sales tax forgone, as well as new revenue raised from
2965 personal and corporate income taxes and other sources, pursuant to this act. The commissioner
2966 shall file a report with the joint committee on revenue and the house and senate committees on
2967 ways and means detailing by fund the amounts under general and special laws governing the
2968 distribution of revenues under chapter 64H of the General Laws which would have been
2969 deposited in each fund, without this act.

2970 SECTION 178. The commissioner of revenue shall issue instructions or forms or
2971 promulgate rules or regulations, necessary for the implementation of this act.

2972 SECTION 179. Eligible sales at retail of tangible personal property under sections 175
2973 and 176 are restricted to those transactions occurring on August 14, 2010 and August 15,
2974 2010. Transfer of possession of or payment in full for the property shall occur on 1 of those
2975 days, and prior sales or layaway sales shall be ineligible.

2976 SECTION 180. (a) There shall be a commission to study the feasibility of establishing a
2977 bank owned by the commonwealth or by a public authority constituted by the commonwealth.

2978 (b) The commission shall consist of the secretary for administration and finance and the
2979 secretary of housing and economic development or their respective designees, who shall serve as
2980 co-chairs of the commission; the state treasurer or the treasurer's designee; the state comptroller
2981 or the comptroller's designee; 2 persons to be appointed by the president of the senate, 1 of
2982 whom shall be a member of the senate; 1 person to be appointed by the minority leader of the
2983 senate; 2 persons to be appointed by the speaker of the house of representatives; 1 of whom shall
2984 be a member of the house of representatives; 1 person to be appointed by the minority leader of
2985 the house; the executive directors of the Massachusetts Development Financing Agency and the
2986 Massachusetts Housing Finance Agency or their designees; president of the Massachusetts
2987 Growth Capital Corporation or the president's designee; and 8 persons to be appointed by the
2988 governor who shall not be employees of the executive branch, 3 of whom shall be drawn from a
2989 list of 5 names submitted by the Massachusetts Bankers Association, at least 1 of whom shall be
2990 a representative of a community bank operating in the commonwealth, 1 of whom shall be drawn
2991 from a list of 3 names submitted by the Associated Industries of Massachusetts, 1 of whom shall

2992 be drawn from a list of 3 names submitted by the Small Business Association of New England
2993 and 1 of whom shall be a professor at an institution of higher education in the commonwealth
2994 who has researched and published articles on banking. Of the governor's remaining
2995 appointments, not more than 1 may be a representative of a financial services firm located in the
2996 commonwealth. The governor shall ensure geographic diversity in the governor's appointments
2997 to the commission. The members of the commission shall be appointed not later 90 days after the
2998 effective date of this act.

2999 (c) The commission shall examine the technical, legal and financial feasibility of
3000 establishing a commonwealth-owned bank, including but not limited to a commonwealth-owned
3001 bank for infrastructure investment purposes. The commission shall seek participation in its
3002 deliberations from the president of the Federal Reserve Bank of Boston or the president's
3003 designee. The commission shall evaluate the experiences of other states with state-owned banks,
3004 identifying the financial performance of such banks and evaluating the lending practices of such
3005 banks to show whether such banks successfully fill lending gaps not filled by the private sector.
3006 The commission shall also evaluate the manner in which public funds are invested or deposited
3007 by the commonwealth and its political subdivisions including funds managed by the state
3008 treasurer; the Massachusetts Municipal Depository Trust and state and local pension funds. The
3009 commission shall examine the infrastructure investment activities conducted by other states with
3010 state-owned banks. The commission shall also examine the lending practices, including lending
3011 to support infrastructure, of the existing public agencies in the commonwealth that perform
3012 lending services. The Massachusetts development finance agency, Massachusetts Housing
3013 Finance Agency, Health and Educational Facilities Authority, Massachusetts Growth Capital
3014 Corporation and any other public authority in the commonwealth that lends money shall

3015 cooperate fully with the commission and shall supply information reasonably required by the
3016 commission to carry out its charge.

3017 (d) The commission shall hold at least 3 public hearings in distinct geographic regions of
3018 the commonwealth.

3019 (e) The commission shall publish its findings and recommendations, together with drafts
3020 of legislation, if any, necessary to carry those recommendations into effect, in a written report
3021 not later than 1 year after the effective date of this act. The report shall be published on the
3022 official website of the commonwealth, and shall be contemporaneously filed with the house and
3023 senate committees on ways and means and the house and senate chairs of the joint committee on
3024 financial services.

3025 SECTION 181. There shall be a commission to develop an index of creative and
3026 innovative education in the public schools. The commission shall consist of the commissioner of
3027 elementary and secondary education, the secretary of housing and economic development, the
3028 secretary of labor and workforce development, or their designees, the executive director of the
3029 Massachusetts cultural council, 3 members to be appointed by the senate who shall reside in
3030 different geographic regions, 3 members to be appointed by the house who shall reside in
3031 different geographic regions and 5 persons to be appointed by the governor who shall reside in
3032 different geographic regions, 1 of whom shall be a representative of the Massachusetts
3033 Advocates for the Arts, Sciences and Humanities, 1 of whom shall be a representative of the
3034 Associated Industries of Massachusetts and 1 of whom shall be a representative of the
3035 Massachusetts Business Roundtable. Each of the members shall be an expert or have experience
3036 in the fields of education, public policy, artistic development, workforce development or cultural

3037 development. The members of the commission shall be appointed no later than 30 days after the
3038 effective date of this act.

3039 In the course of its deliberations, the commission shall develop recommendations on how
3040 to produce and implement an index of creative and innovative education in the public schools,
3041 what funding or finance measures the commonwealth would need to implement that index and
3042 any recommendations for interagency agreements, intermunicipal agreements or other
3043 cooperative agreements that would be required to foster creative and innovative education
3044 programs in the public schools. The index shall rate every public school on teaching,
3045 encouraging and fostering creativity in students. The index shall be based in part on the creative
3046 opportunities in each school as measured by the availability of classes and before-school and
3047 after-school programs offered by and through school districts that provide creative opportunities
3048 for students including, but not limited to, arts education, debate clubs, science fairs, theatre
3049 performances, concerts, filmmaking and independent research.

3050 The commission shall measure and encourage skill building in increasingly critical areas
3051 to employers such as creativity, creative thinking skills, innovation and teamwork. The
3052 commission may hold public hearings to assist in the collection and evaluation of data and
3053 testimony. The commission shall complete a written report detailing any factors to be
3054 considered in the index and any financial measures that would be necessary for implementation.
3055 The commission shall submit a report to the governor, the clerks of the senate and house of
3056 representatives, the joint committee on tourism, arts and cultural development and the joint
3057 committee on education not later than December 31, 2010.

3058 Any research, analysis or other staff support that the commission reasonably requires
3059 shall be provided by the department of elementary and secondary education, the executive office
3060 of housing and economic development and the executive office of labor and workforce
3061 development, in cooperation with the Massachusetts cultural council.

3062 SECTION 182. There shall be a commission to study on alternative, dependable sources
3063 for funding tourist visitor centers in order to improve tourism throughout the commonwealth.

3064 The commission shall be chaired jointly by the executive director of travel and tourism or
3065 the executive director's designee and the executive director of business development or the
3066 executive director's designee. The commission shall also include the house and the senate chairs
3067 of the joint committee on tourism, arts and cultural development or their designees, 1
3068 representative from the Massachusetts Visitor Industry Council, and 5 additional members to be
3069 appointed by the governor who shall be from geographically diverse areas and each of whom is a
3070 representatives of a regional tourism council, including the Berkshire Hills Visitors Bureau, the
3071 Southeastern Massachusetts Convention and Visitors Bureau, the Cape Cod Chamber of
3072 Commerce, the Franklin County Chamber of Commerce, the Greater Boston Convention and
3073 Visitors Bureau, the Worcester County Convention and Visitors Bureau, the Martha's Vineyard
3074 Chamber of Commerce, the Greater Merrimack Valley Convention and Visitors Bureau, the
3075 Mohawk Trail Association, the North of Boston Convention and Visitors Bureau, the Greater
3076 Springfield Convention and Visitors Bureau, the Plymouth County Development Council, Inc.,
3077 the MetroWest Tourism and Visitor's Bureau, the Johnny Appleseed Trail Association, Inc., the
3078 Hampshire County Tourism and Visitor's Bureau, and the Nantucket Island Chamber of
3079 Commerce.

3080 The study shall include but not be limited to effects of funding cuts on staffing and
3081 services, as well exploring alternative, dependable sources to fund tourist centers. The
3082 commission shall report the results of the study to the office of travel and tourism, the office of
3083 business development, the joint committee on tourism, arts and cultural development, and the
3084 house and senate committees on ways and means no later than December 31, 2010.

3085 SECTION 183. Notwithstanding any other general or special law to the contrary. The
3086 Executive Office of Labor and Workforce Development shall partner with the Department of
3087 Higher Education and the Department of Veteran Services to study and report back its finding on
3088 the feasibility of creating a program to give returning veterans opportunities to attend community
3089 colleges and technological trade programs within the Commonwealth that will assist veterans
3090 with already acquired technical skills from military service and assist them in transitioning those
3091 skills into a civilian workforce setting. The findings of said report are due by December 31,
3092 2010.

3093 SECTION 184. The Massachusetts Growth Capital Corporation established pursuant to
3094 chapter 40W shall examine the Massachusetts opportunity rebuilding and expansion
3095 infrastructure program as filed in the 2009-2010 legislative session and make legislative
3096 recommendations for filing and action on the implementation of said program to the clerks of the
3097 house of representatives and senate before July 31, 2011.

3098 SECTION 185. Notwithstanding any general or special law to the contrary, the executive
3099 office of housing and economic development, in consultation with the executive office of energy
3100 and environmental affairs, shall conduct a study on the costs and benefits of recent electricity
3101 market reforms. The study shall include, but not be limited to:

- 3102 (i) an analysis of the economic and reliability implications of implementing
3103 administrative, regulatory and legislative mandates as they pertain to electricity;
- 3104 (ii) the extent to which these mandates impact the rates paid by residential, commercial
3105 and industrial customers in the commonwealth and contribute to the bill savings realized by these
3106 customers; and
- 3107 (iii) the extent to which these mandates contribute to economic development in the state..

3108 The study shall be completed with stakeholder input, including representatives from
3109 various sectors of the commonwealth's economy. The study shall be completed and submitted to
3110 the joint committee on telecommunications, utilities and energy and the joint committee on
3111 economic development and emerging technologies no later than December 31, 2010.

3112 SECTION 186. Notwithstanding any general or special law to the contrary, the
3113 Massachusetts Development Finance Agency shall establish fees under clause (16) of section 3
3114 of chapter 23G of the General laws for fiscal years 2011, 2012 and 2013 that are no higher than
3115 the fees charged by that agency or the Massachusetts Health and Educational Facilities Authority
3116 in fiscal year 2010. For those 3 fiscal years, the requirement to hold a public hearing in said
3117 clause (16) of said section 3 shall be suspended. The Massachusetts Development Finance
3118 Agency shall use all reasonable efforts to ensure that any additional revenue realized in those 3
3119 fiscal years resulting from changes in chapter 23G in this act shall be used by the agency to
3120 expand the availability of the agency's programs.

3121 SECTION 187. Notwithstanding any general or special law to the contrary, the term the
3122 'Massachusetts Health and Educational Facilities Authority' or 'HEFA', wherever either appears

3123 in a general or special law, except as they appear in this act, shall mean the ‘Massachusetts
3124 Development Finance Agency’; provided, however, that such change of reference shall not
3125 restrict or limit in any manner the exercise by the Massachusetts Development Finance Agency
3126 of its rights, powers, duties or purposes, or to its ownership and holding of properties and assets
3127 under chapter 23G or any other provision of law applicable to the Massachusetts Development
3128 Finance Agency, including without limitation the power of the Massachusetts Development
3129 Finance Agency to issue bonds under said chapter 23G or under any such other provision.

3130 SECTION 188. (a) On October 1, 2010, the Massachusetts Health and Educational
3131 Facilities Authority, as established by section 4 of chapter 614 of the acts of 1968, shall be
3132 dissolved, without any further action, and the rights, powers and duties, and properties of the
3133 Authority shall on and after such date be exercised, performed, owned and held by the
3134 Massachusetts Development Finance Agency as established by chapter 23G, as amended. All
3135 real estate, property rights, personal property, funds, moneys, revenues, receipts, contract rights,
3136 trust agreements, any rights or interests of the Authority in any trusts or trust property, or other
3137 intangible assets, equipment or other ownership, possessory, or security interests or mortgages of
3138 any kind whatsoever, or any portion thereof held by the Authority, including, without limitation,
3139 funds previously appropriated by the commonwealth for the Authority, shall be deemed for
3140 record notice and otherwise, as applicable, to belong to the Agency on the same basis and with
3141 the same interest as previously held by the Authority, as applicable. Any and all obligations and
3142 liabilities of said Authority shall become obligations and liabilities of the Agency. Any
3143 resolution taken by or commitment made by the Authority with respect to any financing,
3144 including loans, bond issuances, guarantees and insurance and any other action made by the
3145 Authority shall become resolutions of the Agency.

3146 All duly existing contracts, leases, trusts, or obligations of the Authority that are in force
3147 immediately before the effective date of the dissolution of the Authority shall be deemed to be
3148 the obligations of the Agency. No existing right or remedy under this section shall be lost,
3149 impaired or affected by this act. The Agency shall have authority to exercise all rights and enjoy
3150 all interests conferred upon the Authority by the contracts, leases or obligations. In the case of
3151 collective bargaining agreements, any obligations under the agreements shall expire on the stated
3152 date of expiration of such agreements.

3153 The transfer of the assets, liabilities, obligations and debt of the Authority to the Agency
3154 under this act shall be effective upon dissolution of the Authority and shall bind all persons with
3155 or without notice and without any further action or documentation. Without derogating from the
3156 foregoing, the Agency may, from time to time, execute and record and file for registration with
3157 any registry of deeds or the land court or with the secretary of the commonwealth, as appropriate,
3158 a certificate confirming the Agency's ownership of any interest in real or personal property
3159 formerly held by the Authority and transferred pursuant to the provisions of this act and
3160 establishing and confirming the limits of property so transferred.

3161 This act shall not limit or impair the rights, remedies, or defenses of the commonwealth,
3162 the Agency, or the Authority in or to any action or proceeding, including, without limitation, any
3163 brought under chapter 258 of the General Laws. Actions and proceedings against or on behalf of
3164 the Authority shall continue unabated and, from and after the date of dissolution of the
3165 Authority, may be completed against or by the Agency.

3166 Notwithstanding the foregoing, no existing rights of the holders of the bonds issued by
3167 the Authority shall be impaired, and the Agency as successor in interest to the Authority shall

3168 maintain the covenants of the trust indentures pertaining to such bonds so long as such bonds
3169 shall remain outstanding.

3170 All orders, rules and regulations duly made and all approvals duly granted by the
3171 Authority, which are in force immediately before the effective date of this act, shall continue in
3172 force and the provisions thereof shall thereafter be enforced, until superseded, revised, rescinded
3173 or canceled, in accordance with law, by the Agency.

3174 All books, papers, records, documents, equipment, buildings, facilities, cash and other
3175 property and assets, both personal and real, including all such property and assets held in trust,
3176 which on October first, two thousand and ten are in the custody of the Authority shall be
3177 transferred to the Agency.

3178 SECTION 189. Notwithstanding any general or special law to the contrary, as of the
3179 effective date of this act, the Massachusetts Development Finance Agency shall develop and
3180 implement a transfer plan, subject to the approval of the secretary of administration and finance,
3181 providing for the orderly transfer of personnel, all assets, liabilities, obligations, debts listed,
3182 including but not limited to those listed in section 125 of this act, from the Authority to the
3183 Agency, consistent with the provisions contained in section 125 of this act. The transfer shall be
3184 complete by October 1, 2010.

3185 SECTION 190. (a) Notwithstanding any general or special law to the contrary, this
3186 section shall facilitate the orderly transfer of the employees, proceedings, rules and regulations,
3187 property and legal obligations of the following functions of state government from the transferor
3188 agency to the transferee agency, defined as follows: (1) the functions of the Massachusetts Sports
3189 and Entertainment Commission, as the transferor agency, to the Massachusetts marketing

3190 partnership, as the transferee agency; (2) the functions of the Community Development Finance
3191 Corporation and the Economic Stabilization Trust, as transferor agencies, to the Massachusetts
3192 Growth Capital Corporation, as the transferee agency; (3) the functions of the department of
3193 business development, as the transferor agency, to the Massachusetts office of business
3194 development, as the transferee agency; (4) the functions of the office of travel and tourism in the
3195 department of business development, as the transferor agency, to the office of travel and tourism
3196 in the Massachusetts marketing partnership, as the transferee agency; (5) the functions of the
3197 office of international trade and investment in the department of business development, as the
3198 transferor agency, to the Massachusetts international trade office in the Massachusetts marketing
3199 partnership, as the transferee agency; (6) the functions of the Massachusetts Health and
3200 Educational Facilities Authority, as transferor agency, to the Massachusetts Development
3201 Finance Agency, as the transferee agency and (7) the function of the office of small business and
3202 entrepreneurship, as the transferor agency, to the Massachusetts Office of Business
3203 Development, as the transferee agency. (b) The employees of each transferor agency,
3204 including those who immediately before the effective date of this act hold permanent
3205 appointment in positions classified under chapter 31 of the General Laws or have tenure in their
3206 positions as provided by section 9A of chapter 30 of the General Laws or do not hold such
3207 tenure, or hold confidential positions, are hereby transferred to the respective transferee agency,
3208 without interruption of service, without impairment of seniority, retirement or other rights of the
3209 employee, and without reduction in compensation or salary grade, notwithstanding any change in
3210 title or duties resulting from such reorganization, and without loss of accrued rights to holidays,
3211 sick leave, vacation and benefits. The reorganization shall not impair the civil service status of
3212 any such reassigned employee who immediately before the effective date of this act either holds

3213 a permanent appointment in a position classified under chapter 31 of the General Laws or has
3214 tenure in a position by reason of section 9A of chapter 30 of the General Laws.

3215 Notwithstanding the provisions of any general or special law to the contrary, all such
3216 employees shall continue to retain their right to collectively bargain under chapter 150E of the
3217 General Laws and shall be considered employees for the purposes of said chapter 150E. Nothing
3218 in this section shall be construed to confer upon an employee a right not held immediately before
3219 the date of said transfer, or to prohibit a reduction of salary grade, transfer, reassignment,
3220 suspension, discharge, layoff or abolition of position not prohibited before such date.

3221 (c) All petitions, requests, investigations and other proceedings appropriately and duly
3222 brought before each transferor agency or duly begun by each transferor agency and pending
3223 before it before the effective date of this act, shall continue unabated and remain in force, but
3224 shall be assumed and completed by the transferee agency. (d) All orders, rules and
3225 regulations duly made and all approvals duly granted by each transferor agency, which are in
3226 force immediately before the effective date of this act, shall continue in force and shall thereafter
3227 be enforced, until superseded, revised, rescinded or canceled, in accordance with law, by the
3228 transferee agency. (e) All books, papers, records, documents, equipment, buildings,
3229 facilities, cash and other property, both personal and real, including all such property held in
3230 trust, which immediately before the effective date of this act are in the custody of each transferor
3231 agency shall be transferred to the transferee agency. (f) All duly existing contracts,
3232 leases, assets and obligations of each transferor agency shall continue in effect but shall be
3233 assumed by the respective transferee agency. No existing right or remedy of any character shall
3234 be lost, impaired or affected by this act.

3235 All transfers under this section shall be completed by October 1, 2010.

3236 SECTION 191. The Massachusetts office of business development shall, within 180 days
3237 of the effective date of this act, publish and release a solicitation for a competitive regional
3238 economic development bidding process under section 3K of chapter 23A. The solicitation shall
3239 seek applications from eligible organizations under said section 3K to act as the
3240 commonwealth's primary agents for business development in various regions of the
3241 commonwealth. If MOBD determines through this process that there are no proposals to
3242 appropriately serve a particular region, then MOBD shall serve as the primary coordinator for
3243 business development initiatives in that region and reopen the bidding process at its discretion.

3244 The Massachusetts office of business development may implement the bidding process as
3245 a phased, multi-step process that may include 1 or more of the following prior to the issuance of
3246 a request for proposals:

3247 a request for information that would inform the development of a request for proposals;

3248 a call for solutions that would focus on regional approaches to meet the needs of
3249 specified industry sectors or clusters or locations in the commonwealth; and

3250 a request for qualifications that would determine the pool of entities that would be
3251 eligible to apply for funding.

3252 The Massachusetts office of business development shall not initiate the bidding process
3253 under this section until the Massachusetts office of business development promulgates the
3254 formula for contractual reimbursement required in sections 3J and 3K of chapter 23A.

3255 SECTION 192. Notwithstanding any general or special law to the contrary, the
3256 Massachusetts Development Finance Agency shall promptly transfer \$15,000,000 of the

3257 Emerging Technology Fund, established pursuant to chapter 141 of the acts of 2003, to the
3258 Massachusetts Growth Capital Corporation established under chapter 40W of the General Laws.

3259 SECTION 193. The provisions of section 111 shall not be deemed severable. If any of its
3260 provisions shall be held to be invalid or unconstitutional by any court of competent jurisdiction,
3261 all of the provisions of this section shall be deemed to be void.

3262 SECTION 194. Sections 65 to 70, inclusive shall only apply to regulations proposed after
3263 the effective date of this act.

3264 SECTION 195 . Sections 105 and 11 shall take effect upon their passage.

3265 SECTION 196. Sections 48 to 53, inclusive, and sections 55, 162 and 186 shall take
3266 effect on October 1, 2010.

3267 SECTION 197. Sections 112, 115 and 126 shall take effect on January 1, 2011.

3268 SECTION 198. Sections 99 to 104, inclusive, shall apply only to district created on or
3269 after the effective date of this act.

3270 SECTION 199. Section 105 shall apply to qualified substantial rehabilitation
3271 expenditures incurred on or after its effective date; provided however, that sections 3 and 5 of
3272 chapter 40V of the General Laws shall take effect on January 1, 2011.

3273 SECTION 200. Section 108 shall be effective for tax years beginning on or after January
3274 1, 2011.

3275 SECTION 201. Section 111 shall be effective for tax years beginning on or after January
3276 1, 2011.

3277 SECTION 202. Sections 136 and 138 shall take effect on December 1, 2011.

3278 SECTION 203. Sections 121 and 122 shall be effective for net operating losses and loss
3279 carry forwards determined or claimed as a deduction in tax years beginning on or after January 1,
3280 2010. The commissioner or revenue may adopt rules or regulations to address any transition
3281 issues in implementing this section.

3282 SECTION 204. Section 125 shall apply to taxable years beginning on or after January 1,
3283 2009.

3284 SECTION 205. Section 44 shall be effective on October 1,2010.

3285 SECTION 206. Except as otherwise provided, this act shall take effect on August 1,
3286 2010.