

# HOUSE . . . . . No. 4404

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## The Commonwealth of Massachusetts

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OFFICE OF THE GOVERNOR  
COMMONWEALTH OF MASSACHUSETTS  
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*August 13, 2014*

To the Honorable Senate and House of Representatives,

Pursuant to Section 5 of Article 63 of the Amendments to the Constitution, I am today signing House Bill 4377, “An Act promoting economic growth across the Commonwealth,” while returning several sections.

I am pleased to approve the majority of this important legislation, which builds upon our economic development strategy of investing in education, innovation, and infrastructure. The bill bolsters the economic revitalization of our Gateway Cities and encourages the reuse of brownfields in economically distressed areas of Massachusetts. It enacts a program to retain talented entrepreneurs from abroad who would otherwise have to leave the country and provides funds to train our citizens in the skills needed by today’s evolving workplace. It funds computer-based skills training in our schools and programs to support new business development in our communities throughout the Commonwealth.

However, I disapprove Sections 52, 65, and 97, which propose a new “live theater” tax credit. Experience has shown that promoting economic growth in the Commonwealth has come largely from nurturing our innovation economy by prioritizing direct public investments in education, innovation, and infrastructure, as well as by reducing business costs. Further, the 2012 Tax Expenditure Commission expressed concerns that special tax preferences for particular constituencies were often ineffective and detracted from a fairer tax code that benefits all taxpayers. This proposed new tax credit does not satisfy the Commission’s requirement of

promoting broad-based economic growth. In addition, the Inspector General has criticized the lack of sufficient safeguards in this provision to ensure that the credits are properly directed.

I also disapprove Sections 101 and 115, which designate entire municipalities as an “eligible location” under G.L. c. 40R. There is no valid policy justification for these special designations. A blanket designation of an entire town as an “eligible location” conflicts with the goal of Chapter 40R to encourage communities to create smart growth zoning districts near transit stations, in areas of concentrated development such as existing town centers, and in other highly suitable locations.

Pursuant to Article LVI, as amended by Article XC, Section 3 of the Amendments to the Constitution of the Commonwealth, I am returning Sections 51, 64, 90, and 98 with recommendations for amendment. My reasons for doing so and the recommended amendments are set forth in separate letters dated today included with this message.

I approve the remainder of this Act.

Respectfully yours,

Deval L. Patrick,  
*Governor*